Henderson
GLOBAL INVESTORS

Henderson

Asia Pacific Capital Growth Fund

Short Report
For the six months ended 30 April 2013

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Fund Manager

John Crawford and Marc Franklin

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.

Other information

From 1 April 2013, John Crawford and Marc Franklin took over management of the Fund from Andrew Beal.

Synthetic risk and reward profile

The Fund currently has 4 types of share in issue; A accumulation, I accumulation, Z accumulation and C accumulation. Each type of share has the same risk and reward profile which is as follows:

Typically Lower potential risk/reward ←→ Typically Higher potential risk/reward

Lower Risk — Higher Risk

1	2	3	4	5	6	7

The value of an investment in the Fund can go up and 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 Fund's risk level reflects the following:

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

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

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

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

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

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

Manager's commentary

Asia Pacific markets were volatile towards the latter end of the review period, but finished higher in sterling terms following a steady climb over the first four months. Globally equities were boosted by supportive data from the US housing and labour markets, firmer central bank liquidity measures from the Federal Reserve, European Central Bank and the Bank of Japan, as well as signs of a stabilisation of economic indicators in China. Towards the end of the period, however, a combination of an inconclusive election in Italy (creating uncertainty over leadership and policy continuity), the initially punitive terms for bank depositors contained within the Eurogroup bailout package for Cyprus, and global energy price inflationary pressures resulted in market fluctuations.

China endured another volatile period of equity market performance. Whilst macroeconomic data was initially solid, the tightening of controls over local government financing as well as increased scrutiny over rapidly expanding forms of lending in the financial system (such as trust loans) affected economic and investor sentiment. This was also compounded by uncertainty surrounding a once-in-a-decade leadership transition taking place. Consequently, the pace of economic growth started to ease down again towards the end of the review period.

India was another notable underperformer. In spite of some encouraging signs of a reactivated economic reform and deregulation agenda, including liberalising retail foreign direct investment (FDI) rules, disappointing macroeconomic data, notably regarding the current account deficit, industrial production and consumer price inflation (CPI), combined with a weak currency to subdue equity market performance.

Southeast Asia continued its strong run. The Philippines outperformed the rest of the region as gross domestic product growth, the fiscal balance and inflation all surprised positively and the government made further progress with its public-private-partnership (PPP) infrastructure development programme. Thailand and Indonesia also outperformed strongly off the back of a combination of strong consumption, industrial and investment activity growth domestically.

Australia was the final notably strong market during the six months. Retail and labour market data came in ahead of expectations, iron ore and certain other key commodity prices firmed, as did the currency, which all combined with an ongoing search for yield amongst investors (Australia being one of the highest yielding equity markets) to drive outperformance.

The Fund lagged its MSCI All Country Asia Pacific excluding Japan benchmark in the six months to 30 April 2013. Asset allocation, notably a significant overweight position in China combined with an underweight position in Australia run for the majority of the review period, served as a headwind to performance. At the stock level, Baidu was a major negative contributor due to concerns over rising competition in its core internet search market and an on going dispute between the US Securities and Exchange Commission and auditing firms in China regarding disclosure requirements. Tencent also lagged due to two successive quarterly earnings reports that missed elevated market expectations.

In terms of significant positive contributors, CP ALL in Thailand, the convenience store operator, benefited from sustained impressive earnings performance driven by accelerating domestic consumption growth and minimum wage increases in Thailand. Sands China, the Macau casino operator, was another key strong performer as overall growth and the company's capacity expansion laid firm foundations for the company's future earnings growth.

Notable sales over the review period included Agile Property in China, owing to the company's operational underperformance relative to peers and ongoing question marks over management execution. China Life was also sold over the subdued outlook for a recovery in life insurance premium growth. A further notable sale was Zhuzhou CSR, due to uncertainty over its earnings outlook. Key purchases included China Construction Bank, owing to its attractive valuations and scope for sustained solid earnings growth. TSMC in Taiwan was acquired for its attractive longer-term prospects fuelled by technological advancements as well as consumer electronics demand growth. Yes Bank in India was also added, following a share price pullback, as its branch network and net interest margin expansion outlook looks set to lead to a continued impressive earnings growth path.

Whilst maintaining significant exposure to China and Hong Kong, the fund has sought to reduce the magnitude of the asset allocation position by narrowing the overweight position in China and underweight position in Australia. As at the end of the review period, the largest overweight exposure is to Thailand, with overweight positions also for the Philippines, Indonesia, India and Hong Kong/China combined. The Fund remains underweight Australia, but considerably less so compared to the start of the review period.

The domestic fundamentals for Asian markets remain generally supportive with positive earnings prospects for many companies and sectors. In our view, overall valuations for the Asia region remain reasonable, although valuation polarisations between sectors and geographies have emerged that could drive intra-market and regional volatility going forward. Generally solid macroeconomic data in the US is also a helpful near-term factor. However, eurozone macroeconomic performance remains a background risk.

Discrete annual performance

	1 May 12- 30 Apr 13 %	1 May 11- 30 Apr 12 %	1 May 10- 30 Apr 11 %	1 May 09- 30 Apr 10 %	1 May 08- 30 Apr 09 %
Henderson Asia Pacific Capital Growth Fund	10.6	(9.0)	11.2	46.6	(16.0)
MSCI All Country Asia Pacific Free (ex Japan) Index	18.3	(7.7)	11.8	50.9	(20.3)

Source: Morningstar - mid to mid, net income reinvested, net of fees, GBP.
Figures in brackets are negative.

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

Summary of Fund performance

Share class	Net asset value* 30/04/13 p	Net asset value* 31/10/12 p	Net asset value % change
Class A accumulation	706.18	631.95	11.75
Class I accumulation	751.82	669.41	12.31
Class Z accumulation	800.45	709.45	12.83
Class C accumulation	474.30	421.61	12.50

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

Fund facts

Accounting dates	Payment dates
30 April, 31 October	31 December

Ongoing charge figure

	30/04/13 %	31/10/12 %
Class A	1.81	1.81
Class I	0.92	1.08
Class Z	0.13	0.13
Class C	0.63	0.63

The annualised ongoing charge figure (OCF) of the Fund, calculated as the ratio of the total ongoing charges to the average net asset value for twelve months. Ongoing charges are all payments deducted from the assets of the Fund during the period, except for expenses that are explicitly excluded by regulation.

Performance record

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class X accumulation			
2008	1.27	560.70	259.50
2009	1.09	569.20	298.20
2010 **	-	588.50	568.50
Class A accumulation			
2008	3.26	578.40	268.80
2009	3.41	579.40	309.40
2010	2.06	725.80	537.00
2011	0.83	742.70	507.90
2012	0.88	675.50	567.50
2013	-*	751.40+	675.50+
Class I accumulation			
2008	5.28	595.40	277.80
2009	5.85	616.20	320.20
2010	7.77	759.30	558.30
2011	4.33	777.20	534.20
2012	5.97	717.10	597.90
2013	-*	799.00+	717.10+
Class Z accumulation			
2008	8.25	595.40	283.80
2009	5.67	635.70	328.10
2010	17.55	791.20	576.40
2011	13.42	809.90	560.90
2012	11.77	760.80	629.08
2013	-*	849.80+	761.50+
Class C accumulation			
2011 #	1.92	421.00	335.00
2012	4.95	451.60	375.40
2013	-*	503.90+	451.90+

* to 28 June
+ to 30 April
# C Share class launched on 12 August 2011
** X Share class merged with A share class on 11 January 2010

Past performance is not a guide to future performance.

Major holdings

as at 30/04/13	%
Samsung Electronics	4.97
China Construction Bank	3.89
BHP Billiton	3.59
National Australia Bank	3.53
AIA	2.89
Tata Motors	2.61
Westpac Bank	2.48
Taiwan Semiconductor Manufacturing	2.47
Yes Bank	2.35
LT	2.28

Asset allocation

as at 30/04/13	%
China	19.14
Australia	18.88
Korea	13.65
India	9.46
Thailand	7.59
Hong Kong	7.53
Taiwan	6.46
Singapore	5.42
Philippines	4.26
Indonesia	4.12
United States	1.24
Net other assets	2.25
Total	**100.00**

Major holdings

as at 31/10/12	%
Samsung Electronics	4.64
Tencent Holdings	3.72
SK Innovation	3.57
Petrochina	3.53
Zhuzhou CSR Times Electric	3.46
Prada	3.45
Hyundai Motor	3.31
China Life Insurance	3.30
Hyundai Glovis	3.21
China Overseas Land	3.13

Asset allocation

as at 31/10/12	%
China	39.26
Korea	22.68
Hong Kong	6.60
Indonesia	5.99
Thailand	5.29
Taiwan	4.96
India	4.71
Malaysia	4.08
Singapore	3.12
Philippines	0.95
Ireland	0.01
Net other assets	2.35
Total	**100.00**

Report and accounts

This document is a short report of the Henderson Asia Pacific Capital Growth Fund for the six months ended 30 April 2013.

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

Other information

The information in this report is designed to enable you to make an informed judgement on the activities of the Fund during the period 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.

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Changes of address - regulatory requirements

FCA regulation requires us to send this report mailing to the address held on file on the accounting date of 30 April 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 Asia Pacific Capital Growth Fund at any time by logging on to www.henderson.com. Select 'Personal Investor' and then access 'Valuations' from the Tools Menu. Simply select the fund you hold and enter the appropriate number of shares.

Any questions?

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

Important Information

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