Henderson
GLOBAL INVESTORS

INTERIM SHORT REPORT

For the six months ended
31 December 2013

Henderson All Stocks Credit Fund

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Short Report

For the six months ended 31 December 2013

Fund Manager

Philip Payne

Investment objective and policy

To provide a return by investing primarily in sterling denominated investment grade corporate bonds. The Fund may invest in other transferable securities, money market instruments, derivatives and forward transactions, deposits and units in collective investment schemes.

Risk and reward profile

The Fund currently has 9 types of share class in issue; A accumulation, I accumulation, Z gross accumulation, A income, I Income, Z gross income, A gross income, I gross accumulation and I gross income. Each type of share class 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 Synthetic Risk and Reward Indicator (SRRI) is calculated based on historical volatility over a rolling 5 year period, it is reviewed monthly and updated if volatility has changed materially to cause a movement in the SRRI level. The SRRI is an indicator and may not accurately reflect future volatility and market conditions.

The 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 Fund's risk level reflects the following:

- As a category, bonds are less volatile than shares.
- Fluctuations in exchange rates may cause the value of your investment to rise or fall.

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.

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

Geographic risk The Fund's value may fall where it has concentrated exposure to a particular country or region that is heavily affected by an adverse event.

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

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

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

Fund Manager's commentary

Corporate bonds performed well over the second half of 2013, recovering from the weakness that arose in May and June on concerns about the withdrawal of stimulus by the US Federal Reserve (Fed), to end the year with spreads at their lowest levels since late 2007. The decline in credit spreads helped to offset the rise in government bonds yields, which rose on better economic data and the Fed's eventual decision, announced in December, to reduce its monthly asset purchases. In a continuation of the trend for the year, financials outperformed non-financials, with lower-rated issuers and sectors outperforming higher-rated ones, partly because of the reduced sensitivity to rising government bond yields. Despite a pick-up in domestic issuance and heavy issuance in overseas markets, overall supply in the UK remained light compared with the previous year, helping to provide strong technical support for the market.

Appetite for subordinated financial bonds remained very strong, rewarding the Fund's exposure to this area. The position in Lloyds Bank performed well, as it benefited from the improving UK economy and the government's decision to sell down part of its stake. This also supported the holding in Scottish Widows, along with positions in other UK banks and building societies. We increased exposure to the bank and insurance sectors during the period, adding to holdings in Lloyds, RBS (Royal Bank of Scotland), and Nationwide, as well as Axa, Assicurazioni Generali and Standard Life. We also established a new position in Prudential. Despite the strong performance of subordinated bank debt, covered bonds (secured bank debt) have performed poorly; this detracted from the Fund's performance.

Rising corporate event risk in the telecom and media sectors was a notable driver of spreads in the second half of the year. Our decision in February to exit the position in Time Warner Cable benefited performance, as spreads widened on concerns that Charter Communications may look to acquire the company. Following the poor performance of the bonds since our decision to exit, we have started to increase exposure again, given attractive valuations and the potential for other higher-rated buyers to launch a bid. Verizon's decision to buy Vodafone out of its holding in Verizon Wireless led to the largest ever bond deal (US$49bn) in early September. The Fund participated in the deal, and the bonds have performed very well since launch. The deal led to weakness in the holding in AT&T, however, on concerns that it may also look to undertake large-scale acquisitions. This detracted from performance.

High yield and lower-rated investment-grade corporate bonds outperformed the broader market. Positions in Continental (auto parts), GKN (auto & aerospace components), Daily Mail (media), William Hill (gaming), and the Co-operative Group all performed well, with the last of these benefiting from the completion of the first part of the bank rescue plan. We increased the Fund's exposure to property-related issuers by participating in new deals from Health Care REIT, Intu (the operator of Gateshead's Metrocentre shopping centre) and Global Switch. Meanwhile, we sold the holding in Digital Realty, given poor earnings and concerns that it may become a takeover target. We established a new position in the AA (roadside assistance).

As we enter 2014, there will be increased focus on how markets adapt to less accommodative monetary policy and how policymakers respond to improving economic data. With a backdrop of improving but moderate-to-low growth and low inflation, we expect the environment to remain supportive for corporate bonds. Underpinning this positive view is the expectation of a low default rate, but we are alert to the fact that liquidity will remain an important driver of markets. Credit spreads can continue to perform well overall, but we expect the performance to be concentrated in fewer sectors and offset by the risk of increasing interest rates.

Performance summary

	30 Jun 13- 31 Dec 13 %	30 Jun 12- 31 Dec 12 %	30 Jun 11- 31 Dec 11 %	30 Jun 10- 31 Dec 10 %	30 Jun 09- 31 Dec 09 %
Henderson All Stocks Credit Fund	1.2	6.6	4.0	1.6	7.7
ML/iBoxx Composite Benchmark	2.1	7.8	4.0	2.3	9.4

Source : Morningstar - mid to mid (excluding initial charges) with net revenue reinvested for a basic rate taxpayer.

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* 31/12/13 p	Net asset value* 30/06/13 p	Net asset value % change
Class A income	118.68	118.47	0.18
Class A accumulation	126.32	124.38	1.56
Class I income	119.71	119.43	0.23
Class I accumulation	203.18	199.42	1.89
Class A gross income	118.69	118.49	0.17
Class I gross income	121.76	121.37	0.32
Class I gross accumulation	223.66	218.45	2.38
Class Z gross income	108.42	108.20	0.20
Class Z gross accumulation	180.09	175.67	2.52

*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.

Net revenue distribution

Share class	31/12/13 p	31/12/12 p
Class A income	1.66	1.59
Class A accumulation	1.76	1.64
Class I income	1.99	1.93
Class I accumulation	3.36	3.15
Class A gross income	2.08	1.99
Class I gross income	2.51	2.43
Class I gross accumulation	4.59	4.28
Class Z gross income	2.52	2.45
Class Z gross accumulation	4.16	3.88

Total interest distributions for the period ended 31 December 2013, comparison is for the same period last year.

Fund facts

Accounting dates	Payment dates
30 June, 31 December	31 August, 30 November, last day in February, 31 May

Ongoing charge figure

	31/12/13 %	30/06/13 %
Class A	1.17*	1.20
Class I	0.54**	0.55
Class Z	0.04**	0.05

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

The OCF is calculated in accordance with guidelines issued by the Committee of European Securities Regulators (CESR).

From 10 August 2013, the General Administration Charge (GAC) decreased:
* from 0.18% to 0.14%
** from 0.03% to 0.023%

Performance record

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class X income			
2009	3.48	110.70	96.30
2010 **	0.86	109.40	108.40
Class A income			
2009	3.86	110.30	95.93
2010	3.67	116.20	107.90
2011	3.53	115.10	109.20
2012	3.25	124.20	114.00
2013	3.25	127.60+	118.00+
2014	0.83*	-	-
Class A accumulation			
2011 ****	0.90	116.00	111.90
2012	3.31	128.80	115.80
2013	3.40	134.00+	124.70+
2014	0.89*	-	-
Class I income			
2009	4.30	111.60	97.04
2010	4.19	117.40	109.10
2011	3.93	116.30	110.50
2012	3.87	125.50	115.10
2013	3.91	128.80	119.20+
2014	0.99*	-	-
Class I accumulation			
2009	6.22	165.20	141.00
2010	6.30	179.60	163.20
2011	6.12	185.10	171.30
2012	6.23	206.30	184.70
2013	6.51	215.10+	200.40+
2014	1.69*	-	-
Class A gross income			
2009	4.85	110.90	96.28
2010	4.60	116.70	108.30
2011	4.40	115.60	109.60
2012	4.08	124.70	114.30
2013	4.07	128.10+	118.50+
2014	1.04*	-	-

Performance record (continued)

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class I gross income			
2009	5.48	112.70	97.77
2010	5.36	118.80	110.00
2011	5.23	117.70	111.50
2012	4.92	126.90	116.20
2013	4.95	130.20+	120.60+
2014	1.26*	-	-
Class I gross accumulation			
2009	8.19	174.00	147.30
2010	8.43	191.00	172.00
2011	8.61	199.40	182.50
2012	8.47	224.10	199.00
2013	8.86	234.40+	218.60
2014	2.31*	-	-+
Class Z gross income			
2010 ***	3.78	106.20	100.00
2011	5.18	105.20	99.56
2012	4.93	113.50	103.70
2013	4.98	116.30+	107.80
2014	1.26*	-	-+
Class Z gross accumulation			
2009	7.05	137.80	116.30
2010	7.17	152.00	136.30
2011	7.62	159.50	145.40
2012	7.61	180.20	159.20
2013	8.04	188.80+	176.20+
2014	2.09*	-	-

* to 28 February 2014
+ to 31 December 2013
** Class X merged with Class A on 11 January 2010
*** Class Z gross income launched 3 March 2010
**** Class A accumulation launched 12 August 2011

Past performance is not a guide to future performance.

Major holdings

as at 31/12/13	%
AT&T 5.875% 28/04/2017	1.10
HSBC 6.375% 18/10/2022	1.07
Barclays Bank 10% 21/05/2021	0.93
Johnson & Johnson 5.5% 06/11/2024	0.92
KFW International Finance 5.5% 07/12/2015	0.92
Nationwide Building Society 5.625% 28/01/2026	0.81
BG Energy Capital 5.125% 07/12/2017	0.80
Silverstone Master Issuer 5.063% 21/01/2055	0.75
Royal Bank of Scotland 6.625% 17/09/2018	0.72
Verizon Communications 6.55% 15/09/2043	0.72

Major holdings

as at 30/06/13	%
KFW International Finance 5.5% 07/12/2015	1.13
Johnson & Johnson 5.5% 06/11/2024	1.04
BG Energy Capital 5.125% 07/12/2017	1.03
AT&T 5.875% 28/04/2017	1.02
European Investment Bank 3.75% 07/12/2027	0.99
Nationwide Building Society 5.625% 28/01/2026	0.98
Barclays Bank 10% 21/05/2021	0.97
HSBC FRN 18/10/2022	0.97
United Utilities Water 6.125% 29/12/2015	0.81
European Investment Bank 6% 07/12/2028	0.77

Asset allocation

as at 31/12/13	%
Eurobonds	93.40
Government bonds	2.73
Derivatives	0.09
Net other assets	3.78
Total	**100.00**

Asset allocation

as at 30/06/13	%
Eurobonds	94.24
Government bonds	2.88
Derivatives	0.07
Net other assets	2.81
Total	**100.00**

Report and accounts

This document is a short report of the Henderson All Stocks Credit Fund for the six months ended 31 December 2013.

Copies of the annual and half yearly long form report and financial statements of this Fund are available on our website www.henderson.com or contact 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 31 December 2013. If you have confirmed a change of address with us since that date we will ensure all future correspondence will be sent to your new address.

Online valuations

You can value your Henderson All Stocks Credit 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.

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