

Henderson

# Multi-Manager Income & Growth

Fund

## Short Report

For the six months ended 23 May 2013

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### Fund Manager

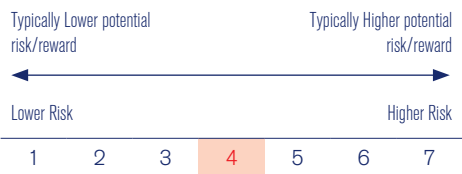
Bill McQuaker

### Investment objective and policy

The investment objective of the Henderson Multi-Manager Income & Growth Fund is to aim to provide an income in excess of the yield of the FTSE All Share Index with prospects for some capital growth through investment in a spread of authorised unit trusts and/or authorised companies selected from those available in the whole market. The Scheme will not be restricted to any particular economic sectors and the investment policy will take a long term balanced view of stock markets worldwide while maintaining a core holding in the UK. The Scheme may also invest in transferable securities including investment trusts, money market instruments, deposits and derivatives and forward transactions.

### Synthetic risk and reward profile

The Fund currently has 3 unit classes in issue; A Income, A Accumulation and I Income. The risk and reward profile is as follows:



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

The risk/reward rating above is based on medium-term volatility. In the future, the Fund's actual volatility could be higher or lower and its rated risk/reward level could change.

The lowest category does not mean risk free.

The Fund's risk level reflects the following:

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

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

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

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

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

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

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

### Manager's commentary

UK, European, and North American equities delivered the best asset class returns over the six-month period, with key underlying fund contributions received from CF Lindsell Train UK Equity, Franklin Templeton UK Mid Cap, Henderson European Growth, Cazenove European Income, Findlay Park American, and Legg Mason US Smaller Companies. Elsewhere, within Japanese equities the GLG Japan CoreAlpha performed strongly over the period, as did the Polar Capital Global Insurance Fund within specialist equities. The detractors included ETFS

Physical Gold, BlackRock Gold, and Brown Advisory US Equity Value.

Early in the period we fully redeemed GAM Star Keynes Quantitative Strategies. Profits were taken from our holding in Royal London Index Linked, and we reduced our exposure to gold in favour of increasing our exposure to Japan. In January we closed out the long Euro Stoxx 50 Index Futures position and reallocated the investment into a new holding in Artemis European Growth. We also fully sold the holdings in M&G Corporate Bond and Royal London Index Linked to re-allocate into Royal London Global Index Linked and a new holding in PIMCO US Dollar Short Maturity Source ETF; this was in order to add exposure to the US dollar and lower duration (interest rate sensitivity).

In February we sold the holding in BlackRock Gold & General, trimmed the exposure to ETFS Physical Gold, and re-allocated into CF Lindsell Train UK Equity and Veritas Global Equity Income. We also increased US dollar exposure by adding to the holding in PIMCO US Dollar Short Maturity Source ETF. During March we scaled back the weighting in GLG Japan CoreAlpha Fund, taking profits for the Fund as the holding had performed strongly. In April a new position was initiated in the Henderson UK Property Unit Trust.

Finally, during May we reduced the positions in AXA US Short Duration High Yield and Henderson European Growth, re-allocating into more cyclical industry exposure via Artemis Income, Cazenove European Income, and we re-introduced a position in Brown Advisory US Equity Value. The Fund's Japanese equity exposure was reduced; profits were taken and reallocated into European equities via a reduction in the short Euro Stoxx 50 Index futures position. We reduced the Fund's high yield bond exposure, subsequently adding to the Henderson UK Property Unit Trust. We also reduced the Fund's index-linked exposure, cutting duration. The weighting in ETFS Physical Gold was also scaled back.

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

## Performance summary

	24 May 12- 23 May 13 %	24 May 11- 23 May 12 %	24 May 10- 23 May 11 %	24 May 09- 23 May 10 %	24 May 08- 23 May 09 %
Henderson Multi-Manager Income & Growth Fund	20.2	(6.1)	8.3	19.2	(3.4)
IMA Mixed Investment 20-60% shares	17.3	(2.6)	9.4	16.6	(12.9)

Source : Morningstar - bid to bid, with net revenue reinvested, net of fees, GBP.  
Figures in brackets are negative.

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

## Summary of Fund performance

Unit class	Net asset value* 23/05/13 p	Net asset value* 23/11/12 p	Net asset value % change
Class I income	114.34	101.28	12.89
Class A income	137.90	122.68	12.41
Class A accumulation	142.69	125.63	13.58

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

## Fund facts

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

### Ongoing charge figure\*

	23/05/13 %	23/11/12 %
Class A	2.48	2.26
Class I	1.66	1.52

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

\* This Fund is a non-UCITS retail Fund and we have adopted this disclosure to enable comparison across our fund range.

The OCF includes a synthetic element of 0.91% (2012: 0.97%) to incorporate the OCF of the underlying funds.

## Performance record

Calendar year	Net revenue (pence per unit)	Highest price (pence per unit)	Lowest bid (pence per unit)
<b>Class A income</b>			
2008	4.06	114.90	92.30
2009	2.88	119.90	91.32
2010	2.40	129.10	116.50
2011	2.64	129.90	115.20
2012	2.16	125.30	117.80
2013	1.91*	139.80+	125.50+
<b>Class I income</b>			
2012#	0.04	103.60	99.94
2013	1.64*	116.00+	103.50+
<b>Class A accumulation</b>			
2011**	0.68	122.10	115.90
2012	2.19	129.10	119.80
2013	1.97*	144.70+	129.30+

\* to 23 July

+ to 23 May

\*\* Class A accumulation was launched on 12 August 2011.

## Net revenue distribution

Unit class	23/05/13 p	23/05/12 p
Class I income#	0.95	n/a
Class A income	1.13	1.05
Class A accumulation	1.16	1.06

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

# Class I income was launched on 1 August 2012.

**Past performance is not a guide to future performance.**

## Major holdings

as at 23/05/13	%
Findlay Park American Fund	6.56
Old Mutual Global Strategic Bond 'B'	6.34
GLG Japan CoreAlpha	5.75
CF Lindsell Train UK Equity	5.49
First State Asia Pacific Leaders 'B'	5.23
Veritas Global Equity Income 'D'	5.14
Kames High Yield Bond	4.99
Henderson Strategic Bond +	4.96
Jupiter Strategic Bond	4.85
Deutsche Global Liquidity Managed Platinum	4.78

+ Related party to the Fund

## Major holdings

as at 23/11/12	%
Old Mutual Global Strategic Bond 'B'	6.77
ETFS Physical Gold	6.02
First State Asia Pacific Leaders 'B'	5.08
Kames High Yield Bond	5.03
Veritas Global Equity Income 'D'	4.95
CF Lindsell Train UK Equity	4.68
AXA US Short Duration High Yield Income	4.67
Henderson Strategic Bond +	4.60
Franklin Templeton UK Mid Cap	4.51
Artemis Income	4.36

## Asset allocation

as at 23/05/13	%
United Kingdom	22.43
Global Bonds	20.98
UK Fixed Interest	9.81
North America	9.73
Specialist	8.81
Europe	7.69
Japan	5.75
Other	5.42
Asia Pacific	5.23
Cash	4.78
Derivatives	0.01
Net other liabilities	(0.64)
<b>Total</b>	<b>100.00</b>

## Asset allocation

as at 23/11/12	%
Global Bonds	20.41
United Kingdom	19.57
UK Fixed Interest	14.66
Specialist	10.69
North America	7.85
Other	7.48
Europe	6.47
Asia Pacific	5.08
Cash	3.65
Japan	3.42
Derivatives	0.09
Net other assets	0.63
<b>Total</b>	<b>100.00</b>

## Report and accounts

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

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

## Other information

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

## Risk warning

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

### Issued by:

Henderson Investment Funds Limited

Registered office:

201 Bishopsgate,  
London EC2M 3AE

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

### Trustee

National Westminster Bank Plc

135 Bishopsgate  
London EC2M 3UR

### Auditor

PricewaterhouseCoopers LLP

141 Bothwell Street

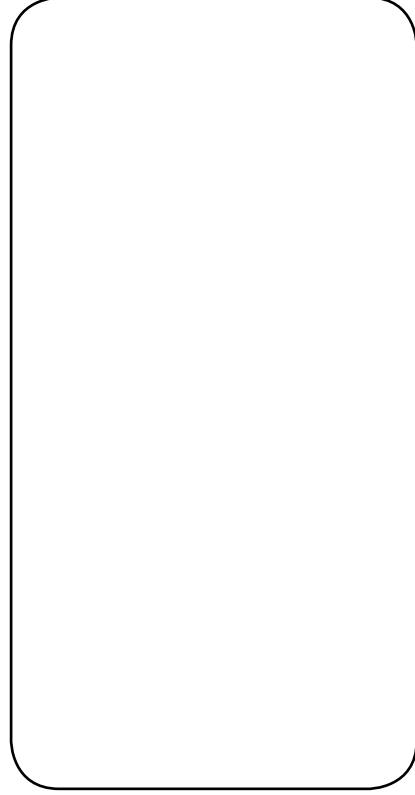
Glasgow

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## Contact us

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Head Office address:  
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### Changes of address - regulatory requirements

FCA regulation requires us to send this report mailing to the address held on file on the accounting date of 23 May 2013. If you have confirmed a change of address with us since that date we will ensure all future correspondence will be sent to your new address.

### Online valuations

You can value your Henderson Multi-Manager Income & Growth Fund at any time by logging on to [www.henderson.com](http://www.henderson.com). Select 'Personal Investor' and then access 'Valuations' from the Tools Menu. Simply select the fund you hold and enter the appropriate number of shares.

### Any questions?

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

### Important Information

Henderson Global Investors is the name under which Henderson Global Investors Limited (reg. no. 906355), Henderson Fund Management Limited (reg. no. 2607112), Henderson Investment Funds Limited (reg. no. 2678531), Henderson Investment Management Limited (reg. no. 1795354), Henderson Alternative Investment Advisor Limited (reg. no. 962757), Henderson Equity Partners Limited (reg. no. 2606646), Gartmore Investment Limited (reg. no. 1508030), (each incorporated and registered in England and Wales with registered office at 201 Bishopsgate, London EC2M 3AE) are authorised and regulated by the Financial Conduct Authority to provide investment products and services. Telephone calls may be recorded and monitored. Ref:34V

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

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