



INTERIM SHORT REPORT

For the six months ended
28 February 2014

Henderson
GLOBAL INVESTORS

Henderson UK Alpha Fund

Henderson UK Alpha Fund

Short Report

For the six months ended 28 February 2014

Fund Managers

James Ross and Neil Hermon

Other information

With effect from 20 January 2014, PricewaterhouseCoopers LLP replaced KPMG Audit Plc as the auditors of the Fund.

Investment objective and policy

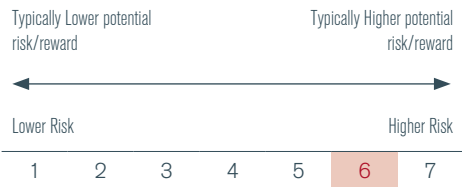
To achieve capital growth through a relatively concentrated portfolio. The Fund will invest principally in the securities of UK companies. The Fund also invests in fixed interest securities, preference shares, debt securities convertible into ordinary stock, money market instruments and deposits. The Fund may also invest outside of the UK if the investment adviser believes that it is in the interest of the Fund.

Risk and reward profile

The Fund currently has 4 types of share in issue;

A accumulation, C accumulation, I accumulation and Z accumulation.

The risk and reward profile is the same for each type of share and is as follows:



The value of an investment in the Fund can go up and down. When you sell your shares, they may be worth less than what 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:

- The Fund focuses on a single country
- 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.

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

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 Warnings" section of the Fund's prospectus.

Fund Managers' commentary

The six month period to the end of February 2014 proved to be a very volatile period for UK Equities but one in which markets made good progress. The positive drivers over the period were continued loose monetary conditions, an improving UK (and global) economic environment and increasing corporate confidence levels. The negative drivers were concerns over the US Federal Reserve 'tapering' their quantitative easing, increased (and related) worries over emerging market economic and currency weakness and, towards the end of the period, growing geopolitical concern based around Ukraine and Russia. The FTSE All Share Total Return Index increased 8.8% during the period, whilst the Henderson UK Alpha Fund outperformed the index materially, rising 13.5%.

Our best performing positions over the period were Grainger, London Stock Exchange and Exillon Energy. Grainger, the residential real estate company, has been a prime beneficiary of increasingly buoyant housing market conditions across the UK, in particular in the South-East of England where their portfolio is focused. London Stock Exchange has seen increased trading volumes, recovering post-trade activity as well as growing anticipation of strong cost synergies from their LCH.Clearnet acquisition. The company remains very well positioned for global exchange consolidation. Finally, Exillon Energy, the Russian-based oil-production company, performed well as an apparent bidding war broke out for the company. We were unconvinced whether a firm offer would be forthcoming and sold our entire position before the bidders eventually backed away leaving the share price to fall materially.

Our worst performing positions were Perform Group, Tullow Oil and Premier Oil. Perform, the online content owner and distributor, announced a profit warning related to weakness in online display advertising in December. The shares fell materially as analysts slashed their earnings expectations. Tullow Oil, the oil explorer, suffered from very weak sentiment towards the energy sector as well as a string of disappointing exploration results and the shares fell steadily. Premier Oil, another oil exploration and production company, suffered a similar fate as sentiment towards the sector worsened.

During the period we initiated a position in the defence-focused outsourcing company Babcock. We felt that the company's very strong bidding pipeline suggested a level of earnings growth that was not yet reflected in analysts' forecasts. The shares then re-rated aggressively as these earnings upgrades began to be anticipated. We sold our entire position towards the end of the period. We also sold our position in Barratt Developments and initiated a position in Taylor Wimpey. We initiated this switch in the house builders because we felt that, although both are well positioned, Taylor Wimpey has a more attractive and balanced long-term policy based around sustainable cash returns to shareholders. In addition, we sold our holding in BP and initiated a position in Royal Dutch Shell. We feel that Shell is more likely than BP to address the industry issue of capital-overspending, especially with a new CEO at the helm. Finally we sold our positions in Ryanair and Perform.

The last six months has been a very strong period for the Fund and we are pleased to have produced strong outperformance. Looking forward, it is harder to make the argument that UK equities are stand-out cheap versus their own history. However, we still see equities as representing very good value against other asset classes, largely due to historically low interest rates. Geopolitical risk has increased in the short term, but we are still of the view that equities will continue to grind higher over 2014.

Performance summary

	31 Aug 13- 28 Feb 14 %	31 Aug 12- 28 Feb 13 %	31 Aug 11- 29 Feb 12 %	31 Aug 10- 28 Feb 11 %	31 Aug 09- 28 Feb 10 %
Henderson UK Alpha Fund	13.5	8.1	15.5	26.5	9.1
FTSE All-Share Total Return Index	8.8	14.1	10.3	16.5	10.1

Source: Morningstar, mid to mid, net revenue reinvested, net of fees, GBP.

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* 28/02/14 p	Net asset value* 31/08/13 p	Net asset value % change
Class A accumulation	106.37	92.45	15.06
Class C accumulation	584.07	504.81	15.70
Class I accumulation	232.07	200.85	15.54
Class Z accumulation	132.11	113.88	16.01

* 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

28 February, 31 August

Payment date

31 October

Ongoing charge figure

	28/02/14 %	31/08/13 %
Class A	1.69	1.74*
Class C	0.55	0.57**
Class I	0.83	0.87***
Class Z	0.06	0.08**

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.

The OCF is calculated in accordance with guidelines issued by the Committee of European Securities Regulators (CESR) with the aim of ensuring a harmonised approach to the calculation of the OCF by all UCITS.

From 10 August 2013 the general administration charge (GAC):

*decreased from 0.22% to 0.18%.

**decreased from 0.06% to 0.045%.

***decreased from 0.10% to 0.075%.

Performance record

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class A accumulation			
2009	1.65	81.50	53.35
2010	0.17	102.50	77.44
2011	0.01	107.30	73.80
2012	0.36	98.78	78.04
2013	1.13	102.50	84.28
2014	-	105.60+	99.14+
Class C accumulation			
2011^	0.15	448.00	394.20
2012	7.30	530.40	420.50
2013	63.01	562.00	458.70
2014	-	580.10+	544.00+
Class I accumulation			
2009	18.12	178.60	112.70
2010	1.37	218.60	164.50
2011	1.18	228.90	158.00
2012	2.31	212.00	167.80
2013	3.84	230.50	182.70
2014	-	230.50+	216.20+
Class Z accumulation			
2011#	-	99.79	91.05
2012	2.02	116.70	94.25
2013	1.16	127.00	103.30
2014	-	131.20+	127.00+

Performance record (continued)

Calendar year	Net revenue (Euro cents per share)	Highest price (Euro cents per share)	Lowest price (Euro cents per share)
Class A Euro accumulation			
2009	0.19	328.00	202.00
2010	1.65	417.00	302.00
2011	0.61	445.00	298.00
2012	1.27	413.00	338.00
2013++	-	368.00	345.00+
Class I Euro accumulation			
2009**	13.36	511.00	311.00
2010	5.15	660.00	486.00
2011	8.86	704.00	477.00
2012	11.77	665.90	545.00
2013++	-	601.38	564.51+

+ to 28 February

** Launched 27 November 2009

^ Launched 12 August 2011

Launched 16 September 2011

++ Closed 5 April 2013

Past performance is not a guide to future performance.

Major holdings	
as at 28/02/14	%
HSBC	5.02
Royal Dutch Shell 'B'	4.95
Prudential	3.23
Lloyds Banking Group	3.16
BT	3.16
Diageo	3.09
Vodafone	3.07
BHP Billiton	3.06
Glencore International	2.39
Grainger	2.36

Major holdings	
as at 31/08/13	%
Vodafone	6.27
HSBC	4.74
BP	3.60
Diageo	3.53
Rio Tinto	2.92
Lloyds Banking Group	2.59
Rolls Royce	2.48
London Stock Exchange	2.44
SABMiller	2.39
Prudential	2.37

Asset allocation	
as at 28/02/14	%
United Kingdom:	
Banks	8.18
Oil & gas producers	6.90
Mobile telecommunications	4.45
Media	5.26
Engineering & Machinery	4.69
Special & other finance	6.05
Mining	5.40
Financial services	5.51
Support services	4.79
Electronic & electrical equipment	5.23
Others	35.95
Overseas:	
Russia	2.39
Ireland	1.18
British Virgin Islands	0.76
Guernsey	0.54
Others	0.64
Net other assets	2.08
Total	100.00

Asset allocation	
as at 31/08/13	%
United Kingdom:	
Banks	8.69
Oil & gas producers	8.28
Mobile telecommunications	7.28
Media	6.25
Beverages	5.92
Special & other finance	5.65
Mining	4.95
Aerospace & defence	4.29
Support services	3.73
Electronic & electrical equipment	3.66
Others	31.00
Overseas:	
Ireland	2.45
Russia	1.75
Jersey	1.70
Guernsey	1.60
Others	2.61
Net other assets	0.19
Total	100.00

Report and accounts

This document is a short report of the Henderson UK Alpha Fund for the six months ended 28 February 2014.

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.

Issued by:

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201 Bishopsgate,
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Member of the IMA and authorised and regulated
by the Financial Conduct Authority.
Registered in England No 2678531

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National Westminster Bank Plc
135 Bishopsgate
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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.

Auditor

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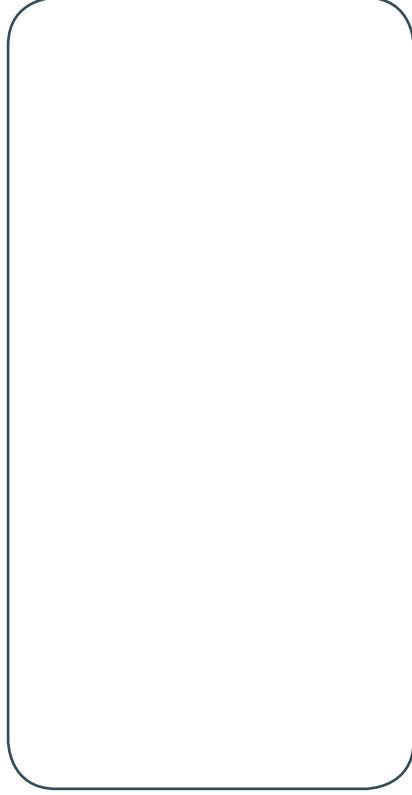
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Changes of address - regulatory requirements

FCA regulation requires us to send this report mailing to the address held on file on the accounting date of 28 February 2014. 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 UK Alpha 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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Unless otherwise stated, all data is sourced by Henderson Global Investors.

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