

Henderson

Multi-Manager Active

Fund

Short Report

For the six months ended 31 July 2013

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Fund Managers

Henderson Multi-Asset Team

Investment objective and policy

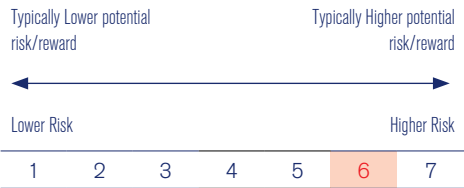
To achieve capital growth by investing in markets in both the UK and overseas.

The Fund may invest in collective investment schemes, exchange traded funds, unregulated collective investment schemes (which include limited partnerships), money-market instruments and deposits.

Investment will not be confined to any particular sector.

Risk and reward profile

The Fund currently has 3 types of share class in issue: A accumulation, I accumulation and Y accumulation. The risk and reward profile of each type of share class 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.

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.

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 Fund delivered a positive return of 10.2% over the six months period to 31 July 2013. US and Japanese equities performed strongly over the period while emerging markets struggled, which is reflected in the best performing holdings in the portfolio. The GLG Japan CoreAlpha Fund's strong returns came as Japanese equities benefited from political change and a weaker yen. There were also contributions to performance from the Old Mutual UK Dynamic Fund, CF Lindsell Train UK Equity, Brown Advisory US Equity Value Fund and Artemis European Growth.

Detractors from absolute performance included exposure to gold through the Physical Gold ETF as the precious metal was hurt by political disruption in Europe and the potential tapering of quantitative easing (QE). Relative underperformance came from the Jupiter Japan Income Fund and the Findlay Park American Fund.

In February we took some profits from our overweight position in European equities, by trimming holdings in Henderson European Growth Fund and Neptune European Opportunities. Alongside this we reduced exposure to China by selling some Hang Seng futures and added exposure to developed markets including the US and the UK.

In the spring months, exposure to Japan was managed through Nikkei 225 futures as the market

reacted strongly to the new government and central bank outlook. This overweight performed strongly and we took some profits from the GLG Japan CoreAlpha Fund. At this time we sold our entire position in the Thesis Australian Natural Resources Fund.

Through July we remained cautious on the outlook for risk assets and built up a cash position of approximately 9%. This cash was raised by reducing equity exposure, including holdings in the Franklin Templeton UK Mid Cap Fund and the CF Lindsell Train UK Equity Fund. Most recently we have begun a small rotation from popular developed markets, such as US and UK equities, into underowned cyclically exposed European equities through Euro Stoxx 50 futures.

Discrete annual performance

	31 Jan 13- 31 Jul 13 %	31 Jan 12- 31 Jul 12 %	31 Jan 11- 31 Jul 11 %	31 Jan 10- 31 Jul 10 %	31 Jan 09- 31 Jul 09 %
Henderson Multi-Manager Active Fund	10.2	(0.4)	(3.2)	6.1	13.2
IMA Flexible Investment sector average	6.0	1.3	0.4	4.2	12.0

Source: Morningstar, mid to mid, basic tax rate, 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* 31/07/13 p	Net asset value* 31/01/13 p	Net asset value % change
Class I accumulation	126.08	113.67	10.92
Class A accumulation	160.84	145.61	10.46
Class Y accumulation	129.19	116.96	10.46

*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 January, 31 July	31 May

Ongoing charge figure*

	31/07/13 %	31/01/13 %
Class I	1.71	2.47
Class A	2.54	2.47
Class Y	2.54	1.88

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 includes a synthetic element of 1.10% (31/01/13: 1.13%) to incorporate the OCF of underlying funds.

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

Performance record

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class I accumulation			
2012 ~	-	106.70	100.10
2013	0.23*	127.30+	106.60+
Class A accumulation			
2008	-	157.10	86.86
2009	-	107.90	97.79
2010	-	152.10	124.20
2011	-	153.40	121.20
2012	-	136.80	123.00
2013	-*	162.60+	136.60+
Class Y accumulation			
2011 #	-	120.70	97.30
2012	-	109.80	98.77
2013	-*	130.60+	109.70+

* to 31 May

+ to 31 July

Share class Y was launched on 12 May 2011

~ Share class I was launched on 1 August 2012

Past performance is not a guide to future performance.

Major holdings	
as at 31/07/13	%
Findlay Park American	8.49
Brown Advisory US Equity Value	6.87
Deutsche Global Liquidity Managed Platinum	6.19
Artemis European Growth	5.88
Schroder International Selection Asian Total Return	5.41
Henderson Global Growth 'I' Acc *	5.21
Jo Hambro UK Opportunities	4.90
BlackRock European Dynamic	4.70
Cazenove UK Smaller Companies	4.65
Polar Capital Global Insurance	4.49

Major holdings	
as at 31/01/13	%
Findlay Park American	7.36
Thesis Australian Natural Resources	5.86
GLG Japan CoreAlpha	5.19
Jo Hambro UK Opportunities	5.11
Artemis European Growth	4.71
CF Lindsell Train UK Equity	4.61
Legg Mason US Smaller Companies	4.37
Jupiter Japan Income	4.34
Schroder UK Alpha Plus	4.30
Polar Capital Global Insurance	4.09

Asset allocation	
as at 31/07/13	%
United Kingdom	29.26
North America	19.13
Europe	14.80
Specialist	9.70
Other	7.62
Japan	6.44
Emerging markets	5.86
Asia Pacific ex-Japan	5.41
Global bond	1.59
Derivatives	(0.27)
Net other assets	0.46
Total	100.00

Asset allocation	
as at 31/01/13	%
United Kingdom	27.75
Europe	15.87
North America	15.42
Japan	9.53
Specialist	7.18
Asia Pacific ex-Japan	7.02
Other	6.36
Emerging markets	5.14
Global bond	2.00
Derivatives	0.67
Net other assets	3.06
Total	100.00

Report and accounts

This document is a short report of the Henderson Multi-Manager Active Fund for the period ended 31 July 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.

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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135 Bishopsgate
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 July 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 Active 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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