Henderson
GLOBAL INVESTORS

Henderson

Global

Funds

Interim report
For the six months ended 30 April 2011

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 £61.6† billion assets under management (as at 31 December 2010) and employs around 930 people worldwide.

In Europe, Henderson has offices in Amsterdam, Frankfurt, Luxembourg, Madrid, Milan, Paris, Vienna, Zurich and London. Henderson has had a presence in North America since 1999, when it acquired US real estate investment manager Phoenix Realty Advisers, and has offices in Chicago and Hartford. In Asia, Henderson has offices in New Delhi, Singapore (Asia headquarters), Hong Kong, Tokyo and Sydney. In April 2009 New Star Asset Management Group PLC was acquired by Henderson Group plc. In April 2011 Gartmore Group Limited was also acquired by Henderson Group plc.

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.

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

We are pleased to present the Interim report and financial statements for Henderson Global Funds for the period ended 30 April 2011.

Authorised status

Henderson Global 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 Services Authority on 21 June 2000. It is an umbrella company, comprising various Sub Funds, that was launched on 28 September 2000. Each Sub Fund is operated as a distinct Fund with its own portfolio of investments. Each Sub Fund has its own clear investment objective. The investment objective for each Sub Fund and the policy for achieving that objective is given in the 'Investment Objective' section of each Sub Fund's report. The investment activities of each Sub Fund are given in the 'Activity' section of each Sub Fund's report. Shareholders are not liable for the debts of the Company.

Fund liabilities

As a Sub Fund is not a legal entity, if the assets attributable to any Sub Fund were insufficient to meet the liabilities attributable to that Fund, the shortfall might have to be met out of the assets attributable to one or more other Sub Funds of the Company.

Advisers

	Name	Address	Regulator
Authorised Corporate Director and Dealing	**Henderson Investment Funds Limited which is the sole director** Member of IMA The ultimate controlling party is Henderson Group Plc.	Registered Office: 201 Bishopsgate, London EC2M 3AE. Registered in England No 2678531. Telephone - 020 7818 1818 Dealing - 08459 46 46 46 Enquiries - 0800 832 832	Authorised and regulated by the Financial Services Authority.
Investment Adviser	**Henderson Global Investors Limited** The ultimate controlling party is Henderson Group Plc.	201 Bishopsgate, London EC2M 3AE	Authorised and regulated by the Financial Services Authority.
Registrar	**International Financial Data Services (UK) Limited**	IFDS House St Nicholas Lane Basildon Essex SS15 5FS	Authorised and regulated by the Financial Services Authority.
Depositary	**Royal Bank of Scotland**	The Broadstone, 50 South Gyle Crescent, Edinburgh EH12 9UZ	Authorised and regulated by the Financial Services Authority
Independent Auditors	**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

Market review for the six months ended 30 April 2011

Returns are sterling total return indices unless otherwise stated.

Global equities advanced over the period, despite encountering significant headwinds. These included continuing concerns over sovereign debt in the eurozone peripheral countries, and building inflationary pressures across the globe, which precipitated monetary tightening in a number of economies. Surging oil prices, ignited by the political turbulence that swept across the Middle East and North Africa, as well as the Japanese earthquake and tsunami provided further market shocks.

The markets started on an optimistic note when the US Federal Reserve delivered a second round of quantitative easing. The positive sentiment was temporarily punctuated by fears surrounding sovereign debt in November when Ireland was forced to accept a bailout from the European Union. Global markets ended the year strongly, however, boosted by encouraging US economic data and President Obama's announcement that he was extending the tax cuts introduced by his predecessor, George Bush.

Markets faltered in the New Year, despite a positive start to the fourth quarter earnings season. Further signs of overheating in China, shock news of stagnant growth in the UK and erupting political tensions in Egypt punctured investor sentiment. Whilst equities made gains in February, the following months were dominated by socio-political events in the Middle East and the fallout from the devastating impact of the earthquake and tsunami in Japan in March. Beyond the human suffering the most notable impact of these two incidents was felt in the oil price as Brent crude oil moved above US$120 a barrel. The impact on household disposable income of higher energy costs, together with the cost-push inflation effect feeding through to raw material prices and distribution costs affected investor sentiment. Markets were rattled initially but settled down when it looked like oil supplies from the Arabian peninsula were not jeopardised and Japan would be able to recover from the devastation wreaked by nature.

The FTSE World index closed the six-month review period up 10.1% in sterling total return terms.

US

US equities were initially buoyed by the second round of quantitative easing, together with the extension of the Bush tax cuts. Figures released in January showed that manufacturing accelerated at its fastest pace for six years but preliminary figures for fourth quarter growth came in a little weaker than expected at 3.2%. Concerns over the US's significant budget deficit also materialised when Moody's placed the nation's AAA debt on negative watch. The US markets were affected by global events but improving job numbers – 216,000 jobs were created in March – together with a decent start to the earnings results season buoyed sentiment. The FTSE World United States index climbed 16.2% in US dollar terms but this translated into a rise of 11.4% in sterling terms due to sterling strength.

UK

UK equities succumbed to selling in mid-November in tandem with other European markets as the debt troubles in Ireland reignited sovereign debt fears. These were subsequently assuaged and equities took their lead from broad global optimism, even as the country was crippled by heavy snowfall. News that the UK economy had contracted 0.5% in the final quarter of 2010 came as a shock, whilst consumer price inflation also remained stubbornly high – above 4% in the first four months of 2011. Lacklustre economic data, however, led the Bank of England to keep interest rates on hold. The FTSE All-Share index rose 9.1% over the period.

Europe

European markets underperformed in November weighed down by fears surrounding Ireland, which reluctantly accepted a bailout from the European Union and International Monetary Fund. European equities rallied in December, buoyed by a strong eurozone composite purchasing managers index. A successful debut debt issuance by the European Financial Stability Facility also cheered markets in January but rising inflation ignited concerns that the European Central Bank would tighten monetary policy, which it duly did in April, raising the key policy rate from 1% to 1.25%. Markets slid in March following the Japanese earthquake but rebounded in April on strong corporate earnings; even Portugal becoming the third eurozone country to require a bailout failed to dampen risk appetite. The FTSE World Europe excluding UK index rose 12.1% over the period.

Japan

The period started strongly for Japanese equities as a weakening yen provided relief for exporters, whilst a reading of 3.9% annualised for third quarter gross domestic product growth and approval of an economic stimulus package lifted sentiment. The rally was dented in January as Standard & Poor's cut the rating for Japanese government debt from AA to AA- as it believed that the Japanese government lacked a coherent strategy to tackle the country's debt. Dominating events in Japan, however, was the impact of the earthquake and tsunami, which devastated parts of North East Japan on 11 March 2011, causing widespread destruction and tragic loss of life. The yen surged but the equity market sank, causing the Bank of Japan to deploy cash to stabilise asset markets. The equity market recovered some of its losses but closed the period well off its interim highs, weighed down by fears about radiation at the crippled Fukushima nuclear plant and the impact of the earthquake on supply chains. The FTSE Japan index rose 0.9% over the six months.

Asia Pacific (excluding Japan) and Emerging Markets

Asia Pacific equities initially performed strongly buoyed by the additional liquidity that the US had released through its second round of quantitative easing. This soon gave way to worries about overheating and the potential inflationary impact of the move. Data released in January revealed that the Chinese economy had grown by a faster-than-expected 9.8% annualised in the final quarter of 2010. Monetary policy tightening dominated the debate over the period under review, with China raising its key lending rate three times and India lifting its repo rate three times. Australia also lifted its key policy rate to 4.75%. China was one of the weaker markets over the period due to concerns about the extent of the monetary tightening. In contrast, South Korea performed strongly, with investors brushing aside an attack by North Korea on a disputed island in November to concentrate on better economic and corporate data. Within Emerging Markets, the strongest performing region was Eastern Europe, with Russia leading the pack, buoyed by the rising price of oil. The laggard was Egypt after the political unrest and subsequent trading suspension of the stock market caused investors to take flight. The FTSE World Asia Pacific excluding Japan index rose 11.8%, whilst the MSCI Emerging Markets index rose 5.2%.

Bonds and currency markets

The strong risk appetite going into the end of 2010 provided some strength to high yield bond markets as investors favoured credit-sensitive bonds over interest-rate sensitive bonds. Peripheral European sovereign debt remained a volatile area as sentiment regarding the stability of some of the fiscally weaker eurozone members ebbed and flowed. A positive reception to Credit Suisse's hybrid bond lifted sentiment for riskier assets in February, although increasing political unrest in North Africa and the Middle East caused a subsequent flight to quality and government bonds returned to favour, compounded in late April by some weak economic data. Inflation rose during the period but the US and the UK kept interest rates on hold, although the European Central Bank lifted its policy rate in April. For the six months under review, the yield on the benchmark 10-year US govt bond rose from 2.60% to 3.30%. In Greece the rise in the benchmark 10-year government bond yield was far more marked, climbing from 10.57% to 15.78% as investors debated the likelihood of a default. The FTSE British Government All Stocks index returned 0.3% over the period. Corporate bonds outperformed gilts, with the iBoxx Sterling Non-Gilts index climbing 1.0% over the period.

In the currency markets, the main trend was the weakening of the dollar against a trade weighted basket of currencies from late November onwards. The Japanese yen was volatile, initially weakening, only to strengthen at the nadir of the earthquake catastrophe and then weaken once more. The euro appreciated in line with the increasingly hawkish comments from the European Central Bank and the relatively strong economic performance from core European economies. Sterling strengthened against the US dollar and the Japanese yen but weakened against the euro over the six month period.

Source for all index performance is Datastream.

Aggregated statement of total return for the six months ended 30 April 2011 (unaudited)

	30/04/11		30/04/10	
	£000	£000	£000	£000
Income				
Net capital gains		50,698		156,911
Revenue	6,573		6,047	
Expenses	(6,096)		(5,180)	
Finance costs: Interest	(3)		(5)	
Net revenue before taxation	474		862	
Taxation	(448)		(365)	
Net revenue after taxation		26		497
Total return before distributions		50,724		157,408
Finance costs: Distributions		(2,101)		(1,987)
Change in net assets attributable to shareholders from investment activities		**48,623**		**155,421**

Aggregated statement of change in net assets attributable to shareholders

for the six months ended 30 April 2011 (unaudited)

	30/04/11		30/04/10	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		**978,138**		**770,571**
Amounts receivable on issue of shares	110,123		116,385	
Amounts payable on cancellation of shares	(68,716)		(89,076)	
		41,407		27,309
Dilution adjustment		74		274
Stamp duty reserve tax		(7)		(8)
Unclaimed distributions		-		1
Change in net assets attributable to shareholders from investment activities (see above)		48,623		155,421
Retained distributions on accumulation shares		2,183		2,212
Closing net assets attributable to shareholders		**1,070,418**		**955,780**

Aggregated balance sheet as at 30 April 2011 (unaudited)

	30/04/11		31/10/10	
	£000	£000	£000	£000
Assets				
Investment assets		1,014,723		922,709
Debtors	12,913		13,897	
Cash and bank balances	62,788		51,380	
Total other assets		75,701		65,277
Total assets		1,090,424		987,986
Liabilities				
Investment liabilities		26		1
Creditors	15,963		5,611	
Bank overdrafts	4,009		4,196	
Distribution payable on income shares	8		40	
Total other liabilities		19,980		9,847
Total liabilities		20,006		9,848
Net assets attributable to shareholders		**1,070,418**		**978,138**

Certification of financial statements by Directors of the ACD

In accordance with the requirements of the Financial Services 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.

Andrew Formica
(Chief Executive)

David Jacob
(Chief Investment Officer)

17 June 2011

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.

Change in accounting policy

The Statement of Recommended Practice (October 2010) supersedes the previous version (November 2008) and applies to accounting periods beginning on or after 1 January 2010.

As a result of this change Portfolio turnover ratios have been removed from the Financial statements as they are not required by the 2010 SORP.

(b) 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. Interest and revenue earned on other securities are recognised on an accruals basis.

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

Interest from 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 the security.

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

Underwriting commission is taken to revenue and recognised when the issue takes place, except where the Fund is required to take up all or some of the shares underwritten in which case an appropriate proportion of the commission received is deducted from the cost of the relevant shares.

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

(c) 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.

(d) Special dividends

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

(e) Treatment of derivatives

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

Any positions open at the year end are reflected on the balance sheet at their market value, either using available market prices or an assessment of fair value based on counterparty valuations and appropriate pricing models.

Forward currency 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 in net capital gains/(losses) on investments.

1 Accounting policies (continued)

(e) Treatment of derivatives (continued)

Futures contracts

Open futures contracts are shown in the Portfolio Statement at fair value and the net gains/(losses) are reflected within Derivative contracts in net capital gains/(losses) on investments.

Cash held at future brokers as margin is reflected separately within cash and bank balances.

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' or 'Expenses' 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.

(f) 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 distribution currently payable reflects this treatment together with any associated tax effect.

The ACD's periodic charge is calculated on the total net assets by Henderson Investment Funds Limited.

Allocation of revenue and expenses to multiple share classes

With the exception of the ACD's periodic charge, which is 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.

General Administration Charge

All fees with the exception of the Annual Management Charge, Trustee and Safe Custody fees, were replaced by a single ad valorem charge, the General Administrative Charge (GAC) will create more efficiency and transparency around the charging process than more traditional methods.

For further details please refer to the prospectus.

(g) Distribution policy

The distribution policy of each Fund is to distribute/accumulate all available revenue, after 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.

For the purpose of calculating the distribution, revenue 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.

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

(h) Basis of valuation of investments

The valuation point is close of business on the last business day of the accounting period. Listed investments are valued at fair value which is generally deemed to be bid market price.

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

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

Aggregated notes to the financial statements (continued)

1 Accounting policies (continued)

(i) 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.

(j) 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.

(k) Aggregation

The aggregated accounts represent the sum of the individual 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 Funds.

2 Risk management policies

In pursuing its investment objective each 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 Fund may also enter into derivative transactions. The purpose of these financial instruments is efficient portfolio management. The main risks arising from financial instruments are credit, foreign currency, liquidity and market price risks. The risks have remained unchanged since the beginning of the year to which these financial statements relate and are summarised below.

Interest rate risk

The Funds invest in debt securities. The revenue of the Funds may be affected by changes to 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. Certain Funds can invest in interest rate swaps and credit default swaps to adjust the interest rate risk profile of the Funds across the entire yield curve quickly and efficiently.

Liquidity risk

Liquidity risk is the risk that the 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. Recent market issues following the credit crunch resulted in a significant reduction in liquidity of the bond markets and Floating Rate Notes ("FRN") markets in particular.

Under normal circumstances, the 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 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 units.

The ACD manages the 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 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 Funds maintain sufficient liquidity to meet known and potential redemption activity. Funds cash balances are monitored daily by the ACD and Administrator. Where investments cannot be realised in time to meet any potential liability, the Funds may borrow up to 10% of their value to ensure settlement. All of the Funds' financial liabilities are payable on demand or in less than one year.

2 Risk management policies (continued)

Credit and counterparty risk

Credit risk arises from three main sources. Firstly, the possibility that the 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 Funds have fulfilled its responsibilities, which could result in the Funds suffering a loss.

In order to manage credit risk the 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 Funds 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.

A counterparty to a transaction in derivatives is approved only if the counterparty is an Eligible Institution or an Approved Bank; or a person whose permission (including any requirements or limitations), as published in the Financial Services Authority (FSA) Register or whose Home State authorisation, permits it to enter into the transaction as a principal off-exchange.

Some Funds will invest in what are considered riskier bonds (below investment grade). This brings the potential for increased risk of default and could affect both the revenue and the capital value of the Fund. Further details can be found in the Funds portfolio statements.

Foreign currency risk

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

For those Funds where a proportion of the net assets of the Funds are 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 foreign currency profile for the relevant Funds is shown in their notes to the financial statements, contained within the full accounts.

Market price risk

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

Some Fund's use equity contracts for difference (CFDs) to participate in the benefits and risks of owning a security without possessing legal title to that security. CFDs can be held both long and short to meet the investment objective of these Funds. Increases to the value of equities underlying CFDs held long and decreases to the value of equities underlying CFDs held short will be received by the Sub Fund from the counterparty. Decreases to the value of equities underlying CFDs held long and increases to the value of equities underlying CFDs held short will be paid by the Fund to the counterparty.

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

3 Portfolio transaction costs

	30/04/11 £000	30/04/10 £000
Purchases in period before transaction costs	364,860	231,823
Commissions	347	299
Taxes	68	10
Total purchase transaction costs*	415	309
Purchases including transaction costs	**365,275**	**232,132**
Sales in period before transaction costs	324,849	1,145,114
Commissions	(324)	(411)
Taxes	(109)	(50)
Total sale transaction costs*	(433)	(461)
Sales net of transaction costs	**324,416**	**1,144,653**
Transaction handling charges*	**47**	**39**

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

Manager's report

Fund Manager

Andrew Beal

Investment objective and policy

To aim to provide capital growth by investing in Pacific region and Indian sub-continent companies. The Fund may invest in Australasia, but not in Japan. It is not restricted in the size of companies in which it can invest.

Performance summary

Over the period the Fund increased by 3.9% compared with a 6.9% increase in the MSCI All Country Asia Pacific Free (ex Japan) Index.

Discrete annual performance

	1 May 10- 30 Apr 11 %	1 May 09- 30 Apr 10 %	1 May 08- 30 Apr 09 %	1 May 07- 30 Apr 08 %	1 May 06- 30 Apr 07 %
Henderson Asia Pacific Capital Growth Fund	11.2	40.6	(16.0)	16.6	8.9
MSCI All Country Asia Pacific Free (ex Japan) Index	11.8	50.9	(20.3)	19.1	13.2

Source: Morningstar, mid to mid (excluding initial charge) with net income reinvested for a basic rate taxpayer.
Figures in brackets are negative.

Please remember that past performance is not a guide to future performance. The value of an investment and the income 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 six months ended 30 April 2011

Purchase	£000	Sale	£000
Hyundai Glovis	3,263	China National	3,505
Fushan International Energy	3,052	HTC	3,210
Genting Hong Kong	3,028	LG	3,142
Cimb Group	2,815	China Coal Energy	2,354
Citic Pacific	2,629	Tencent Holdings	2,203
Cheil Worldwide	2,169	Sina.Com	2,128
Hana Tour Service	2,119	China Airlines	1,963
CP All	1,992	Sun Hung Kai Properties	1,808
PTT	879	Samsung Electronics	1,768
Bangkok Bank	726	Midland Holdings	1,756

Manager's report

Activity

Asian returns were positive but volatile over the period under review. Initially, strong performance was the result of rebounding economic growth and a sharp recovery in company earnings across the region. Investors also responded positively to the second round of exceptional measures by the US Federal Reserve Bank to support growth. However, this additional stimulus led to a weaker US dollar and rapidly rising commodity prices. High commodity prices were further compounded by a series of extreme weather events leading to disruption of supplies of both hard and soft commodities. Energy prices were also sent sharply higher by major episodes of civil unrest across the Middle East and civil war in Libya. Higher commodity prices together with already firm asset markets led to significantly more hawkish pronouncements from Asian policy makers. The Japanese tsunami and subsequent nuclear crisis further dampened investor appetite for equities.

Performance was behind the benchmark for the period under review returning 3.9%. Notable negatives for the fund were Taiwanese technology company, Mediatek, which continues to suffer from increased competition in its core mobile phone chipset business as well as Indian power company, Bharat Heavy Industries, which saw a deterioration in margins as a result of higher costs. EVA Airways in Taiwan and Air China were also weak as higher oil prices hit profits. The main positive contributors were Chinese internet company, Sina.com, which benefitted from the rapid roll out of its market leading micro-blogging site and Taiwanese company, HTC, which has seen a substantial rise in profits as its smartphone handsets made substantial gains in the US and Europe.

New purchases over the period included Citic Pacific where we see very strong prospects for its new iron ore venture which will start production in July. The fund also added Hyundai Glovis which is seeing rapid earnings growth as the result of increased business from Hyundai and Kia Motors. Further purchases included Korea's largest advertising agency, Cheil World wide and tour operator Hana Tours. These purchases were funded by sales of Mediatek on further earnings disappointments and LG Display which faces increased competition from Samsung in emerging flat panel TV display technology.

Outlook

Markets have been buffeted by a series of exceptional events and concerns about inflation and more recently the outlook for economic growth. Despite this, Asian economies have remained robust and company earnings have continued to rise. If, as we expect, the global economy has a soft landing in the second half of 2011 and inflation falls, Asian markets are primed to perform strongly.

Andrew Beal
8 June 2011

Comparative tables as at 30 April 2011

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 X accumulation				
31/10/2008	85,216,279	412,022	139,152	296.09
31/10/2009 #	126,641,278	664,999	129,295	514.33
Class A accumulation				
31/10/2008	85,216,279	64,119,917	21,040,789	304.74
31/10/2009	126,641,278	108,989,940	20,360,474	535.30
31/10/2010	144,347,301	125,568,736	18,548,933	676.96
30/04/2011	141,721,894	118,894,421	16,891,952	703.85
Class I accumulation				
31/10/2008	85,216,279	20,552,130	6,566,650	312.98
31/10/2009	126,641,278	16,508,193	2,969,832	555.86
31/10/2010	144,347,301	18,100,782	2,558,436	707.49
30/04/2011	141,721,894	21,870,642	2,961,691	738.45
Class Z accumulation				
31/10/2008	85,216,279	132,210	41,711	316.97
31/10/2009	126,641,278	478,146	83,517	572.51
31/10/2010	144,347,301	677,783	92,092	735.98
30/04/2011	141,721,894	956,831	123,973	771.81

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

Performance record

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class X accumulation			
2006	0.84	412.50	332.20
2007	2.01	566.60	394.80
2008	1.27	560.70	259.50
2009	1.09	569.20	298.20
2010 #	-	588.50	568.50
Class A accumulation			
2006	2.75	424.10	340.80
2007	3.47	584.60	406.40
2008	3.26	578.40	268.80
2009	3.41	579.40	309.40
2010	2.06	725.80	537.00
2011	-*	742.70+	643.30+
Class I accumulation			
2006	4.56	435.00	349.00
2007	5.84	601.70	417.30
2008	5.28	595.40	277.80
2009	5.85	616.20	320.20
2010	7.77	759.30	558.30
2011	-*	777.20+	674.30+
Class Z accumulation			
2006	3.51	438.00	350.00
2007	5.84	608.10	420.80
2008	8.25	595.40	283.80
2009	5.67	635.70	328.10
2010	17.55	791.20	576.40
2011	-*	809.90+	704.00+

* to 30 June

\+ to 30 April

\# X share class merged with A share class on 11 January 2010.

Total expense ratio

The annualised total expense ratio (TER) of the Fund, based on the total expenses included within the financial statements for the period as indicated below:

	30/04/11 %	31/10/10 %
Class A	1.80	1.77
Class I	1.12	1.11
Class Z	0.13	0.12

The TER of the Fund is the ratio of the Fund's total operating costs to its average net assets for twelve months.

Portfolio statement as at 30 April 2011

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 97.11% (31/10/10: 97.56%)		
	China 35.23% (31/10/10: 34.52%)		
4,614,000	Agile Property	4,473	3.16
5,322,000	Air China	3,220	2.27
11,068,200	Bank of China 'H'	3,673	2.59
1,551,000	Citic Pacific	2,771	1.96
2,900,000	CNOOC	4,275	3.02
144,050	Ctrip.Com ADR	4,208	2.97
2,200,000	Dongfeng Motor Group	2,051	1.45
6,234,000	Fushan International Energy	2,618	1.85
8,213,939	Industrial & Commerial Bank of China 'H'	4,159	2.93
272,000	Ping An Insurance 'H'	1,778	1.25
3,025,200	Sands China	5,079	3.58
3,321,000	Shimao Property	2,707	1.91
57,904	Sina.Com	4,677	3.30
247,700	Tencent Holdings	4,233	2.99
		49,922	35.23
	Hong Kong 4.55% (31/10/10: 11.82%)		
1,042,000	Hang Lung Properties	2,763	1.95
394,000	Sun Hung Kai Properties	3,689	2.60
		6,452	4.55
	India 8.38% (31/10/10: 10.51%)		
110,592	Bharat Heavy Electricals P-note 09/01/2014	3,004	2.12
117,720	ICICI Bank	3,554	2.51
103,386	Maruti Suzuki India P-note 08/09/2014	1,841	1.30
416,935	Tata Steel P-note	3,480	2.45
		11,879	8.38
	Indonesia 3.08% (31/10/10: 3.57%)		
8,782,111	Bank Mandiri	4,365	3.08
	Korea 11.45% (31/10/10: 8.84%)		
271,700	Cheil Worldwide	2,090	1.48
85,677	Hana Tour Service	2,061	1.45
38,000	Hyundai Glovis	3,253	2.30
14,328	Samsung Electronics	5,002	3.53
130,188	Shinhan Financial	3,817	2.69
		16,223	11.45
	Malaysia 2.07% (31/10/10: 0.90%)		
72,500	Bursa Malaysia	117	0.08
1,700,000	CIMB Group	2,815	1.99
		2,932	2.07

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Singapore 9.13% (31/10/10: 6.23%)		
5,834,000	Banyan Tree	2,704	1.91
11,368,000	Genting Hong Kong	2,863	2.02
792,000	Keppel	4,615	3.25
721,000	Singapore Exchange	2,759	1.95
		12,941	9.13
	Taiwan 15.68% (31/10/10: 16.72%)		
5,885,703	Advanced Semiconductor Engineering	4,103	2.89
4,074,644	EVA Airways	2,243	1.58
1,710,000	Foxconn Technology	4,904	3.46
161,504	HTC	4,362	3.08
452,433	Mediatek	2,998	2.12
8,678,000	Yuanta Financial	3,615	2.55
		22,225	15.68
	Thailand 7.54% (31/10/10: 4.45%)		
1,250,140	Bangkok Bank	4,256	3.00
2,542,600	CP All	2,196	1.55
564,500	PTT	4,240	2.99
		10,692	7.54
	Investment assets	**137,631**	**97.11**
	Net other assets	4,091	2.89
	Net assets	**141,722**	**100.00**

Statement of total return for the six months ended 30 April 2011(unaudited)

	30/04/11		30/04/10	
	£000	£000	£000	£000
Income				
Net capital gains		6,035		22,797
Revenue	751		858	
Expenses	(1,212)		(1,109)	
Finance costs: Interest	(1)		-	
Net expense before taxation	(462)		(251)	
Taxation	(52)		(52)	
Net expense after taxation		(514)		(303)
Total return before distributions		**5,521**		**22,494**
Finance costs: Distributions		-		-
Change in net assets attributable to shareholders from investment activities		**5,521**		**22,494**

Statement of change in net assets attributable to shareholders for the six months ended 30 April 2011 (unaudited)

	30/04/11		30/04/10	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		**144,347**		**126,641**
Amounts receivable on issue of shares	3,749		1,221	
Amounts payable on cancellation of shares	(11,895)		(9,226)	
		(8,146)		(8,005)
Stamp duty reserve tax		-		(1)
Change in net assets attributable to shareholders from investment activities (see above)		5,521		22,494
Closing net assets attributable to shareholders		**141,722**		**141,129**

Balance sheet as at 30 April 2011 (unaudited)

	30/04/11		31/10/10	
	£000	£000	£000	£000
Assets				
Investment assets		137,631		140,831
Debtors	936		275	
Cash and bank balances	5,073		3,662	
Total other assets		6,009		3,937
Total assets		143,640		144,768
Liabilities				
Creditors	966		421	
Bank overdrafts	952		-	
Total other liabilities		1,918		421
Total liabilities		1,918		421
Net assets attributable to shareholders		**141,722**		**144,347**

Notes to the financial statements as at 30 April 2011

1 Accounting policies

The accounting and risk management policies are set out in notes 1 and 2 of the aggregate financial statements on pages 6 to 9.

2 Portfolio transaction costs

	30/04/11 £000	30/04/10 £000
Purchases in period before transaction costs	23,996	15,326
Commissions	49	69
Taxes	7	2
Total purchase transaction costs*	56	71
Purchases including transaction costs	**24,052**	**15,397**
Sales in period before transaction costs	33,433	25,529
Commissions	(71)	(48)
Taxes	(53)	(15)
Total sale transaction costs*	(124)	(63)
Sales net of transaction costs	**33,309**	**25,466**
Transaction handling charges*	**3**	**8**

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

Manager's report

Fund Manager

Claire Orme

Investment objective and policy

To aim to provide capital growth by investing in emerging market companies. These companies will either be incorporated in emerging markets or, if incorporated elsewhere, derive a majority of their revenue from, or from activities related to, emerging markets. For the avoidance of doubt the Fund may also invest in securities of other investment vehicles whose objectives are compatible with that of the Fund.

Performance summary

Over the period the Fund rose by 4.9% compared to a rise of 5.2% in the MSCI Emerging Markets (net dividend) Index, using like-for-like GAV closing prices. This timing discrepancy accounts for the wider gap in performance reflected in the table below.

Discrete annual performance

	1 May 10- 30 Apr 11 %	1 May 09- 30 Apr 10 %	1 May 08- 30 Apr 09 %	1 May 07- 30 Apr 08 %	1 May 06- 30 Apr 07 %
Henderson Emerging Markets Fund*	9.6	48.9	(21.0)	26.0	6.3
Henderson Emerging Markets Fund**	7.5	46.2	(21.4)	22.2	5.7
MSCI Emerging Markets (net dividend) Index	10.7	52.1	(23.7)	26.6	7.1

* Source for closing prices GAV – Henderson Global Investors, MSCI Emerging market (net dividends) Index 31.10.10 to 30.04.11 – GBP - MSCI.
** Source for midday prices: Morningstar, mid-mid (excluding initial charge), net income reinvested, basic rate taxpayer, GBP
Figures in brackets are negative.

Please remember that past performance is not a guide to future performance. The value of an investment and the income 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 six months ended 30 April 2011

Purchases	£000
Mail Ru	206
ishares MSCI Taiwan	197
Powszechny Zaklad Ubezpieczen	197
Bank Leumi Le Israel	196
All America Latina Logistica	118
Grupo Aeromex	108
Tencent	101
Vale Rio Doce	84
Hyundai Development	76
China Mobile	73

Sales	£000
ishares MSCI Taiwan	1,126
Vale Rio Doce Preference 'A'	473
Tencent	367
China Mobile	355
All America Latina Logistics	313
MISC Berhad	310
America Movil ADR	306
Samsung Electronics	296
China Construction	288
CNOOC	287

Manager's report

Over the period the Fund rose by 4.9% compared with a rise of 5.2% in the MSCI Emerging Markets (net dividend) Index. Emerging markets started the period strongly, buoyed by the decision by the US Federal Reserve to undertake a second round of quantitative easing. The additional US$600 billion was seen as supportive for economic activity. There was, however, some concern that rather than primarily assisting the domestic economy, the additional liquidity would merely flow towards emerging markets, causing inflated asset and commodity prices. Fears of overheating prompted China to raise interest rates in December, a move that appeared justified when the country reported stronger-than-expected economic growth of 9.8% annualised for the final quarter of 2010. Other emerging markets including India and Brazil tightened monetary policy over the period in an effort to quell inflation.

In the first two months of the new year, emerging markets retreated, losing all of their earlier gains in late 2010. This reflected apprehension about the rally in commodity prices, particularly the oil price, which was seen as a tax on business and consumers and potentially damaging to the pace of growth in the global economy. Furthermore, the socio-political unrest in North Africa and the Middle East, which additionally caused oil prices to spike, led to a reassessment of country and political risk. Investors turned more risk averse and there was some rotation away from emerging markets towards developed markets. Having dropped sharply in the first two months of 2011, however, the impact of the Japanese earthquake was relatively muted on emerging markets. A relief rally that Japan could recover and the arrival of bargain hunters led to equity markets climbing in late March, only to plateau in April as sovereign debt concerns in the eurozone deflated risk appetite.

Russia was the best performing of the major markets, with the MSCI Russia index up by 24.0%. Driving the gains was the rise in the price of crude oil as Brent Crude climbed nearly 53% to US$126 a barrel. Within the portfolio there was also some gain from stock selection, with the decision not to hold VTB Bank beneficial, whilst the holding in Surgetneftegaz contributed positively.

South Korea was the second strongest market over the period, aided by receding fears about further hostility from North Korea: the shelling of a South Korean island by the North in November appeared to mark the high point in tensions between the two countries. South Korea also benefited from a strong tone to corporate earnings and expectations that global trade would remain strong. Even concerns that the Japanese earthquake might affect supply chains were rebuffed, with the Korean market rallying strongly in late March and April. China was a weak market over the period, slipping 3.2%, with equities struggling to counter the headwind of monetary tightening, although stock selection generated a positive relative return for the Fund.

Detractors to performance included Taiwan, South Africa and Chile. Within Taiwan, an underweight position in Taiwan Semiconductor Manufacturing and HTC Corp, caused a drag on returns as both stocks participated in a global technology rally, the latter also benefiting from a warm reception to its new Android mobile phone and tablet products. Within South Africa, the overweight holding in Pretoria Portland Cement underperformed on concerns that growth in cement sales could falter, subsequently confirmed by the company in March. A small overweight position to the lacklustre Chilean market also weighed on returns, with the position in Enersis, the energy utility, underperforming following disappointing fourth quarter profits.

The period closed with emerging markets struggling to fight against the tide of deteriorating global macroeconomic newsflow. Lead economic indicators such as purchasing manager indices in developed economies were pointing to a mid-cycle slowdown and with the second round of quantitative easing by the US set to end in June, this further contributed to a reduction in risk appetite. Against this background, however, there is likely to be a growing need to identify companies with genuine growth prospects. In this regard, emerging markets continue to offer the highest economic growth rates and this should provide support to corporate earnings.

Claire Orme
2 June 2010

Source for performance of indices: Factset, 31.10.10 to 30.04.11, net dividends, GBP

Comparative tables as at 30 April 2011

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 X accumulation				
31/10/2008	72,947,500	66,007	49,211	134.13
31/10/2009#	93,252,049	97,035	46,660	207.96
Class A accumulation				
31/10/2008	72,947,500	1,637,109	1,178,875	138.87
31/10/2009	93,252,049	2,903,085	1,342,971	216.16
31/10/2010	89,228,745	4,074,667	1,517,140	268.58
30/04/2011	82,921,516	4,441,533	1,583,871	280.42
Class I accumulation				
31/10/2008	72,947,500	16,825,958	11,724,860	143.51
31/10/2009	93,252,049	18,199,513	8,114,820	224.27
31/10/2010	89,228,745	15,303,071	5,454,954	280.53
30/04/2011	82,921,516	11,974,885	4,074,035	293.93
Class Z accumulation				
31/10/2008	72,947,500	54,418,426	36,107,200	150.71
31/10/2009	93,252,049	72,052,416	30,346,037	237.44
31/10/2010	89,228,745	69,851,007	23,285,731	299.97
30/04/2011	82,921,516	66,505,098	21,054,204	315.88

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

Performance record

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class X accumulation			
2006	1.26	175.60	133.70
2007	0.59	237.00	165.20
2008	1.18	234.00	109.30
2009	1.43	231.50	126.50
2010 #	-	239.60	229.70
Class A accumulation			
2006	1.66	158.20	137.20
2007	1.37	180.10	169.90
2008	1.87	244.40	113.20
2009	1.99	241.80	131.10
2010	1.26	288.10	223.60
2011	-*	291.90+	261.50+
Class I accumulation			
2006	2.43	184.20	140.40
2007	2.19	251.60	174.50
2008	3.45	249.40	117.00
2009	3.96	250.10	135.70
2010	3.49	303.30	232.30
2011	-*	305.30+	273.90+
Class Z accumulation			
2006	6.81	189.70	144.70
2007	1.61	262.00	181.50
2008	6.68	261.00	122.80
2009	4.79	265.20	142.90
2010	6.05	324.80	246.60
2011	-*	327.10+	290.60+

X Share class merged with A share class 11 January 2010.
\+ to 30 April
* to 30 June

Total expense ratio

The annualised total expense ratio (TER) of the Fund, based on the total expenses included within the financial statements for the period as indicated below:

	30/04/11 %	31/10/10 %
Class A	1.79	1.77
Class I	1.07	1.09
Class Z	0.04	0.09

The TER of the Fund is the ratio of the Fund's total operating costs to its average net assets for twelve months.

Portfolio statement as at 30 April 2011

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 93.74% (31/10/10: 94.72%)		
	Brazil 15.21% (31/10/10: 16.02%)		
37,920	All America Latina Logistica	188	0.23
109,259	Banco Bredesco Preference	1,308	1.58
99,883	Banco Itau Financeira Preference	1,399	1.69
69,218	Cia De Bebidas Preference	1,322	1.60
69,700	Cia Siderurgica Nacional	650	0.78
54,400	Electrobras Centrais	474	0.57
74,655	Embraer-Empresa Bras De Aeronautica	352	0.42
60,133	Gerdau Preference	430	0.52
174,121	Itausa Investimentos Preference	803	0.97
273,099	Petroleo Brasileiro Preference	2,662	3.21
30,416	Telenorte Leste ADR	310	0.37
56,726	Usinas Sider Minas Preference	349	0.42
66,714	Vale Rio Doce	1,311	1.58
59,956	Vale Rio Doce Preference 'A'	1,052	1.27
		12,610	15.21
	Chile 1.69% (31/10/10: 1.97%)		
26,035	Embotella Andina ADR 'B'	448	0.54
40,296	Enersis ADR	515	0.62
26,386	Lan Airlines ADR	442	0.53
		1,405	1.69
	China 16.00% (31/10/10: 16.96%)		
608,921	Aluminum Corporation of China 'H'	341	0.41
2,927,100	Bank of China 'H'	971	1.17
461,288	Bank of Communications Hong Kong Branch 'H'	292	0.35
534,000	Beijing Capital International Airport 'H'	158	0.19
372,000	China Communications Construction 'H'	206	0.25
1,787,790	China Construction	1,013	1.22
290,500	China Cosco 'H'	167	0.20
303,520	China Life Insurance	645	0.78
115,331	China Merchant	318	0.38
217,894	China Mobile	1,198	1.45
884,650	China Petroleum & Chemical 'H'	533	0.64
199,704	China Shenhua Energy 'H'	559	0.68
222,000	China Shipping Development 'H'	140	0.17
393,977	China South Locomotive And Rolling Stock	261	0.31
916,516	China Telecom 'H'	317	0.38
107,000	Citic Pacific	191	0.23
759,901	CNOOC	1,120	1.35
216,400	Guangzhou R&F Properties	176	0.21
2,584,415	Industrial & Commercial Bank of China 'H'	1,308	1.58
91,000	Kingboard Chemicals	299	0.36
9,100	Kingboard Chemicals Warrant	5	0.01
970,235	Petrochina 'H'	833	1.01
123,500	Ping An Insurance 'H'	807	0.97

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	China (continued)		
322,500	Shimao Property	263	0.32
54,500	Tencent	931	1.12
452,000	Zijin Mining 'H'	213	0.26
		13,265	16.00
	Czech Republic 0.81% (31/10/10: 0.60%)		
19,640	Cez	674	0.81
	Egypt 0.15% (31/10/10: 0.66%)		
290,711	Orascom Telecom	123	0.15
	Hong Kong 0.97% (31/10/10: 1.01%)		
473,840	China Overseas Land & Investment	547	0.66
377,160	Dah Chong Hong	258	0.31
		805	0.97
	Hungary 0.18% (31/10/10: 0.36%)		
14,381	OTP Bank GDR	153	0.18
	India 7.29% (31/10/10: 8.33%)		
27,877	Axis Bank GDR	493	0.60
27,250	Bajaj Auto GDR	281	0.34
26,456	Dr Reddys Laboratories ADS	622	0.75
6,104	Grasim Industries GDS	203	0.24
8,312	HDFC Bank ADS	855	1.03
23,361	ICICI Bank ADR	705	0.85
23,084	Infosys Technologies ADR	902	1.09
190,624	ITC GDR	496	0.60
19,647	Reliance Capital GDR	149	0.18
64,140	Reliance Communication GDS	87	0.10
29,736	Reliance Industries GDS	791	0.95
28,125	Tata Motors ADR	463	0.56
		6,047	7.29
	Indonesia 2.35% (31/10/10: 2.30%)		
1,742,500	Bumi Resources	415	0.50
247,462	PT Astra International	971	1.17
1,043,335	Telekomunikasi Indonesia 'B'	559	0.68
		1,945	2.35
	Israel 0.00% (31/10/10: 0.09%)		
	Korea 14.97% (31/10/10: 13.09%)		
6,753	Cheil Industries	446	0.54
3,385	Daelim Industrial	229	0.28
23,742	Daewoo Engineering & Construction	151	0.18
11,210	Daewoo Shipbuilding & Marine	287	0.35

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Korea (continued)		
3,470	GS Engineering & Construction	250	0.30
9,880	Hana Financial	250	0.30
25,430	Hynix Semiconductor	480	0.58
4,221	Hyundai Development	69	0.08
1,700	Hyundai Heavy Industries	508	0.61
9,962	Hyundai Motor	1,371	1.65
5,758	Hyundai Steel	437	0.53
17,490	Korea Electric Power	250	0.30
6,659	KT&G	236	0.29
13,243	LG Display	285	0.34
5,354	LG Electronics	307	0.37
1,321	NCsoft	209	0.25
3,563	NHN	423	0.51
2,854	POSCO	747	0.90
9,823	Samsung C & T	426	0.51
4,315	Samsung Electronics	2,153	2.60
2,304	Samsung Engineering	306	0.37
1,951	Samsung Fire & Marine	249	0.30
12,517	Samsung Heavy Industries	339	0.41
5,108	Samsung Securities	255	0.31
5,828	Samsung Techwin	287	0.35
17,300	Shinhan Financial	507	0.61
1,746	Shinsegae	264	0.32
1,694	SK	182	0.22
3,275	SK Energy	424	0.51
925	SK Telecom	84	0.10
		12,411	14.97
	Malaysia 2.43% (31/10/10: 2.75%)		
602,114	Berjaya Sports Toto	514	0.62
191,000	MISC Berhad	289	0.35
817,700	Star Publications	563	0.68
19,915	Public Bank Berhad	53	0.06
224,800	Public Bank Berhad (Alien Mkt)	595	0.72
		2,014	2.43
	Mexico 4.62% (31/10/10: 4.66%)		
35,192	America Movil ADR	1,207	1.46
399,827	Cemex	207	0.25
66,880	Grupo Aeromex	106	0.13
420,482	Grupo Mexico 'B'	872	1.05
25,043	Grupo Televisa ADR	356	0.43
252,868	Telefonos De Mexico 'L'	142	0.17
331,567	Telmex Internacional	200	0.24
394,908	Wal-Mart De Mexico 'V'	739	0.89
		3,829	4.62

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Peru 0.68% (31/10/10: 0.86%)		
9,825	Credicorp	560	0.68
	Poland 1.77% (31/10/10: 1.63%)		
10,535	Bank Pekao	415	0.50
46,962	Powszechna Kasa Oszczednosci Bank Polski	484	0.58
6,757	Powszechny Zaklad Ubezpieczen	570	0.69
		1,469	1.77
	Russia 6.87% (31/10/10: 5.68%)		
83,372	Gazprom ADR	853	1.03
97,248	Gazprom OAO ADS	983	1.19
18,981	Lukoil ADR	788	0.95
10,457	Mail RU	192	0.23
24,470	Mobile Telesystems ADR	310	0.37
50,873	Norilsk Nickel ADR	849	1.02
76,688	Rosneft OAO GDR	410	0.50
45,918	Surgutneftegaz ADR	290	0.35
11,680	Tatneft GDR	316	0.38
15,837	Uralkali GDR	398	0.48
78,600	VTB Bank GDR	305	0.37
		5,694	6.87
	South Africa 7.90% (31/10/10: 7.59%)		
3,813	Anglo Platinum	231	0.28
20,099	Anglogold Ashanti	607	0.73
39,056	Aveng	123	0.15
47,353	Gold Fields	505	0.61
20,576	Impala Platinum	384	0.46
30,036	Imperial	320	0.39
71,371	MTN	946	1.14
25,894	Murray & Roberts	59	0.07
24,811	Naspers 'N'	890	1.07
110,270	Pretoria Portland Cement	251	0.30
66,699	Reunert	377	0.45
25,876	SASOL	892	1.08
47,492	Standard Bank	443	0.54
40,193	Telekom	140	0.17
52,003	Vodacom	379	0.46
		6,547	7.90
	Taiwan 5.58% (31/10/10: 6.25%)		
18,705	AU Optronics ADR	91	0.11
116,118	Cathay Financial	116	0.14
199,340	China Development Financial	50	0.06
157,966	Compal Electronics	107	0.13
85,414	Delta Electronic	229	0.28

Holding	Investment	Market value £000	Percentage of total net assets %
	Taiwan (continued)		
161,491	iShares MSCI Taiwan	3,820	4.61
255	Mediatek	2	-
198	Quanta Computers†	-	-
90,852	Taiwan Semiconductor	139	0.17
16,765	Young Fast Optoelectronics	68	0.08
		4,622	5.58
	Thailand 1.48% (31/10/10: 1.30%)		
198,919	Bangkok Bank	677	0.81
73,800	PTT	555	0.67
		1,232	1.48
	Turkey 1.67% (31/10/10: 2.03%)		
92,909	Eregli Demir Celik 'A'	169	0.20
31,937	Eregli Demir Celik 'B'	55	0.07
93,771	KOC	292	0.35
165,708	Turkiye Garanti Bankasi	515	0.62
167,666	Turkiye Is Bankasi 'C'	355	0.43
		1,386	1.67
	United States 1.08% (31/10/10: 0.58%)		
26,500	Magnit	443	0.53
15,617	Orascom Construction GDR	382	0.46
5,076	Ultratech Cement	75	0.09
		900	1.08
	Derivatives 0.04% (31/10/10: 0.01%)		
	Futures 0.04% (31/10/10: 0.01%)		
(8)	CME S&P June 2011 Future	(7)	(0.01)
267	SGX MSCI Taiwan Index May 2011 Future	43	0.05
		36	0.04
	Investments assets	**77,727**	**93.74**
	Net other assets	5,195	6.26
	Net assets	**82,922**	**100.00**

† Market value less than £500.

Statement of total return for the six months ended 30 April 2011 (unaudited)

	30/04/11		30/04/10	
	£000	£000	£000	£000
Income				
Net capital gains		3,459		17,132
Revenue	837		928	
Expenses	(129)		(160)	
Finance costs: Interest	-		-	
Net revenue before taxation	708		768	
Taxation	(64)		(83)	
Net revenue after taxation		644		685
Total return before distributions		4,103		17,817
Finance costs: Distributions		-		-
Change in net assets attributable to shareholders from investment activities		**4,103**		**17,817**

Statement of change in net assets attributable to shareholders for the six months ended 30 April 2011 (unaudited)

	30/04/11		30/04/10	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		**89,229**		**93,252**
Amounts receivable on issue of shares	4,271		763	
Amounts payable on cancellation of shares	(14,727)		(24,581)	
		(10,456)		(23,818)
Dilution adjustment		46		96
Stamp duty reserve tax		-		(1)
Change in net assets attributable to shareholders from investment activities (see above)		4,103		17,817
Closing net assets attributable to shareholders		**82,922**		**87,346**

Balance sheet as at 30 April 2011 (unaudited)

	30/04/11		31/10/10	
	£000	**£000**	**£000**	**£000**
Assets				
Investment assets		77,727		84,523
Debtors	313		542	
Cash and bank balances	5,530		5,613	
Total other assets		5,843		6,155
Total assets		83,570		90,678
Liabilities				
Creditors	376		196	
Bank overdrafts	272		1,253	
Total other liabilities		648		1,449
Total liabilities		648		1,449
Net assets attributable to shareholders		**82,922**		**89,229**

1 Accounting policies

The accounting and risk management policies are set out in note 1 and 2 of the aggregated financial statements on pages 6 to 9.

2 Portfolio transaction costs

	30/04/11 £000	30/04/10 £000
Purchases in period before transaction costs	2,569	125
Total purchase transaction costs*	-	-
Purchases including transaction costs	**2,569**	**125**
Sales in period before transaction costs	12,600	21,355
Commissions	(8)	(17)
Other costs	(3)	(6)
Taxes	(6)	-
Total sale transaction costs*	(17)	(23)
Sales net of transaction costs	**12,583**	**21,332**
Transaction handling charges*	**17**	**13**

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

Managers' report

Fund Managers

Stuart O'Gorman and Ian Warmerdam

Investment objective and policy

To aim to provide capital growth by investing in companies worldwide that derive, or are expected to derive, profits from technology.

Performance summary

Over the period the Fund increased by 8.3% compared with a 6.6% increase in the MSCI All Countries Information Technology Index.

Discrete annual performance

	1 May 10- 30 Apr 11 %	1 May 09- 30 Apr 10 %	1 May 08- 30 Apr 09 %	1 May 07- 30 Apr 08 %	1 May 06- 30 Apr 07 %
Henderson Global Technology Fund	6.6	49.9	(2.5)	4.4	(1.5)
MSCI All Countries Information Technology Index	2.4	39.5	(7.3)	2.8	(1.4)

Source: Morningstar – mid to mid (excluding initial charge) with net income reinvested for a basic rate taxpayer.
Figures in brackets are negative.

Please remember that past performance is not a guide to future performance. The value of an investment and the income 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 six months ended 30 April 2011

Purchases	£000	Sales	£000
Qualcomm	7,721	Cisco	12,393
Taiwan Semiconductor	7,457	Hewlett Packard	6,340
Apple	6,875	Corning	6,186
Ericsson 'B'	6,196	IBM	6,041
Microsoft	5,986	NetApp	5,458
Samsung Electronics	5,723	Netflix	4,873
Hynix Semiconductor	5,513	Google 'A'	4,437
SAP	5,466	Ericsson 'B'	3,948
Juniper Networks	4,540	Apple	3,883
Netflix	4,049	Rovi Corporation	3,481

Managers' report

The Fund comfortably outperformed the MSCI All Countries World Information Technology index in the six months to the end of April 2011 returning 8.3%. The period under review has been characterised by increased volatility in markets as uncertainty about global factors such as political unrest in the Middle East, sovereign debt markets in Europe and the tragic earthquake in Japan impacted market sentiment and emerging softness in global economic data. In this environment the technology sector has underperformed the broader market, mostly as a result of the heavy reliance the sector places on Japanese manufacturers.

The best outperforming sectors for the Fund were communications equipment and e-commerce whilst the biggest detractors from performance were the semiconductor and IT hardware sectors. Geographically, the portfolios longstanding dislike for Japanese equities contributed materially to performance.

At a stock level, the biggest contributor to outperformance was HTC, the Taiwanese smartphone manufacturer, who continued to gain market share on the back of successful new handset launches. Priceline, the online travel booking website, also significantly outperformed. The company reported very strong sales through late 2010 and raised their expectations for growth in 2011. Other stocks within the E-commerce sector which outperformed during the period included Opentable, who operate an online restaurant booking site and Mercadolibre, the latin American online trading site. The portfolio also benefited from not owning large index constituents such as Nokia, which underperformed after reporting weak profits and a partnership with Microsoft in smartphones, a deal perceived to damage the long term growth of the business.

Stocks which detracted from performance included Google, the global leader in internet search, as markets reacted negatively to announcements concerning their employee hiring plans for 2011 and staff remuneration policy. Ctrip, who operate a chinese internet travel site, also underperformed after reporting weaker than expected revenue guidance for the quarter.

During the period the portfolio initiated new positions in Gartner, an information services provider, where we believe the business should benefit from the ongoing recovery in technology related spending, and 51job, the largest online recruitment website in China, which is well placed to benefit from the ongoing shift to online advertising away from traditional print. New positions were also initiated in the electronic payment sector, where we believe ongoing penetration of payment terminals in emerging markets together with new payment technologies in mature markets will drive strong growth - these included Wirecard and Ingenico. The position in Marvell Technology was exited after the company reported weaker than expected profitability and further data points emerged around the weakness of the PC market. At a sector level, during the six months, the Fund has increased exposure to the semiconductor industry whilst reducing exposure to IT hardware.

The economic outlook remains unpredictable but we believe technology offers both attractive growth and valuation driven by ongoing recovery in corporate spending in addition to a number of favourable secular trends such as e-commerce, data growth and the drive of connectivity.

Stuart O'Gorman and Ian Warmerdam
9 June 2011

Comparative tables as at 30 April 2011

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 X accumulation				
31/10/2008	159,698,680	1,408,907	427,790	329.35
31/10/2009 *	268,395,608	1,616,843	386,449	418.38
Class A accumulation				
31/10/2008	159,698,680	140,029,214	40,847,623	342.81
31/10/2009	268,395,608	169,453,234	38,717,942	437.66
31/10/2010	370,035,927	219,436,276	39,245,497	559.14
30/04/2011	429,208,357	240,666,733	39,616,630	607.49
Class I accumulation				
31/10/2008	159,698,680	18,260,559	5,116,517	356.89
31/10/2009	268,395,608	97,325,531	21,251,712	457.97
31/10/2010	370,035,927	150,599,651	25,562,633	589.14
30/04/2011	429,208,357	188,541,624	29,346,595	642.47

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

Comparative tables (continued)

Performance record

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class X accumulation			
2006	-	401.00	313.00
2007	-	448.00	353.80
2008	-	440.10	289.50
2009	-	497.00	312.40
2010 #	-	499.80	485.00
Class A accumulation			
2006	-	412.00	322.20
2007	-	464.40	365.20
2008	-	456.20	301.40
2009	-	520.30	325.60
2010	-	608.00	474.70
2011	-*	626.70+	577.50+
Class I accumulation			
2006	-	423.60	331.80
2007	-	481.50	377.10
2008	-	473.00	313.90
2009	-	544.90	339.60
2010	-	641.30	497.40
2011	-*	661.70+	610.20+

+ to 30 April.

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

* to 30 June.

Total expense ratio

The annualised total expense ratio (TER) of the Fund, based on the total expenses included within the financial statements for the period as indicated below:

	30/04/11 %	31/10/10 %
Class A	1.82	1.79
Class I	1.08	1.10

The TER of the Fund is the ratio of the Fund's total operating costs to its average net assets for twelve months.

Portfolio statement as at 30 April 2011

Holding	Investment	Market value £000	Percentage of total net assets %
	Bonds 0.29% (31/10/10: 0.31%)		
	United States 0.29% (31/10/10: 0.31%)		
USD 2,000,000	Ciena 0.25% Convertible 01/05/2013	1,231	0.29
	Equities 96.97% (31/10/10: 95.51%)		
	Canada 0.26% (31/10/10: 0.00%)		
38,539	Research In Motion	1,125	0.26
665,000	Wildcard Technologies*	-	-
		1,125	0.26
	Cayman Islands 0.14% (31/10/10: 0.00%)		
396,000	AAC Acoustic Technology	622	0.14
	Channel Islands 0.03% (31/10/10: 0.00%)		
10,415	Velti	115	0.03
	China 1.82% (31/10/10: 1.50%)		
457,898	Tencent	7,825	1.82
	France 1.29% (31/10/10: 0.00%)		
1,012,195	Alcatel-Lucent	3,919	0.92
53,867	Ingenico	1,599	0.37
		5,518	1.29
	Germany 3.19% (31/10/10: 1.59%)		
295,252	SAP	11,404	2.66
200,303	Wirecard	2,288	0.53
		13,692	3.19
	India 0.35% (31/10/10: 0.00%)		
78,968	Makemytrip	1,491	0.35
	Korea 4.15% (31/10/10: 1.71%)		
284,223	Hynix Semiconductor	5,367	1.25
24,923	Samsung Electronics	12,437	2.90
		17,804	4.15
	Netherlands 1.13% (31/10/10: 1.19%)		
195,860	ASM Lithography	4,869	1.13
	South Africa 0.78% (31/10/10: 0.00%)		
93,291	Naspers	3,348	0.78
	Switzerland 0.63% (31/10/10: 0.82%)		
137,496	Temenos	2,724	0.63

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Taiwan 5.62% (31/10/10: 2.36%)		
855,000	Catcher Technology	3,213	0.75
706,600	Hon Hai Precision Industry	1,598	0.37
325,800	HTC	8,798	2.05
4,022,177	Taiwan Semiconductor	6,164	1.44
536,506	Taiwan Semiconductor ADS	4,339	1.01
		24,112	5.62
	United Kingdom 1.43% (31/10/10: 0.70%)		
325,343	RightMove	3,449	0.81
1,558,791	Vodafone	2,675	0.62
		6,124	1.43
	United States 76.15% (31/10/10: 85.64%)		
	Consumer goods 0.88% (31/10/10: 0.68%)		
69,263	MercadoLibre	3,795	0.88
	Consumer services 1.73% (31/10/10: 2.86%)		
36,217	Amazon.com	4,265	0.99
90,841	Web MD Health	3,150	0.74
		7,415	1.73
	Financial 0.00% (31/10/10: 0.79%)		
	Industrials 3.28% (31/10/10: 2.24%)		
276,185	Accenture	9,458	2.20
142,288	Vistaprint	4,640	1.08
		14,098	3.28
	Technology 70.26% (31/10/10: 78.31%)		
49,460	51 Job	1,658	0.39
328,037	Adobe Systems	6,598	1.54
48,655	Altera	1,421	0.33
106,027	Analog Devices	2,561	0.60
199,824	Apple	41,823	9.74
284,264	Arm Holdings	1,764	0.41
163,424	Avnet	3,557	0.83
44,407	Baidu	3,954	0.92
99,856	Broadcom 'A'	2,106	0.49
88,974	Cavium Networks	2,518	0.59
192,296	Check Point Software	6,334	1.48
385,092	Cisco	4,045	0.94
143,820	Cognizant Technology	7,147	1.67
163,772	Ctrip.com	4,784	1.11
482,750	Dell	4,477	1.04
702,157	Ericsson 'B'	6,408	1.49

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Technology - continued		
49,177	F5 Networks	2,989	0.70
99,536	Gartner	2,558	0.60
57,605	Google 'A'	18,791	4.38
357,792	Hewlett Packard	8,660	2.02
212,489	IBM	21,730	5.06
361,340	Infineon Technology	2,457	0.57
325,311	Ingram Micro	3,651	0.85
522,537	Intel	7,252	1.69
161,696	Intuit	5,386	1.25
115,597	Juniper Networks	2,657	0.62
54,747	Lam Research	1,585	0.37
142,342	Micros Systems	4,438	1.03
1,781,706	Microsoft	27,688	6.45
155,788	NetApp	4,856	1.13
150,783	NetEase.com	4,452	1.04
28,368	Netflix	3,957	0.92
56,051	Opentable	3,740	0.87
1,024,021	Oracle	22,077	5.14
106,709	Polycom	3,827	0.89
25,731	Priceline.Com	8,438	1.97
406,605	Qualcomm	13,856	3.23
276,071	Skyworks Solutions	5,205	1.21
166,827	Tech Data	5,312	1.24
456,339	Telecity	2,398	0.56
90,486	Teradata	3,032	0.71
139,449	Texas Instruments	2,970	0.69
111,148	Totvs.com	1,258	0.29
40,973	VMWare	2,343	0.55
135,889	Xilinx	2,840	0.66
		301,558	70.26
	Utilities 0.00%, (31/10/10: 0.76%)		
	Investment assets	**417,466**	**97.26**
	Net other assets	11,742	2.74
	Net assets	**429,208**	**100.00**

* Unlisted security

Statement of total return for the six months ended 30 April 2011 (unaudited)

	30/04/11		30/04/10	
	£000	£000	£000	£000
Income				
Net capital gains		36,085		79,993
Revenue	1,289		925	
Expenses	(3,106)		(2,479)	
Finance costs: Interest	(1)		(4)	
Net expense before taxation	(1,818)		(1,558)	
Taxation	(225)		(126)	
Net expense after taxation		(2,043)		(1,684)
Total return before distributions		34,042		78,309
Finance costs: Distributions		-		-
Change in net assets attributable to shareholders from investment activities		**34,042**		**78,309**

Statement of change in net assets attributable to shareholders for the six months ended 30 April 2011 (unaudited)

	30/04/11		30/04/10	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		**370,036**		**268,396**
Amounts receivable on issue of shares	43,197		61,928	
Amounts payable on cancellation of shares	(18,063)		(29,432)	
		25,134		32,496
Dilution adjustment		-		39
Stamp duty reserve tax		(4)		(5)
Change in net assets attributable to shareholders from investment activities (see above)		34,042		78,309
Closing net assets attributable to shareholders		**429,208**		**379,235**

Balance sheet as at 30 April 2011 (unaudited)

	30/04/11		31/10/10	
	£000	£000	£000	£000
Assets				
Investment assets		417,466		354,558
Debtors	8,138		6,878	
Cash and bank balances	18,886		14,241	
Total other assets		27,024		21,119
Total assets		444,490		375,677
Liabilities				
Creditors	13,273		3,106	
Bank overdrafts	2,009		2,535	
Total other liabilities		15,282		5,641
Total liabilities		15,282		5,641
Net assets attributable to shareholders		**429,208**		**370,036**

Notes to the financial statements

1 Accounting Policies

The accounting and risk management policies are set out in notes 1 and 2 to the aggregate financial statements on pages 6 to 9.

2 Portfolio transaction costs

	30/04/11 £000	30/04/10 £000
Purchases in period before transaction costs	151,985	118,011
Commissions	221	160
Taxes	26	6
Total purchase transaction costs*	247	166
Purchases including transaction costs	**152,232**	**118,177**
Sales in period before transaction costs	125,825	88,226
Commissions	(174)	(131)
Taxes	(42)	(29)
Total sale transaction costs*	(216)	(160)
Sales net of transaction costs	**125,609**	**88,066**
Transaction handling charges*	**13**	**5**

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

Manager's report

Fund Manager

Tim Dieppe

Investment objective and policy

The objective is to aim to provide long-term capital appreciation by investing globally in companies that enable an environmentally sustainable and socially responsible economy.

Performance summary

Over the period the Fund rose by 10.0% compared with a 10.3% increase in the MSCI World index.

Discrete annual performance

	1 May 10- 30 Apr 11 %	1 May 09- 30 Apr 10 %	1 May 08- 30 Apr 09 %	1 May 07- 30 Apr 08 %	1 May 06- 30 Apr 07 %
Henderson Industries of the Future Fund	5.9	32.7	(15.7)	0.3	5.6
MSCI World Index	9.1	33.4	(18.4)	(1.0)	6.9

Source: Morningstar – mid to mid (excluding initial charge) with net income reinvested for a basic rate taxpayer.
Figures in brackets are negative.

Please remember that past performance is not a guide to future performance. The value of an investment and the income 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 six months ended 30 April 2011

Purchases	£000	Sales	£000
Polypore	1,490	Iberdrola	2,268
Intuitive Surgical	1,452	Emergency Medical Services	1,550
Fischer	1,263	Medassets	1,493
Trimble Navigation	1,139	Cisco	1,318
Hunt (J.B.) Transport	1,099	JA Solar	1,087
Yingli Green Energy	1,038	First Solar	1,077
Torishima	904	Geberit	1,042
NVC Lighting	881	Masimo	945
Smith (David S.)	807	EAGA	816
Cree	745	Nuvasive	769

Manager's report

Market

Global markets continued their rise from last year, with encouraging earnings reports from companies helping to boost optimism in the recovery. Massive floods in Australia and considerable unrest in North Africa were not enough to cause the market to pause for breath, but did contribute to the oil price rising by over 40% to $125per barrel.

The world was shocked by scenes of devastation from Japan's 9.0 magnitude earthquake and ensuing tsunami in March. This finally caused markets to take a dip though they mostly recovered by the end of the month. Unsurprisingly, Japan was the worst performing major market coming in flat over the period in local currency terms, whilst other major markets rose by 10-15%. Energy sectors were the strongest by a clear margin, led by oil stocks as the oil price rose. Elsewhere, industrials and materials sectors showed some strength with cyclical recovery, whilst utilities were weakest.

Performance and Themes

The Fund returned 10% in the six months. The top contributing theme was the Efficiency theme where several companies benefited from continued cyclical recovery. Testing company Agilent rose by over 40% on posting strong results and hosting an upbeat analyst presentation. UK Efficiency company Eaga rose by 90% after accepting a takeover approach from Carillion. Other companies in this theme that performed well included battery separator Polypore, and power product company ABB.

In the Sustainable Transport theme, video conference company Polycom continued to perform well on reports of strong demand for their products. East Japan Railway was heavily impacted by the earthquake though we believe the share price reaction was overdone as the market has not appreciated the extent of their earthquake insurance. FirstGroup was weak due to difficulties with their US student bus business.

Our Knowledge theme was detrimental to performance over the period as Japanese company Benesse fell in response to the earthquake. In the Water theme we were also impacted by Torishima Pump declining on tensions in North Africa where they have been selling pumps for desalination projects.

The Cleaner Energy theme benefited from Iberdrola's decision to make an offer to merge Iberdrola Renovables into the parent company. Whilst we do not think the offer price reflects the growth opportunities, we still benefited from the rise in the share price. Solar equipment company Centrotherm Photovoltaic was also strong, but solar cell manufacturer JA Solar suffered from weak demand with regulatory uncertainties in Italy.

Within the Health theme, Fresenius made progress with good results, and we benefited from a bid approach for Emergency Medical Services. Against this we were hit by spine fusion company NuVasive issuing a profit warning as insurance companies are becoming more reluctant to pay for surgical solutions. We were also impacted by a sharp fall in healthcare IT company MedAssets after the company reported disappointing results and significantly lowered their guidance for the year. We have subsequently sold out of our position.

Activity

We switched Geberit into George Fischer in the Water theme as we see more opportunity for George Fischer to benefit from cyclical recovery and consider Geberit to be fully valued. George Fischer is a leading manufacturer of piping systems used in water and other industrial applications. We also switched JA Solar into Yingli Green Energy in the Cleaner Energy theme as we prefer the vertically integrated model of Yingli in the current environment.

We sold out of energy efficiency company Eaga after an agreed bid approach from Carillion and sold out of Emergency Medical Services following the bid approach from private equity. We sold out of solar inverter manufactuer SMA Solar (Cleaner Energy) as we see increased competition in the inverter market. We sold out of our position in Maxwell Technologies (Efficiency) as our conviction over the potential of ultracapacitors has reduced. We sold out of our position in environmental services company Newalta after seeing strong share price performance and concluding that the stock is now fully valued.

We initiated a position in the US company Polypore International (Efficiency). The firm has a leading position in the battery separation technology market, and is well positioned to benefit from the expected uptake in electric vehicles and hybrids.

We started a position in US LED manufacturer Cree (Efficiency) after meeting the management and seeing evidence that using LED's for general lighting is now commercially viable and becoming a reality. We also initiated a position in UK packaging company D. S. Smith (Environmental Services) as we see scope for their retail ready recycled packaging products to gain market share.

Tim Dieppe
17 May 2011

Comparative tables as at 30 April 2011

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 X income				
31/10/2008	57,367,572	1,024,040	726,384	140.98
31/10/2009 #	73,841,762	1,076,550	648,561	165.99
Class A income				
31/10/2008	57,367,572	42,254,220	29,106,832	145.16
31/10/2009	73,841,762	52,664,851	30,658,650	171.78
31/10/2010	96,236,634	62,531,860	31,421,887	199.00
30/04/2011	106,081,936	68,826,544	31,121,543	221.15
Class I income				
31/10/2008	57,367,572	1,510,559	1,026,338	147.17
31/10/2009	73,841,762	3,170,162	1,807,486	175.39
31/10/2010	96,236,634	10,945,509	5,352,149	204.50
30/04/2011	106,081,936	14,244,204	6,187,445	230.21
Class I accumulation				
31/10/2008	57,367,572	12,578,753	8,328,330	151.03
31/10/2009	73,841,762	16,930,199	9,428,483	179.56
31/10/2010	96,236,634	17,968,008	8,581,806	209.37
30/04/2011	106,081,936	15,137,900	6,558,296	230.82
Class I Euro accumulation				
30/04/2011^	106,081,936	1,285,940	1,501,000	85.67
Class A Euro accumulation				
31/10/2010 **	96,236,634	4,791,257	42,022	11,401.78
30/04/2011	106,081,936	6,587,348	51,948	12,680.66

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

**A Euro share class established October 2010.

^ I Euro share class established January 2011.

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			
2006	-	175.20	149.60
2007	-	194.50	167.70
2008	-	194.40	127.10
2009	-	186.30	130.20
2010 #	-	186.50	182.20
Class A income			
2006	-	178.10	152.20
2007	-	199.50	171.10
2008	-	199.30	130.90
2009	-	192.90	134.30
2010	-	218.90	180.10
2011	-*	220.80+	205.00+
Class I income			
2006	-	178.30	152.60
2007	-	201.40	171.90
2008	-	201.30	132.70
2009	-	197.10	136.70
2010	0.53	224.60	184.80
2011	-*	226.70+	210.60+
Class I accumulation			
2006	-	183.00	156.60
2007	-	206.70	176.40
2008	-	206.50	136.20
2009	-	201.80	140.00
2010	0.54	230.60	189.20
2011	-*	232.70+	216.10+

	Net revenue (EUR per share)	Highest offer price (EUR per share)	Lowest bid price (EUR per share)
Class I Euro accumulation			
2011 ^	0.07*	1.02+	0.92+
Class A Euro accumulation			
2010 **	-	147.38	129.68
2011	-*	150.45+	135.52+

* to 30 June
\+ to 30 April
\# X share class merged with A share class on 11 January 2010.
** A Euro share class established October 2010.
^ I Euro share class established January 2011.

Total expense ratio

The annualised total expense ratio (TER) of the Fund, based on the total expenses included within the financial statements for the period as indicated below:

	30/04/11 %	31/10/10 %
Class A	1.76	1.73
Class I	1.08	1.08
Class I Euro	1.05	n/a
Class A Euro	1.76	1.73

The TER of the Fund is the ratio of the Fund's total operating costs to its average net assets for twelve months.

Portfolio statement as at 30 April 2011

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 99.16% (31/10/10: 96.72%)		
	Australia 1.35% (31/10/10: 1.19%)		
63,640	CSL	1,434	1.35
	Austria 0.00% (31/10/10: 0.70%)		
	Belgium 2.00% (31/10/10: 1.88%)		
61,530	Umicore	2,119	2.00
	Canada 0.83% (31/10/10: 1.77%)		
34,803	Stantec	654	0.61
238,786	TSO3	231	0.22
		885	0.83
	France 6.54% (31/10/10: 4.50%)		
35,994	Essilor International	1,809	1.71
40,059	Orpea	1,200	1.13
20,560	Schneider Electric	2,181	2.06
125,946	Suez Environnement	1,743	1.64
		6,933	6.54
	Germany 3.41% (31/10/10: 3.28%)		
35,511	Centrotherm Photovoltaics	1,294	1.22
36,888	Fresenius	2,322	2.19
		3,616	3.41
	Hong Kong 3.31% (31/10/10: 2.36%)		
4,496,382	China Everbright International	1,211	1.14
2,751,000	NVC Lighting	875	0.83
1,631,804	Wasion Group	513	0.48
388,795	Zhuzhou CSR Times Electric	917	0.86
		3,516	3.31
	Italy 2.34% (31/10/10: 2.15%)		
183,041	Ansaldo	1,698	1.60
516,673	Hera	784	0.74
		2,482	2.34
	Japan 9.59% (31/10/10: 8.43%)		
51,500	Benesse	1,282	1.21
92,400	Daiseki	1,170	1.10
27,000	East Japan Railway	891	0.84
65,400	Horiba	1,175	1.11
5,742	Keyence	897	0.84
45,000	Secom	1,333	1.26
45,600	Shimano	1,452	1.37

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Japan (continued)		
63,600	Sysmec	1,325	1.25
68,600	Torishima	651	0.61
		10,176	9.59
	Netherlands 2.63% (31/10/10: 2.42%)		
68,279	Arcadis	1,059	1.00
134,925	Qiagen	1,729	1.63
		2,788	2.63
	Singapore 1.26% (31/10/10: 0.99%)		
1,777,577	Comfortdelgro	1,334	1.26
	Spain 1.07% (31/10/10: 2.76%)		
61,839	Telvent	1,140	1.07
	Switzerland 4.28% (31/10/10: 3.24%)		
142,866	ABB	2,355	2.22
3,573	Fischer (Georg)	1,394	1.31
1,337	Gurit	621	0.59
33,287	Lifewatch	171	0.16
		4,541	4.28
	United Kingdom 9.94% (31/10/10: 9.32%)		
1,286,306	Clean Air Power	90	0.08
228,596	Experian	1,844	1.74
265,605	FirstGroup	862	0.81
342,323	Informa	1,426	1.35
89,646	Intertek Testing Services	1,905	1.80
538,817	Plant Healthcare #	290	0.27
289,216	Reed Elsevier	1,533	1.45
1,005,626	Sirius Real Estate	312	0.29
400,686	Smith (David S.)	869	0.82
124,323	Synergy Healthcare	1,052	0.99
334,067	Trading Emissions 'C'	359	0.34
		10,542	9.94
	United States 50.61% (31/10/10: 51.73%)		
50,016	Acuity Brands	1,764	1.66
73,178	Agilent Technologies	2,188	2.06
82,240	Ameresco	793	0.75
34,768	American Public Education	881	0.83
48,592	Codexis	305	0.29
102,298	Covanta	1,053	0.99
24,395	Cree	596	0.56
56,883	Danaher	1,883	1.78
45,425	Emerson Electric	1,655	1.56

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	United States (continued)		
63,120	Epistar GDR	672	0.63
81,769	Gentex	1,536	1.45
13,976	Healthways	141	0.13
24,383	HMS	1,150	1.09
41,466	Hunt (J.B.) Transport	1,185	1.12
8,446	Intuitive Surgical	1,772	1.67
24,992	IPC The Hospitalist	776	0.73
77,736	Johnson Controls	1,911	1.80
28,906	Laboratory Corporation of America	1,672	1.58
47,533	Life Technologies	1,573	1.48
79,267	LKQ	1,198	1.13
37,873	Mednax	1,610	1.52
93,188	Nalco	1,630	1.54
45,388	NetApp	1,415	1.33
91,054	New York Community Bancorp	906	0.85
160,862	Nuance Communications	1,995	1.88
72,627	NxStage Medical	1,072	1.01
21,169	Ocean Power Technologies	62	0.06
42,002	Pentair	1,011	0.95
56,224	Polycom	2,016	1.90
259,834	Polyfuel **	-	-
49,662	Polypore	1,838	1.73
135,668	Quanta Services	1,761	1.66
37,694	Regal Beloit	1,712	1.62
35,041	Roper Industries	1,817	1.71
22,265	Stericycle	1,218	1.15
50,395	Thermo Fisher Scientific	1,813	1.71
45,848	Trimble Navigation	1,287	1.21
44,216	Tyco	1,293	1.22
30,191	Union Pacific	1,872	1.77
52,597	Veeco Instruments	1,611	1.52
138,696	Yingli Green Energy	1,040	0.98
		53,683	50.61
	Investment assets	**105,189**	**99.16**
	Net other assets	893	0.84
	Net assets	**106,082**	**100.00**

** Delisted Security.
# Investments listed on the Alternative Investment Market.

Statement of total return for the six months ended 30 April 2011 (unaudited)

	30/04/11		30/04/10	
	£000	£000	£000	£000
Income				
Net capital gains		11,125		15,084
Revenue	601		459	
Expenses	(799)		(627)	
Finance costs: Interest	-		-	
Net expense before taxation	(198)		(168)	
Taxation	(44)		(33)	
Net expense after taxation		(242)		(201)
Total return before distributions		10,883		14,883
Finance costs: Distributions		(1)		-
Change in net assets attributable to shareholders from investment activities		**10,882**		**14,883**

Statement of change in net assets attributable to shareholders for the six months ended 30 April 2011 (unaudited)

	30/04/11		30/04/10	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		**96,237**		**73,842**
Amounts receivable on issue of shares	8,860		4,189	
Amounts payable on cancellation of shares	(9,895)		(6,590)	
		(1,035)		(2,401)
Stamp duty reserve tax		(3)		(1)
Change in net assets attributable to shareholders from investment activities (see above)		10,882		14,883
Retained distribution on accumulation shares		1		-
Closing net assets attributable to shareholders		**106,082**		**86,323**

Balance sheet as at 30 April 2011 (unaudited)

	30/04/11		31/10/10	
	£000	£000	£000	£000
Assets				
Investment assets		105,189		93,082
Debtors	433		1,715	
Cash and bank balances	1,423		1,894	
Total other assets		1,856		3,609
Total assets		107,045		96,691
Liabilities				
Investment liabilities		-		1
Creditors	541		312	
Bank overdrafts	422		113	
Distribution payable on income shares	-		28	
Total other liabilities		963		453
Total liabilities		963		454
Net assets attributable to shareholders		**106,082**		**96,237**

1 Accounting policies

The accounting and risk management policies are set out in note 1 and 2 to the aggregated financial statements on pages 6 to 9.

2 Portfolio transaction costs

	30/04/11 £000	30/04/10 £000
Purchases in period before transaction costs	21,668	18,262
Commissions	34	28
Taxes	11	2
Total purchase transaction costs*	45	30
Purchases including transaction costs	**21,713**	**18,292**
Sales in period before transaction costs	20,718	20,515
Commissions	(27)	(25)
Taxes	(1)	(1)
Total sale transaction costs*	(28)	(26)
Sales net of transaction costs	**20,690**	**20,489**
Transaction handling charges*	**7**	**5**

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

Distribution table for the six months ended 30 April 2011 (in pence per share)

Interim dividend distribution (xd date 30 April 2011, paid on 30 June 2011)

	Net revenue	Equalisation	Distribution paid 30/06/2011	Distribution paid 30/06/2010
Class I Euro accumulation				
Group 1	0.0690	-	0.0690	-
Group 2	0.0690	-	0.0690	-

Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Manager's report

Fund Manager

Manraj Sekhon

Investment objective and policy

To aim to provide capital growth by investing in companies in any economic sector and any area of the world.

Performance summary

Over the period, the Fund rose by 5.2% compared with a 10.3% increase by the MSCI World index.

Discrete annual performance

	1 May 10-30 Apr 11 %	1 May 09-30 Apr 10 %	1 May 08-30 Apr 09 %	1 May 07-30 Apr 08 %	1 May 06-30 Apr 07 %
Henderson International Fund	4.0	37.0	(22.3)	10.4	4.4
MSCI World Index	9.1	33.4	(18.4)	(1.0)	6.9

Source: Morningstar – mid to mid (excluding initial charge) with net income reinvested for a basic rate taxpayer.
Figures in brackets are negative.

Please remember that past performance is not a guide to future performance. The value of an investment and the income 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 six months ended 30 April 2011

Purchases	£000	Sales	£000
Qualcomm	1,579	CSX Corp	1,285
HSBC Holdings	1,546	Bank of China	1,276
Kansas City	1,272	Yamaha Motor	1,140
Intuit Inc	1,256	Rio Tinto	1,096
International Power	1,186	Cisco Systems	1,072
Bank of China	1,130	Pepsico	1,052
China Rongsheng	1,111	Republic Services	1,011
Walt Disney Co	1,082	Microsoft	1,010
Tempur Pedic International	1,078	Equinix	987
Keyence Corp	1,071	Fresenius	983

Manager's report

Activity

As the global economic recovery continued to show signs of maturing and broadening, global equities delivered a positive, double digit return during the six months to end April (MSCI World +10.3% in sterling). Despite having to cope with numerous headwinds: the disastrous Japanese earthquake, tsunami, nuclear fallout trifecta, increased turmoil in the Middle East and North Africa (MENA), Europe sovereign debt woes and emerging market policy tightening, investors remained stoical and focused on improving economic data in the US and better than expected company earnings. By region, returns in Japan lagged the broader market, with the US and Europe delivering the best returns. Developed equity markets also outperformed emerging markets. By sector, the cyclically orientated industrial, materials and energy were the standout positive performers, while the more defensive utilities and telecoms sectors lagged the broader market.

During the period the Fund underperformed its benchmark, returning 5.2% (published midday prices). Within regions, stock selection in emerging markets and Europe detracted the most from returns, offsetting a positive contribution from Japan and by sector, positive contribution from stock selection in the industrials sector offset weakness in energy and financials.

As we wrote in our annual report in October last year, during the third quarter we began to reduce some of the Fund's active positions in Asia Pacific ex-Japan and emerging markets. This was based on our view that valuations had become full with near-term growth prospects priced in, and that monetary policy would need to be tightened to curb growth and inflation. As such we entered this reporting period with a position broadly neutral to the benchmark in Asia Pacific ex-Japan and the lowest bias towards emerging markets for several years. However, we retained exposure to companies that we believed have strong structural growth prospects and where valuations were less stretched. One example is Sands China, the Macau gaming company, where revenues in the area are continuing to grow at 30-40% per annum on some measures Macau is now five times the size of Las Vegas.

We had also become increasingly of the view that the global economic recovery was broadening and that the US would begin to see the benefits of their latest quantitative easing program flowing through into underlying economic strength; this usually has a lag of six months or so. As such we added to quality growth companies in North America parcel delivery company UPS, cruise operator Carnival Corporation and specialist mattress company Tempur-Pedic. Additionally, to benefit from increasing merger and acquisition activity we added private equity house KKR to the portfolio. We also became more positive on Japan, with the government committed to boosting economic growth and the potential for the yen to weaken, which would favour exporting companies. We added to positions in power tool manufacturer Makita, camera and photocopy manufacturer Canon and factory automation company SMC. While these positions were negatively impacted by the earthquake as their exposure is predominantly foreign they recovered strongly.

However, we remained concerned about Continental Europe. While valuations could be viewed as attractive, especially in the financials sector, the prospects for growth remained anaemic and the risk from potential sovereign debt defaults remained high in our view. Therefore we continued to favour defensive exposure, where growth is driven by stock specifics, a recovering US economy or emerging market demand, companies such as Shire Pharmaceuticals, Fiat, Luxottica, Richemont and Unilever.

Looking forward, while we remain broadly positive on the outlook for global equities we acknowledge that we are at an important juncture in the economic recovery. By the end of June the exceptional liquidity injections provided by western governments will end. Inflation is creeping into western developed as well as Asian and emerging markets, and leading economic indicators are showing signs of plateauing after their strong run up. However, this is balanced with our expectations for interest rates to remain accommodative, signs of recovering labour and housing markets in the US, and with mergers and acquisitions and share buybacks likely to increase. In addition, the 2011 first quarter earnings season evidenced the strong health of corporates, where a return of pricing power led to revenue increases. As such we believe companies that can clearly demonstrate true earnings growth will continue to be rewarded by investors.

Manraj Sekhon
3 June 2011

Comparative tables as at 30 April 2011

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 X accumulation				
31/10/2008	38,232,962	104,148	27,888	373.45
31/10/2009#	43,714,502	118,438	27,214	435.21
Class A accumulation				
31/10/2008	38,232,962	37,281,858	9,592,151	388.67
31/10/2009	43,714,502	42,614,005	9,361,652	455.20
31/10/2010	50,957,326	49,924,518	9,067,130	550.61
30/04/2011	53,342,734	52,261,434	8,949,127	583.98
Class I accumulation				
31/10/2008	38,232,962	846,956	205,150	412.85
31/10/2009	43,714,502	982,059	201,598	487.14
31/10/2010	50,957,326	1,032,808	173,723	594.51
30/04/2011	53,342,734	1,081,300	170,691	633.48

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

Comparative tables (continued)

Performance record

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class X accumulation			
2006	-	454.10	384.30
2007	-	537.70	429.90
2008	-	536.20	325.30
2009	0.94	483.80	328.50
2010 #	-	494.60	476.10
Class A accumulation			
2006	-	466.50	395.20
2007	-	557.30	443.40
2008	0.45	555.70	338.60
2009	3.06	506.50	342.50
2010	-	590.00	480.30
2011	-*	594.30+	550.90+
Class I accumulation			
2006	-	486.30	412.60
2007	-	588.40	465.00
2008	4.48	587.70	359.80
2009	6.57	542.60	364.70
2010	1.69	642.80	514.90
2011	-*	642.80+	596.90+

* to 30 June.

+ to 30 April.

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

Total expense ratio

The annualised total expense ratio (TER) of the Fund, based on the total expenses included within the financial statements for the period as indicated below:

	30/04/11 %	31/10/10 %
Class A	1.76	1.75
Class I	0.84	0.85

The TER of the Fund is the ratio of the Fund's total operating costs to its average net assets for twelve months.

Portfolio statement as at 30 April 2011

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 97.22% (31/10/10: 97.86%)		
	Bermuda 2.06% (31/10/10: 2.43%)		
44,700	Lazard	1,098	2.06
	Brazil 1.48% (31/10/10: 1.48%)		
35,400	Petroleo Brasileiro	791	1.48
	Cayman Islands 5.24% (31/10/10: 4.97%)		
1,822,000	361 Degrees International	725	1.36
1,863,000	China Rongsheng	939	1.76
674,800	Sands China	1,133	2.12
		2,797	5.24
	China 2.17% (31/10/10: 3.83%)		
3,481,000	Bank of China	1,155	2.17
	Germany 1.88% (31/10/10: 2.45%)		
22,784	Metro	1,003	1.88
	France 0.57% (31/10/10: 1.10%)		
79,212	Alcatel-Lucent	307	0.57
	India 0.00% (31/10/10: 2.25%)		
	Italy 3.63% (31/10/10: 1.37%)		
54,649	Luxottica Group	1,082	2.03
25,062	Saipem	854	1.60
		1,936	3.63
	Japan 9.28% (31/10/10: 8.96%)		
5,904	Keyence Corp	922	1.73
139,000	Kubota	789	1.48
52,300	Makita	1,430	2.68
24,600	Softbank Corp	614	1.15
11,000	SMC	1,195	2.24
		4,950	9.28
	Netherlands 1.46% (31/10/10: 1.35%)		
23,137	Randstad	781	1.46
	Panama 1.99% (31/10/10: 2.09%)		
46,500	Carnival	1,060	1.99
	Singapore 2.58% (31/10/10: 3.42%)		
236,500	Keppel	1,379	2.58

Holding	Investment	Market value £000	Percentage of total net assets %
	Spain 0.00% (31/10/10: 0.79%)		
	Switzerland 6.61% (31/10/10: 6.60%)		
56,089	ABB	925	1.73
37,747	Compagnie Financiere Richemont	1,455	2.73
969	SGS	1,148	2.15
		3,528	6.61
	Taiwan 0.00% (31/10/10: 1.22%)		
	United Kingdom 15.06% (31/10/10: 14.03%)		
33,232	Autonomy	535	1.01
295,494	Essar Energy	1,362	2.55
218,678	HSBC Holdings	1,433	2.69
294,831	International Power	975	1.83
151,123	Serco	855	1.60
48,744	Shire	902	1.69
56,783	Unilever	1,103	2.07
57,151	Xstrata	870	1.62
		8,035	15.06
	United States 43.21% (31/10/10: 39.52%)		
48,300	American Tower	1,514	2.84
24,400	Anadarko Petroleum	1,156	2.17
11,930	Apple	2,497	4.68
34,200	Emerson Electric	1,246	2.33
31,390	Express Scripts	1,068	2.01
25,200	Hess	1,299	2.43
41,300	Intuit Inc	1,376	2.58
40,000	Kansas City	1,393	2.61
100,000	KKR & Co	1,135	2.13
71,900	Lowe's	1,132	2.12
31,000	Mead Johnson	1,243	2.33
21,300	Praxair	1,358	2.55
45,000	Qualcomm	1,533	2.87
40,100	Tempur Pedic Intl	1,508	2.82
31,700	Thermo Fisher Scientific	1,140	2.14
31,400	United Parcel Service	1,411	2.65
40,000	Walt Disney Co	1,033	1.95
		23,042	43.21
	Investment assets	**51,862**	**97.22**
	Net other assets	1,481	2.78
	Net assets	**53,343**	**100.00**

Statement of total return for the six months ended 30 April 2011
(unaudited)

	30/04/11		30/04/10	
	£000	£000	£000	£000
Income				
Net capital gains		3,150		9,425
Revenue	417		299	
Expenses	(457)		(415)	
Finance costs: Interest	-		(1)	
Net expense before taxation	(40)		(117)	
Taxation	(34)		(24)	
Net expense after taxation		(74)		(141)
Total return before distributions		3,076		9,284
Finance costs: Distributions		-		-
Change in net assets attributable to shareholders from investment activities		**3,076**		**9,284**

Statement of change in net assets attributable to shareholders for the six months ended 30 April 2011
(unaudited)

	30/04/11		30/04/10	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		**50,957**		**43,715**
Amounts receivable on issue of shares	370		135	
Amounts payable on cancellation of shares	(1,060)		(801)	
		(690)		(666)
Change in net assets attributable to shareholders from investment activities (see above)		3,076		9,284
Closing net assets attributable to shareholders		**53,343**		**52,333**

Balance sheet as at 30 April 2011
(unaudited)

	30/04/11		31/10/10	
	£000	£000	£000	£000
Assets				
Investment assets		51,862		49,869
Debtors	196		1,128	
Cash and bank balances	1,599		389	
Total other assets		1,795		1,517
Total assets		53,657		51,386
Liabilities				
Creditors	134		134	
Bank overdrafts	180		295	
Total other liabilities		314		429
Total liabilities		314		429
Net assets attributable to shareholders		**53,343**		**50,957**

Notes to the financial statements as at 30 April 2010

1 Accounting policies

The accounting and risk management policies are set out in note 1 and 2 to the aggregated financial statements on pages 6 to 9.

2 Portfolio transaction costs

	30/04/11 £000	30/04/10 £000
Purchases in period before transaction costs	21,964	15,022
Commissions	32	36
Taxes	24	1
Total purchase transaction costs*	56	37
Purchases including transaction costs	**22,020**	**15,059**
Sales in period before transaction costs	23,226	14,397
Commissions	(36)	(27)
Taxes	(4)	(3)
Total sale transaction costs*	(40)	(30)
Sales net of transaction costs	**23,186**	**14,367**
Transaction handling charges*	**2**	**3**

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

Manager's report

Fund Manager

Michael Wood-Martin

Investment objective and policy

To aim to provide capital growth by investing in Japanese companies. The Fund is not restricted in the size of companies in which it can invest.

Performance summary

Over the period, the Fund rose by 2.8% compared with a 0.6% increase by the MSCI Japan Index.

Discrete annual performance

	1 May 10- 30 Apr 11 %	1 May 09- 30 Apr 10 %	1 May 08- 30 Apr 09 %	1 May 07- 30 Apr 08 %	1 May 06- 30 Apr 07 %
Henderson Japan Capital Growth Fund	(8.4)	23.0	(11.9)	(6.0)	(16.0)
MSCI Japan Index	(6.3)	21.7	(12.4)	(5.7)	(10.7)

Source: Morningstar – mid to mid (excluding initial charge) with net income reinvested for a basic rate taxpayer.
Figures in brackets are negative.

Please remember that past performance is not a guide to future performance. The value of an investment and the income 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 six months ended 30 April 2011

Purchases	£000	Sales	£000
Mitsui O.S.K Lines	1,087	Index	926
Rakuten	453	Yamato	666
Yamada Denki	445	Bridgestone	613
Asahi Breweries	436	Renesas Electronics	572
TDK	425	Daiwa Securities	258
Keyence	345	Secom	255
Nintendo	309	Daiwa House Industries	253
Shin-Etsu Chemical	289	Yamada Denki	246
Canon	288	Dai-Ichi Life Insurance	230
Tokio Marine Holdings	277	Murata Manufacturing	219

Manager's report

Performance

The overall performance of the Fund was ahead of the benchmark MSCI Japan index on a net fee basis returning 2.8%. The market rose strongly at the beginning of the period as the turn in both the currency and the bond market favoured equities. Global bond yields reversed their downward trend in the face of heightened inflationary concerns while the strength in the yen came to a halt. This combination of currency and bonds had a powerful impact on the Japanese equity market which had been suffering from deflationary pressures. The result was a sharp rise in the equity market until the devastating impact of the Tohoku earthquake which struck in early March. Equities subsequently slumped and had only recovered some of the losses by the end of the period. The returns from the equity market were positive nonetheless although these were largely negated by the weakness of the yen versus sterling. The Fund's performance was enhanced by the lack of investment in the utility sector which suffered from the impact of the earthquake. The Fund has not invested in the utility sector for many a year due to lack of investment appeal. The over exposure to financials benefited the Fund as stocks recovered more quickly than the overall market. The underweight position in industrials had a negative effect as global demand propelled related stocks higher. At a stock level the decision not to have Tokyo Electric Power (the utility most impacted by the earthquake) in the portfolio was a good decision as the stock fell precipitously. The holding in Inpex, the oil exploration company, rose strongly on the back of a higher oil price. Sekisui Chemical (conglomerate) and Yamato Holdings (logistics) contributed strongly as underlying business performed ahead of expectations. Komatsu (machinery), TDK (electronics) and Benesse (educational services) detracted from performance although the magnitude of this was relatively muted.

Activity

There were few introductions or deletions to the portfolio over the period. Activity was focused on adding to or subtracting from existing positions when opportunities arose. The portfolio had been positioned throughout the period for a recovery in the market and this had been working to the Fund's advantage until the earthquake struck as thereafter equities fell sharply. The portfolio has maintained a recovery position as the market has since fallen to levels which exhibit valuation support and from which equities have rallied in the past. Deletions from the portfolio included Bridgestone (rubber) and more recently Renesas (electronics). Bridgestone's removal has proved premature as the company has coped better with soaring raw material costs than first thought and was fortunate not to be badly impacted by the earthquake. Renesas was disposed of as the damage caused by the earthquake may take time to recover. Mitsui OSK (shipping) was introduced to the portfolio in anticipation of a recovery in shipping rates which has yet to materialise although we remain confident. Other activity included raising the commitment to Rakuten (internet shopping) which is exhibiting a strong underlying earnings trend and to Asahi Breweries as the stock price had retraced to an attractive level. Inpex and Yamato Holdings were trimmed back following strong performance.

Outlook

Equity markets have overcome various hurdles, from the fear of debt default to rising inflation over the past year, and one wonders what might disrupt their upward trajectory. Measures to stimulate activity over the past couple of years are running out of puff, so the outlook for equities may become dependent on economic activity successfully weaning itself off the helping hand of government intervention. This may provide the biggest hurdle for equities yet, but we remain confident that as global growth persists the outlook for Japan remains positive.

Michael Wood-Martin
26 May 2011

Comparative tables as at 30 April 2011

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 X accumulation				
31/10/2008	31,264,212	73,065	56,274	129.84
31/10/2009*	29,920,782	42,477	30,026	141.47
Class A accumulation				
31/10/2008	31,264,212	20,310,379	15,108,737	134.43
31/10/2009	29,920,782	17,788,140	12,024,234	147.94
31/10/2010	28,582,208	17,501,536	11,236,076	155.76
30/04/2011	29,698,112	18,098,907	11,251,802	160.85
Class I accumulation				
31/10/2008	31,264,212	10,880,768	7,836,418	138.85
31/10/2009	29,920,782	12,090,165	7,809,103	154.82
31/10/2010	28,582,208	11,080,672	6,798,089	162.99
30/04/2011	29,698,112	11,599,205	6,821,785	170.03

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

Comparative tables (continued)

Performance record

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class X accumulation			
2006	-	204.60	164.90
2007	-	180.50	144.10
2008	-	160.50	118.70
2009	0.05	155.70	117.00
2010#	-	146.90	139.80
Class A accumulation			
2006	-	210.10	169.60
2007	-	186.20	149.20
2008	0.28	166.60	123.40
2009	0.99	162.20	121.90
2010	0.59	181.70	146.30
2011	-*	183.40+	152.10+
Class I accumulation			
2006	-	216.10	174.70
2007	-	192.30	154.60
2008	1.10	173.20	128.50
2009	1.64	169.00	127.20
2010	1.70	191.60	153.30
2011	-*	193.60+	160.60+

* to 30 June
\+ to 30 April
#X share class merged with A share class on 11 January 2010.

Total expense ratio

The annualised total expense ratio (TER) of the Fund, based on the total expenses included within the financial statements for the period as indicated below:

	30/04/11 %	31/10/10 %
Class A	1.75	1.78
Class I	1.07	1.13

The TER of the Fund is the ratio of the Fund's total operating costs to its average net assets for twelve months.

Portfolio statement as at 30 April 2011

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 97.75% (31/10/10: 96.66%)		
	Consumer goods 12.67% (31/10/10: 13.86%)		
83,900	Asahi Breweries	936	3.15
126,000	Daiwa House Industries	902	3.04
6,600	Nintendo	933	3.14
200,000	Sekisui Chemical	993	3.34
		3,764	12.67
	Consumer services 15.41% (31/10/10: 15.29%)		
24,600	Benesse	613	2.07
26,630	Hakuhodo	827	2.78
7,130	Nippon TV Network	606	2.04
50,800	Seven & I	757	2.55
68,300	Tokyo Broadcasting	474	1.60
31,280	Yamada Denki	1,299	4.37
		4,576	15.41
	Financials 23.51% (31/10/10: 23.87%)		
87,100	Credit Saison	868	2.92
664	Dai-Ichi Life Insurance	652	2.20
370,000	Daiwa Securities	949	3.20
539,400	Mitsubishi UFJ Financial	1,538	5.18
938,600	Mizuho Financial	881	2.97
63,100	Sumitomo Mitsui Financial	1,162	3.91
56,100	Tokio Marine Holdings	931	3.13
		6,981	23.51
	Health care 2.38% (31/10/10: 2.51%)		
24,500	Takeda Pharmaceutical	708	2.38
	Industrials 26.26% (31/10/10: 23.63%)		
173	Inpex	786	2.64
7,200	Keyence	1,124	3.78
258,000	Mitsui O.S.K Lines	854	2.87
22,200	Murata Manufacturing	958	3.23
19,400	Sankyo	599	2.02
19,900	Secom	590	1.99
40,300	Shin-Etsu Chemical	1,246	4.20
29,900	TDK	918	3.09
76,400	Yamato Holdings	725	2.44
		7,800	26.26

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Technology 11.37% (31/10/10: 11.09%)		
47,500	Canon	1,332	4.48
67,100	Nippon System Development	373	1.26
54,600	NS Solutions	620	2.09
1,915	Rakuten	1,051	3.54
		3,376	11.37
	Telecommunications 6.15% (31/10/10: 6.41%)		
33,200	Nippon Telegraph & Telephone	918	3.09
824	NTT DoCoMo	907	3.06
		1,825	6.15
	Investment assets	**29,030**	**97.75**
	Net other assets	668	2.25
	Net assets	**29,698**	**100.00**

Statement of total return for the six months ended 30 April 2011 (unaudited)

	30/04/11		30/04/10	
	£000	£000	£000	£000
Income				
Net capital gains		983		5,109
Revenue	420		416	
Expenses	(236)		(232)	
Finance costs: Interest	-		-	
Net revenue before taxation	184		184	
Taxation	(29)		(29)	
Net revenue after taxation		155		155
Total return before distributions		1,138		5,264
Change in net assets attributable to shareholders from investment activities		**1,138**		**5,264**

Statement of change in net assets attributable to shareholders for the six months ended 30 April 2011 (unaudited)

	30/04/11		30/04/10	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		**28,582**		**29,921**
Amounts receivable on issue of shares	1,948		1,679	
Amounts payable on cancellation of shares	(1,970)		(3,949)	
		(22)		(2,270)
Change in net assets attributable to shareholders from investment activities (see above)		1,138		5,264
Closing net assets attributable to shareholders		**29,698**		**32,915**

Balance sheet as at 30 April 2011 (unaudited)

	30/04/11		31/10/10	
	£000	£000	£000	£000
Assets				
Investment assets		29,030		27,627
Debtors	554		212	
Cash and bank balances	712		894	
Total other assets		1,266		1,106
Total assets		30,296		28,733
Liabilities				
Creditors	455		151	
Bank overdrafts	143		-	
Total other liabilities		598		151
Total liabilities		598		151
Net assets attributable to shareholders		**29,698**		**28,582**

Notes to the financial statements as at 30 April 2011

1 Accounting policies

The accounting and risk management policies are set out in notes 1 and 2 of the aggregated financial statements on pages 6 to 9.

2 Portfolio transaction costs

	30/04/11 £000	30/04/10 £000
Purchases in period before transaction costs	6,298	3,088
Commissions	8	4
Total purchase transaction costs*	8	4
Purchases including transaction costs	**6,306**	**3,092**
Sales in period before transaction costs	5,872	5,839
Commissions	(8)	(9)
Total sale transaction costs*	(8)	(9)
Sales net of transaction costs	**5,864**	**5,830**
Transaction handling charges*	**1**	**1**

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

Manager's report

Fund Manager

Kevin Adams

Investment objective and policy

To aim to provide a return by investing in fixed and floating rate securities in any area of the world, except the United Kingdom. The Fund will invest primarily in bonds issued by Governments, public authorities and International organisations.

Performance summary

Over the period, the Fund fell by 5.0% compared with a 4.0% decrease in the JP Morgan Global Traded Index (ex UK).

Discrete annual performance

	1 May 10- 30 Apr 11 %	1 May 09- 30 Apr 10 %	1 May 08- 30 Apr 09 %	1 May 07- 30 Apr 08 %	1 May 06- 30 Apr 07 %
Henderson Overseas Bond Fund	0.1	4.0	27.9	14.4	(5.2)
JP Morgan Global Traded Index	1.9	2.7	36.1	16.6	(3.6)

Source: Morningstar – mid to mid (excluding initial charge) with net income reinvested for a basic rate taxpayer.
Figures in brackets are negative.

Please remember that past performance is not a guide to future performance. The value of an investment and the income 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 six months ended 30 April 2011

Purchases	£000	Sales	£000
Japan (Government of) 0.2% 15/01/2013	15,851	Italy (Rep of) 4.5% 01/08/2018	18,895
Spain (Kingdom of) 4.85% 31/10/2020	11,379	Development Bank Of Japan 1.4% 20/06/2012	15,154
Japan (Government of) (5 Year Issue) 0.5% 20/12/2030	11,252	Italy (Rep of) 4.25% 01/02/2015	8,997
Japan (Government of) (20 Year Issue) 2.1% 20/12/2030	9,389	Germany (Fed Rep) 3.5% 08/04/2011	7,819
Italy (Rep of) 4.5% 01/08/2018	9,264	European Investment Bank 2.15% 18/01/2027	7,772
Italy (Rep of) 4.25% 01/02/2015	8,911	Germany (Fed Rep of) 4.25% 04/07/2014	7,237
US Treasury 2.25% 31/05/2014	8,415	Italy (Rep of) 5% 01/08/2039	5,955
France (Government of) 5.5% 25/04/2029	7,954	France (Government of) 3.5% 25/04/2020	5,691
Belgium (Kingdom of) 4% 28/03/2018	7,952	US Treasury 4.375% 15/08/2012	4,778
Germany (Fed Rep) 4.25% 04/07/2014	7,293	Eksportfinans 1.6% 20/03/2014	4,759

Activity

Over the period, the Fund fell by 5.0% compared with a 4.0% decrease in the JPMorgan Global Traded Index (ex UK).

The Fund began the period with a neutral exposure to fluctuating government bond prices overall but with an underweight to Spanish government bonds relative to Italian government bonds. This performed well initially as concerns grew around the sustainability of debt in Portugal and Spain following the European bail-out of Ireland in November. To calm the markets the European Central Bank (ECB) intervened in the sovereign debt markets by purchasing government bonds issued by peripheral European countries. This resulted in the underweight to Spain giving back its initial performance as the market rebounded.

In the new year, the European Central Bank (ECB) continued its government bond purchase program resulting in ongoing strong demand for debt issued by peripheral European countries; as a result our underweight position to Spain detracted from performance. Towards the end of January we felt the positive sentiment was overdone considering the fragile European situation and opposed this by selling Italian and buying German government bonds. Later in the period we closed the underweight to peripheral European markets for a small loss as politicians took steps towards resolving the European sovereign crisis. Towards the end of the period fears increased that Greece would need to restructure its debt, causing Belgian and Spanish government bonds to cheapen relative to Italian government bonds. The fund profited by selling Italian government bonds and increasing exposure to Belgian and Spanish government bonds and continues to hold this position.

In February, tension in the Middle East and North Africa (MENA) resulted in a flight to quality into core government bonds. This benefited our underweight position to peripheral European debt relative to Germany. In light of the MENA unrest we also bought US Treasuries both on an outright basis and relative to German bonds. This profited from both the flight to quality flows and the ECB's rhetoric that suggested they would look to increase interest rates in the coming months. As progress was made on resolving the European sovereign crisis we closed our overweight to US Treasuries for a profit.

During March a massive earthquake and tsunami struck Japan. Core sovereign debt markets performed strongly as fears grew of a nuclear catastrophe in Japan and impaired global economic growth as a result. Towards the end of March we sold short-dated bond futures in both the US and Australia as we felt the flight to quality demand for government bonds had resulted in bond prices reaching extreme levels. We closed both positions for profit as the markets stabilised and fears of nuclear disaster receded, causing government bond prices to fall. At the end of March we bought Treasury futures after the Federal Reserve reinforced the prospect that rates would remain on hold for longer than had been anticipated; we continue to hold this position.

We continue to hold non-government debt; however in Japan we switched our holdings of Euroyen debt into Japanese government bonds as prices of these assets reflected limited further upside. The allocation to corporate bonds denominated in euros and US dollars benefited performance over the period as corporate health appeared robust and investor demand for yield continued. The Fund sold positions in Coca-Cola and tobacco company Philip Morris and no longer has exposure to Dutch airport operator Schiphol, after the company tendered for its 2014 euro-denominated bonds. In the new year the Fund participated in attractively priced new issues from Red Electrica, a Spanish utility company, and FGA Capital, an auto finance company part-owned by Fiat. We also established an allocation to the mining sector to reflect our favourable assessment of the sector.

Outlook

Markets are likely to remain volatile in the coming months with continuing uncertainty about the economic stability of the Eurozone contributing to a number of competing factors influencing government bond prices. Fears of weaker growth in the near term are counterbalanced by increasing inflationary pressures driven by commodity prices leaving the outlook for government bond markets uncertain in the months ahead.

Kevin Adams
27 May 2011

Comparative tables as at 30 April 2011

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 X income				
31/10/2008	193,176,973	33,147	23,057	143.76
31/10/2009 #	134,803,647	43,923	27,426	160.15
Class A income				
31/10/2008	193,176,973	5,054,402	3,540,952	142.74
31/10/2009	134,803,647	5,388,982	3,381,909	159.35
31/10/2010	198,750,083	4,834,607	2,773,371	174.32
30/04/2011	227,443,162	3,711,062	2,251,247	164.84
Class I income				
31/10/2008	193,176,973	1,253,121	873,496	143.46
31/10/2009	134,803,647	903,880	564,524	160.11
31/10/2010	198,750,083	598,743	342,584	174.77
30/04/2011	227,443,162	379,488	229,878	165.08
Class I accumulation				
31/10/2008	193,176,973	3,704,821	2,128,671	174.04
31/10/2009	134,803,647	3,844,915	1,937,803	198.42
31/10/2010	198,750,083	2,473,864	1,122,310	220.43
30/04/2011	227,443,162	2,104	1,004	209.56
Class I gross accumulation				
31/10/2008	193,176,973	107,824,789	60,248,404	178.97
31/10/2009	134,803,647	25,734,607	12,519,942	205.55
31/10/2010	198,750,083	31,247,349	13,681,014	228.40
30/04/2011	227,443,162	42,192,090	19,273,739	218.91
Class Z gross accumulation				
31/10/2008	193,176,973	75,306,693	56,801,070	132.58
31/10/2009	134,803,647	98,887,340	64,665,028	152.92
31/10/2010	198,750,083	159,595,520	93,446,854	170.79
30/04/2011	227,443,162	181,158,418	110,353,028	164.16

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

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			
2006	2.19	130.80	116.60
2007	1.82	121.70	110.60
2008	1.90	179.50	123.00
2009	2.13	183.70	147.90
2010 #	-	163.30	160.40
Class A income			
2006	2.65	130.30	116.10
2007	2.26	121.20	110.20
2008	2.39	178.70	122.50
2009	2.76	183.00	147.20
2010	1.81	177.50	159.70
2011	0.73*	170.60+	162.30+
Class I income			
2006	2.59	130.60	116.40
2007	2.50	121.50	110.70
2008	2.85	178.80	122.80
2009	3.39	183.10	147.40
2010	2.63	177.70	159.90
2011	1.09*	170.70+	162.50+
Class I accumulation			
2006	2.99	149.30	136.00
2007	2.95	145.00	130.70
2008	3.43	218.20	146.60
2009	4.16	223.40	182.00
2010	3.29	224.10	199.20
2011	1.38*	216.10+	206.40+
Class Z accumulation			
2006	2.95	108.00	98.80
2007	1.87	105.60***	95.30***
Class I gross accumulation			
2006	4.08	148.30	132.90
2007	4.03	148.30	132.90
2008	4.46	224.90	149.90
2009	5.37	230.30	187.70
2010	4.31	233.00	206.30
2011	1.92*	224.90+	214.60+
Class Z gross accumulation			
2006	3.53	109.90	101.10
2007	3.47	110.00	98.80
2008	3.88	166.70	110.60
2009	4.76	170.80	139.50
2010	4.04	174.20	153.60
2011	1.85*	168.30+	160.70+

* to 30 June
\+ to 30 April
*** Z share class closed on 11 December 2007.
\# X share class merged with A share class on 11 January 2010.

Total expense ratio

The annualised total expense ratio (TER) of the Fund, based on the total expenses included within the financial statements for the period as indicated below:

	30/04/11 %	31/10/10 %
Class A	1.20	1.16
Class I	0.55	0.55
Class Z	0.05	0.05

The TER of the Fund is the ratio of the Fund's total operating costs to its average net assets for twelve months.

Portfolio statement as at 30 April 2011

Holding	Investment	Market value £000	Percentage of total net assets %
	Bonds 85.95%, (31/10/10: 86.47%)		
	Australia 0.15% (31/10/10: 0.16%)		
	Government bonds		
AUD 500,000	Australia 6.25% 15/04/2015	341	0.15
	Canada 1.11% (31/10/10: 1.27%)		
	Government bonds 1.11% (31/10/10: 1.27%)		
CAD 3,804,000	Canada 3.75% 01/06/2019	2,520	1.11
	Europe 26.10% (31/10/10: 28.28%)		
	Government bonds 22.96% (31/10/10: 25.66%)		
EUR 8,949,000	Belgium (Kingdom of) 4% 28/03/2018	8,033	3.53
EUR 6,470,000	France (Government of) 3.5% 25/04/2020	5,764	2.53
EUR 7,079,000	France (Government of) 5.5% 25/04/2029	7,514	3.30
EUR 1,734,000	Germany (Fed Rep) 4% 13/04/2012	1,579	0.69
EUR 12,019,000	Germany (Fed Rep) 4% 04/07/2016	11,382	5.00
EUR 3,786,000	Germany (Fed Rep) 2.25% 04/09/2020	3,122	1.37
EUR 3,835,000	Italy (Rep of) 5% 01/08/2039	3,183	1.40
EUR 13,492,000	Spain (Kingdom of) 4.85% 31/10/2020	11,693	5.14
		52,270	22.96
	Corporate bonds 3.14% (31/10/10: 2.62%)		
EUR 950,000	Anglo American Capital 5.875% 17/04/2015	918	0.40
EUR 600,000	AXA 5.777% Fix-Floating Perpetual	485	0.21
EUR 250,000	BAT International Finance 5.375% 29/06/2017	240	0.11
EUR 450,000	Credit Logement 4.604% Perpetual*	332	0.15
EUR 620,000	FGA Capital Ireland 4% 28/03/2013	553	0.24
EUR 900,000	Glencore Finance Europe 7.125% 23/04/2015	884	0.39
EUR 800,000	Lehman Bros 5.75% Perpetual +	-	-
EUR 850,000	Nederlandse Gasunie 6% 30/10/2013	814	0.36
EUR 700,000	Old Mutual 5% Fix-Floating Perpetual	535	0.24
EUR 1,000,000	Red Electrica 4.75% 16/02/2018	911	0.40
EUR 550,000	Rexam 4.375% 15/03/2013	500	0.22
EUR 600,000	Wells Fargo 6% 23/05/2013	567	0.25
EUR 409,000	Xstrata Finance Canada 6.25% 27/05/2015	398	0.17
		7,137	3.14
	Japan 23.40% (31/10/10: 22.88%)		
	Government bonds 23.40% (31/10/10: 7.29%)		
JPY 2,107,900,000	Japan (Government of) 0.2% 15/01/2013	15,581	6.85
JPY 1,374,300,000	Japan (Government of) 0.4% 20/06/2015	10,161	4.46
JPY 1,482,300,000	Japan (Government of) (5 Year Issue) 0.5% 20/12/2030	10,982	4.83
JPY 414,600,000	Japan (Government of) 2.1% 20/03/2030	3,116	1.37
JPY 1,212,200,000	Japan (Government of) (20 Year Issue) 2.1% 20/12/2030	9,083	3.99
JPY 430,600,000	Japan (Government of) (30 Year Issue) 2.0% 20/09/2040	3,082	1.36
JPY 160,600,000	Japan (Government of) 2.3% 20/03/2040	1,228	0.54
		53,233	23.40

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Corporate bonds 0.00% (31/10/10: 7.95%)		
	Eurobonds 0.00% (31/10/10: 7.64%)		
	Sweden 0.46% (31/10/10: 0.63%)		
	Government bonds 0.46% (31/10/10: 0.63%)		
SEK 9,180,000	Sweden 5% 01/12/2020	1,044	0.46
	United Kingdom 1.02% (31/10/10: 1.18%)		
	Corporate bonds 1.02% (31/10/10: 1.18%)		
EUR 1,150,000	Anglian Water Services 6.25% 27/06/2016	1,141	0.51
EUR 1,300,000	Royal Bank Of Scotland 5.25% 15/05/2013**	1,194	0.51
		2,335	1.02
	United States 33.71% (31/10/10: 32.07%)		
	Government bonds 30.83% (31/10/10: 28.07%)		
USD 26,016,000	US Treasury 4.375% 15/08/2012	16,415	7.22
USD 22,774,000	US Treasury 2.25% 31/05/2014	14,143	6.22
USD 27,820,000	US Treasury 4.5% 15/05/2017	18,694	8.22
USD 13,744,000	US Treasury 8% 15/11/2021	11,612	5.11
USD 5,364,000	US Treasury 6% 15/02/2026	3,969	1.75
USD 5,836,000	US Treasury 4.5% 15/02/2036	3,586	1.59
USD 2,647,000	US Treasury 4.625% 15/02/2040	1,645	0.72
		70,064	30.83
	Corporate bonds 2.88% (31/10/10: 4.00%)		
USD 750,000	Aries Vermogensverwaltung 9.6% 25/10/2014	569	0.25
USD 1,500,000	AT&T 6.70% 15/11/2013	1,014	0.45
USD 1,600,000	BP Capital Markets 5.25% 07/11/2013	1,040	0.46
USD 2,200,000	European Investment Bank 4.875% 15/02/2036	1,362	0.60
USD 2,000,000	JP Morgan Chase 4.75% 01/05/2013	1,278	0.56
USD 450,000	Swiss Re Capital 6.854% Perpetual	268	0.12
USD 820,000	Wells Fargo 5.3% 26/08/2011	499	0.22
USD 830,000	Xstrata Finance Canada 5.5% 16/11/2011	510	0.22
		6,540	2.88
	Derivatives 0.13% (31/10/10: 0.18%)		
	Forward foreign exchange contracts 0.04% (31/10/10: 0.01%)		
	Buy AUD 2,170,000, sell GBP 1,325,011 June 2011	89	0.05
	Buy CAD 2,290,000, sell GBP 1,437,498 June 2011	9	-
	Buy EUR 700,000, sell GBP 621,789 June 2011	-	-
	Buy GBP 1,254,635, sell EUR 1,439,358 June 2011	(25)	(0.01)
	Buy GBP 70,000, sell SEK 718,318 June 2011	(1)	-
	Buy GBP 639,191, sell USD 1,050,000 June 2011	9	-
	Buy SEK 5,500,000, sell GBP 535,499 June 2011	10	-
		91	0.04

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Futures 0.09% (31/10/10: 0.17%)		
22	TSE Japan 10 Year June 2011	206	0.09
103	CBT US 10 Year June 2011	11	-
		217	0.09
	Investment assets including derivative liabilities	**195,792**	**86.08**
	Net other assets	31,651	13.92
	Net assets	**227,443**	**100.00**

* Unquoted security.
** Related party to the fund.
+ Market Value Less than £500.

Credit ratings

Investment	Market value £000	Percentage of total net assets %
Above investment grade (AAA - BBB)	129,129	56.77
Below investment grade (BB and below)	-	-
Unrated	66,355	29.18
Total bonds	**195,484**	**85.95**
Total equities	**-**	**-**
Total derivatives	**308**	**0.13**
Investment assets	**195,792**	**86.08**
Net other assets	31,651	13.92
Net assets	**227,443**	**100.00**

Source: Bloomberg

Statement of total return for the six months ended 30 April 2011 (unaudited)

	30/04/11		30/04/10	
	£000	£000	£000	£000
Income				
Net capital (losses)/gains		(10,139)		7,371
Revenue	2,258		2,162	
Expenses	(157)		(158)	
Finance costs: Interest	(1)		-	
Net revenue before taxation	2,100		2,004	
Taxation	-		(18)	
Net revenue after taxation		2,100		1,986
Total return before distributions		(8,039)		9,357
Finance costs: Distributions		(2,100)		(1,987)
Change in net assets attributable to shareholders from investment activities		**(10,139)**		**7,370**

Statement of change in net assets attributable to shareholders for the six months ended 30 April 2011 (unaudited)

	30/04/11		30/04/10	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		**198,750**		**134,804**
Amounts receivable on issue of shares	47,728		46,470	
Amounts payable on cancellation of shares	(11,106)		(14,497)	
		36,622		31,973
Dilution adjustment		28		139
Unclaimed distributions		-		1
Change in net assets attributable to shareholders from investment activities (see above)		(10,139)		7,370
Retained distributions on accumulation shares		2,182		2,212
Closing net assets attributable to shareholders		**227,443**		**176,499**

Balance sheet as at 30 April 2011 (unaudited)

	30/04/11		31/10/10	
	£000	£000	£000	£000
Assets				
Investment assets		195,818		172,219
Debtors	2,343		3,147	
Cash and bank balances	29,565		24,687	
Total other assets		31,908		27,834
Total assets		227,726		200,053
Liabilities				
Investment liabilities		26		-
Creditors	218		1,291	
Bank overdrafts	31		-	
Distribution payable on income shares	8		12	
Total other liabilities		257		1,303
Total liabilities		283		1,303
Net assets attributable to shareholders		**227,443**		**198,750**

Notes to the financial statements as at 30 April 2011

1 Accounting policies

The accounting and risk management policies are set out in notes 1 and 2 of the aggregated financial statements on pages 6 to 9.

2 Portfolio transaction costs

	30/04/11 £000	30/04/10 £000
Purchases in period before transaction costs	136,380	61,989
Commissions	3	1
Total purchase transaction costs*	3	1
Purchases including transaction costs	**136,383**	**61,990**
Sales in period before transaction costs	103,175	40,690
Commissions	-	(1)
Total sale transaction costs*	-	(1)
Sales net of transaction costs	**103,175**	**40,689**
Transaction handling charges*	**4**	**4**

* These amounts have been deducted in determining net capital (losses)/gains.

Distribution table for the period ended 30 April 2011 (in pence per share)

Interim interest distribution (xd date 31 January 2011, paid on 31 March 2011)

Group 1: shares purchased prior to 1 November 2010

Group 2: shares purchased on or after 1 November 2010

	Gross revenue	Income tax (20%)	Net revenue	Equalisation	Distribution paid 31/03/11	Distribution paid 31/03/10
Class A income						
Group 1	0.5306	0.1061	0.4245	-	0.4245	0.5431
Group 2	0.2769	0.0554	0.2215	0.2030	0.4245	0.5431
Class I income						
Group 1	0.7755	0.1551	0.6204	-	0.6204	0.7147
Group 2	0.3765	0.0753	0.3012	0.3192	0.6204	0.7147
Class I accumulation						
Group 1	0.9813	0.1963	0.7850	-	0.7850	0.8902
Group 2	0.2063	0.0413	0.1650	0.6200	0.7850	0.8902
Class I gross accumulation						
Group 1	1.0642	-	1.0642	-	1.0642	1.1712
Group 2	1.0642	-	1.0642	-	1.0642	1.1712
Class Z gross accumulation						
Group 1	1.0065	-	1.0065	-	1.0065	1.0685
Group 2	0.1140	-	0.1140	0.8925	1.0065	1.0685

Distribution table (continued)

Interim interest distribution (xd date 30 April 2011, paid on 30 June 2011)

Group 1: shares purchased prior to 1 February 2011

Group 2: shares purchased on or after 1 February 2011

	Gross revenue	Income tax (20%)	Net revenue	Equalisation	Distribution paid 30/06/11	Distribution paid 30/06/10
Class A income						
Group 1	0.3826	0.0765	0.3061	-	0.3061	0.5005
Group 2	0.1348	0.0270	0.1078	0.1983	0.3061	0.5005
Class I income						
Group 1	0.5833	0.1167	0.4666	-	0.4666	0.7068
Group 2	0.2341	0.0468	0.1873	0.2793	0.4666	0.7068
Class I accumulation						
Group 1	0.7408	0.1482	0.5926	-	0.5926	0.8843
Group 2	0.7408	0.1482	0.5926	-	0.5926	0.8843
Class I gross accumulation						
Group 1	0.8578	-	0.8578	-	0.8578	1.1354
Group 2	0.5428	-	0.5428	0.3150	0.8578	1.1354
Class Z gross accumulation						
Group 1	0.8414	-	0.8414	-	0.8414	1.0545
Group 2	0.2940	-	0.2940	0.5474	0.8414	1.0545

Equalisation

This applies only to units purchased during the distribution period (group 2 units). It is the average amount of revenue included in the purchase price of group 2 units and is refunded to the holders of these units as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

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:

Investor 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.

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