



INTERIM SHORT REPORT

For the six months ended
31 March 2014

Henderson
GLOBAL INVESTORS

Henderson Global Financials Fund

Henderson Global Financials Fund

Short Report

For the six months ended 31 March 2014

Fund Managers

Henderson Global Equities Team

Other information

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

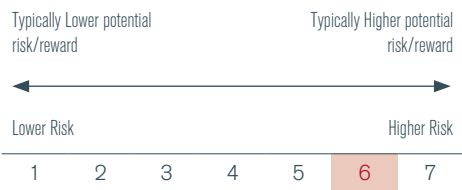
Investment objective and policy

To achieve a high level of income.

The Fund will invest principally in the securities of financial services companies both in the UK and internationally. In addition to ordinary shares, the Fund may also invest in fixed interest securities, preference shares, debt securities convertible into ordinary stock, money market instruments and deposits.

Risk and reward profile

The Fund currently has 5 types of shares in issue; A (accumulation & income), Euro A accumulation, I accumulation and US Dollar A 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 or down. When you sell your units 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 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.

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.

Managers' commentary

The past six months have seen greater uncertainty within equity markets as the combined pressures of the US Federal Reserve (Fed) tapering (reducing) its quantitative easing (QE) asset purchases and slowing growth in China have curtailed the support that was present in the market. While the positive momentum in global financial equities continued into late 2013, as broad economic growth looked to take up where stimulus had left off, a series of negative economic and political developments saw markets move sideways into the first quarter of 2014. The effects of the Fed tapering were felt strongly in global currency markets, leading many emerging market (EM) currencies to weaken against the US dollar. This was detrimental to the profits of multinational companies and also prompted some EM central banks to raise interest rates in an attempt to fend off currency devaluations. This dovetailed with a raft of disappointing data on Chinese growth and its first domestic bond default,

which set the tone for heightening investor tensions just as Russia decided to occupy Crimea. That being said, EM performance was far from homogeneous, with several markets including: India, Indonesia, Turkey, Argentina and Brazil, rallying strongly at the end of the first quarter of 2014. After a broadly flat start to the year, developed markets sold off on weaker than expected US manufacturing data. The results of the Fed's bank stress tests were announced in March. Designed to ensure that financial institutions have sufficient capital to ensure continued operations through times of economic and financial stress, the results led to the approval of capital plans of 25 out of 30 banks. Citigroup failed to meet the Fed's standard's, however, its dividend increase and buyback plans being denied. In Europe, economic data showed signs of stabilisation with eurozone fourth quarter gross domestic product (GDP) rising 0.5% year-on-year, although company fourth quarter earnings were generally disappointing. Japan was by far the weakest performer among the developed markets as investors were led to further question the effect of Prime Minister Abe's reforms as forth quarter GDP was revised down to 0.7%, from an already weaker than expected 1.0%.

Stock selection in the Fund's North American and European holdings added most to performance. Chief amongst these was the position in US alternative asset manager Blackstone, where management said their pipeline of investments is well positioned to benefit from accommodative market conditions, and fundraising growth has also been strong. French bank Crédit Agricole performed well following results that showed better than expected earnings and progress towards its

core tier 1 capital ratio (measure of capital strength) target. The bank trades at a discount to its peers on a price-to-book metric but we think continued results such as these should see that valuation gap close. Shares in Spain's Bankia have benefited from the improving peripheral European market, which has provided a tailwind in efforts to normalise the bank's balance sheet and profitability. The biggest detractors from performance over the period were holdings in Japanese financials such as Credit Saison, SMFG and Chiba Bank. Japanese equities, particularly financials, sold off during January as doubts over President Abe's stimulus and economic reform policies combined with concerns over deterioration in bank's net interest margins and loan spreads. The pressure seen in EM had a negative effect on the Fund's Russian and Turkish holdings, namely Sberbank and Türkiye Garanti Bankasi.

2014 will be a crucial year for European banks as the European Central Bank's asset quality review (AQR) is delivered. Designed to improve the transparency and the strength of bank balance sheets, many European Union banks have had to either raise tier one capital or shed some riskier assets ahead of the 31 December cut-off point. Due in late October, negative findings may have significant effects on some of the banks' share prices. With March marking the five year anniversary of the global financial crisis market low; questions remain as to whether global markets and economies can stand on their own feet as US QE stimulus is gradually withdrawn. That said, we remain broadly positive about equity markets as supportive economic policies are likely to remain in place while growth gains traction.

Performance summary

	30 Sep 13- 31 Mar 14 %	30 Sep 12- 31 Mar 13 %	30 Sep 11- 31 Mar 12 %	30 Sep 10- 31 Mar 11 %	30 Sep 09- 31 Mar 10 %
Henderson Global Financials Fund	6.5	22.7	14.0	7.9	(3.2)
FTSE World Financials Total Return Index	5.2	23.6	19.9	8.3	7.2

Source : Morningstar, bid to bid, reinvested net income, GBP, based on cumulative returns.
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* 31/03/14 p	Net asset value* 30/09/13 p	Net asset value % change
Class A income	55.12	51.89	6.22
Class A accumulation	288.27	269.14	7.11
Class I accumulation	322.57	300.20	7.45
Class Euro A accumulation	409.85	382.60	7.12
Class US Dollar A accumulation	327.40	305.70	7.10

* 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
31 March, 30 September	31 May*, 30 November*, 31 January**

* Only applies to A income classes.

** All classes except A income.

Ongoing charge figure

	31/03/14 %	30/09/13 %
Class A	1.72	1.77*
Class I	1.09	1.10**
Class Euro A	1.72	1.77*
Class US Dollar A	1.72	1.77*

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 0.24% to 0.18%

**from 0.06% to 0.045%

Net revenue distribution

Unit class	31/03/14 p	31/03/13 p
Class A income	0.47	0.43

Total dividend distributions for the year ended 31 March 2014, comparison is for the same period last year.

Performance record

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class A income			
2010#	0.44	51.59	41.75
2011	1.34	51.97	34.38
2012	1.06	44.65	36.08
2013	1.23	56.03	44.76
2014	0.47+	57.50+	53.16+
Class A accumulation			
2009	1.07	249.00	144.80
2010	0.70	246.30	197.60
2011	3.08	247.90	169.80
2012	2.61	226.10	180.30
2013	2.60	290.50	226.70
2014	-	298.10+	275.60+
Class I accumulation			
2009	1.73	271.40	157.30
2010	-	270.00	216.00
2011	5.82	272.10	187.30
2012	6.03	250.80	199.50
2013	2.30	324.30	251.50
2014	-	333.20+	308.10+

Calendar year	Net revenue (EUR cents per share)	Highest price (EUR per share)	Lowest price (EUR per share)
Class Euro A accumulation			
2009	2.06	3.86	2.27
2010	2.29	4.10	3.28
2011	5.58	4.21	2.83
2012	4.36	3.94	3.18
2013	2.27	4.94	3.96
2014	-	5.09+	4.73+
Class Euro I accumulation			
2009	4.13	4.25	2.49
2010##	-	4.21	3.77

Past performance is not a guide to future performance.

Performance record (continued)

Calendar year	Net revenue (USD cents per share)	Highest price (USD per share)	Lowest price (USD per share)
Class US Dollar A accumulation			
2009	0.43	4.59	2.29
2010	3.20	4.35	3.30
2011	5.67	4.60	2.99
2012	6.43	4.16	3.20
2013	4.72	5.44	4.20
2014	-	5.54+	5.11+
Class US Dollar I accumulation			
2009	2.50	4.17	2.07
2010##	-	3.87	3.27

+ to 31 March

Launched 1 October 2009

Closed 12 February 2010

Major holdings	
as at 31/03/14	%
Lloyds Banking	2.64
Bank of America	2.34
JPMorgan Chase	2.14
Unicredito Italiano	2.08
Blackstone	2.01
KBC	1.99
5th Third Bancorp	1.72
Sumitomo Mitsui Financial	1.69
Discover Financial Services	1.69
ING	1.68

Major holdings	
as at 30/09/13	%
Lloyds Banking	4.28
JPMorgan Chase	2.54
KBC	2.54
Sumitomo Mitsui Trust	2.11
Bank of America	2.06
Mitsubishi	1.96
HSBC	1.95
Citigroup	1.83
BNP Paribas	1.73
Crédit Agricole	1.73

Asset allocation	
as at 31/03/14	%
United States	39.00
United Kingdom	10.62
Japan	8.54
Australia	5.00
France	4.68
Canada	4.42
Germany	3.79
Spain	3.54
China	2.29
Switzerland	2.28
Other countries	15.15
Net other assets	0.69
Total	100.00

Asset allocation	
as at 30/09/13	%
United States	36.91
United Kingdom	13.36
Japan	9.05
France	5.73
Australia	5.30
Canada	4.71
Germany	2.64
China	2.58
Belgium	2.54
Switzerland	2.29
Other countries	13.17
Net other assets	1.72
Total	100.00

Report and accounts

This document is a short report of the Henderson Global Financials Fund for the six months ended 31 March 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 year it covers and the results of those activities at the end of the year.

Issued by:

Henderson Investment Funds Limited
Registered office:
201 Bishopsgate,
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by the Financial Conduct Authority.
Registered in England No 2678531

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London EC2M 3UR

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 March 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 Global Financials 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

Issued in the UK by Henderson Global Investors. Henderson Global Investors is the name under which Henderson Global Investors Limited (reg. no. 9063355), 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. Ref: 34V

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

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