Henderson
GLOBAL INVESTORS

Henderson

Global Funds

Interim report & accounts
For the six months ended 30 April 2013

Who are

Henderson Global Investors?

Established in 1934 to administer the estates of Alexander Henderson, the first Lord Faringdon, Henderson Global Investors (Henderson) is a leading independent global asset management firm. The company provides its institutional, retail and high net-worth clients with access to skilled investment professionals representing a broad range of asset classes, including equities, fixed income, property and private equity. With its principal place of business in London, Henderson is one of Europe's largest investment managers, with £68.8† billion assets under management (as at 31 March 2013) and employs around 1,000 people worldwide.

In Europe, Henderson has offices in Amsterdam, Dublin, Edinburgh, Frankfurt, Luxembourg, Madrid, Milan, Paris, Vienna, Zurich and London. Henderson has had a presence in North America since 1999, when it acquired US real estate investment manager Phoenix Realty Advisers, and has offices in Chicago and Hartford. In Asia, Henderson has offices in New Delhi, Singapore (Asia headquarters), Hong Kong, Tokyo and Beijing as well as Sydney. Henderson Group plc acquired New Star Asset Management Group PLC in April 2009 and Gartmore Group Limited in April 2011.

With investment expertise across every asset class, Henderson's skillful investment managers invest in every major market around the globe. They are supported by a global team of researchers and economists who have a keen understanding of the economic forces driving the security markets and who undertake rigorous sector and theme analysis. Underpinning this process is a comprehensive risk-control framework to ensure that investment views are translated into portfolios managed in line with investors risk and return requirements.

What do we do?

At Henderson Global Investors we do one thing and we do it really well - investment management. As a company, we are totally focused on this core activity and it underpins everything we do.

We do this by providing a range of investment products and services including:

- Open ended funds - offshore funds, unit trusts, OEICs
- Investment trusts
- Individual Savings Accounts
- Pension fund management
- Management of portfolios for UK and international institutional clients

† Source: Henderson Global Investors.

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Authorised Corporate Director's (ACD) report

We are pleased to present the Interim Report and Financial statements for Henderson Global Funds for the six months ended 30 April 2013.

Authorised status

Henderson Global Funds (the Company) is an open ended investment company (OEIC) with variable capital authorised, under regulation 12 (Authorisation) of the OEIC regulations, by the Financial Conduct Authority on 21 June 2000. The company is a UCITS Scheme structured as an umbrella company, comprising various Sub-Funds, that was launched on 28 September 2000. Each Sub-Fund is operated as a distinct Fund with its own portfolio of investments. Each Sub-Fund has its own clear investment objective. The investment objective for each Sub-Fund and the policy for achieving that objective is given in the 'Investment Objective' section of each Sub-Fund's report. The investment activities of each Sub-Fund are given in the Managers report section of each Sub-Fund's report. Shareholders are not liable for the debts of the Company.

Fund liabilities

Each Fund is treated as a separate entity and is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that Fund.

Advisers

	Name	Address	Regulator
Authorised Corporate Director and Dealing	**Henderson Investment Funds Limited which is the sole director** Member of IMA The ultimate controlling party is Henderson Group plc.	Registered Office: 201 Bishopsgate, London EC2M 3AE. Registered in England No 2678531. Telephone - 020 7818 1818 Dealing - 0845 608 8703 Enquiries - 0800 832 832	Authorised and regulated by the Financial Conduct Authority
Investment Adviser	**Henderson Global Investors Limited** The ultimate controlling party is Henderson Group plc.	201 Bishopsgate, London EC2M 3AE	Authorised and regulated by the Financial Conduct Authority
Registrar	**International Financial Data Services (UK) Limited**	IFDS House St Nicholas Lane Basildon Essex SS15 5FS	Authorised and regulated by the Financial Conduct Authority
Depositary	**National Westminster Bank Plc**	135 Bishopsgate London EC2M 3UR	Authorised and regulated by the Financial Conduct Authority
Independent Auditors	**PricewaterhouseCoopers LLP**	141 Bothwell Street Glasgow G2 7EQ	Institute of Chartered Accountants in England and Wales
Legal Adviser	**Eversheds LLP**	One Wood Street London EC2V 7WS	The Law Society

Market review for the six months ended 30 April 2013

All index returns are total returns in sterling terms, source Thomson Reuters Datastream, unless otherwise stated.

Overview

Political change and evolving central bank policies played a decisive role in determining global market direction throughout the review period. Uncertainty focused predominantly on the US at the very start of the period, going into November's US presidential election and given government gridlock between the Democrats and Republicans about how to deal with the US 'fiscal cliff' – the programme of automatic spending cuts and tax rises due at the end of the calendar year. A successful compromise deal lifted markets, although the unwinding eurozone crisis displaced the political focus overseas. The Italian elections resulted in a hung parliament in February, with the Cypriot banking crisis reaching a peak in March. Despite these developments, however, the continuing theme of central bank support measures from major economies – including the promise of more aggressive monetary stimulus from the Bank of Japan (BoJ) – continued to spur a dramatic rise in equity markets and encourage investors' search for income-generating assets. The MSCI World Index rose 19.1% in sterling terms over the period.

UK equities

The UK economy struggled over the period with fiscal austerity and household borrowing providing a troubling backdrop, while inflation remained stubbornly above the Bank of England's 2% target. The UK growth forecast was cut from 1.2% to 0.6%, while public borrowing was expected to increase £114bn in the fiscal year 2012-2013. As a consequence, sterling continued to depreciate against both the dollar and euro, while the UK's AAA debt rating was downgraded or given a negative outlook by several credit rating agencies. The incumbent coalition government acknowledged the UK's economic plight, and attempted to kick-start growth through new initiatives: the British Chancellor's budget speech revealed corporation tax cuts, national insurance breaks for small companies, and extra assistance targeted at helping home buyers. UK equities remained resilient, climbing to five-year highs in the period, helped by government liquidity measures and reasonably encouraging corporate earnings reports. Towards the end of the review period, the Office for National Statistics revealed that Britain's economy had avoided a triple-dip recession, expanding by a better than expected 0.3% in the first quarter of 2013 (first estimate), helped by growth in the key services sector and some improvement to industrial output. The FTSE All-Share Total Return Index rose 14.0% in sterling terms over the period.

European equities

European Central Bank (ECB) President Mario Draghi's promise to deploy 'outright monetary transactions' to support weaker countries if necessary continued to underpin the rise in European equity markets – which prospered despite challenging political developments. In late February the Italian elections produced no clear winner, accompanied by a larger-than-expected vote for 'anti-austerity' parties. This was followed by the financial insolvency of Cyprus' banks, which heightened fears for eurozone stability. A controversial bailout agreement was, however, worked through that forced losses on bank deposits above €100,000 at the island's two largest banks in exchange for a €10bn International Monetary Fund/European Union rescue package. Latterly, a government has finally been formed in Italy, Enrico Letta being nominated as prime minister of the new coalition. At the macroeconomic level, Europe's 'core' countries also began to struggle as their economies weakened: gross domestic product (GDP) growth data from Eurostat showed that in the first quarter of the year the eurozone shrank 0.2%, with the French and Italian economies contracting 0.2% and 0.5%, respectively. German growth was very weak at 0.1% – although hopes are in Germany's case that the weakness in manufacturing and sentiment data will prove short-lived. Within the regional equity markets, the German Dax index underperformed the Irish ISEQ and Portuguese PSI indices, indicating perhaps that investors saw attractively priced opportunities in some of the more settled peripheral European markets. The FTSE World Europe ex-UK Index rose 19.4% in in sterling terms over the period.

US equities

At the start of the period President Obama successfully defeated Republican challenger Mitt Romney to win re-election – producing a period of conflict between the parties over how to address tax rises and spending cuts due in January, which would substantially impact US growth unless compromises could be made. While a last-minute deal over the tax part of the US 'fiscal cliff' equation triggered a rise in US equities, and a significant corresponding fall in volatility as measured by the CBOE Volatility Index, the effects of US budget 'sequestration' (across-the-board spending cuts) remained a bone of contention. During these troubles, support from the US Federal Reserve (Fed) remained the critical driver for investors' appetite for equities as the central bank added US$45bn in monthly Treasury purchases to its asset buying schedule, replacing its prior 'Operation Twist' programme. The focus on targeting a specific level of US unemployment (6.5% or below) was a key development towards the end of 2012, while further flexibility to increase or reduce asset purchases as necessary was built into its framework by April. Towards the end of the review period, improving macroeconomic data on key housing manufacturing and employment releases prompted some nervous speculation about when the Fed might begin to wind down its bond-buying programme. While US GDP growth (first estimate) came in below analysts' expectations, its 2.5% (annualised) clip was nevertheless a healthy improvement from the 0.4% advance registered during the fourth quarter of 2012. The S&P 500 Index rose 18.4% in sterling terms over the period.

Asian equities

Chinese economic growth continued to moderate during the period; the economy expanded at an annual rate of 7.7% in the first quarter of 2013, indicating stable growth rather than the rapid expansion of previous years. As China is losing some competitiveness due to substantial wage growth and skills shortages, the new Politburo has started to make efforts to lessen the economy's heavy reliance on exports and refocus on local consumption. Received less well by markets, however, was news of governmental measures to further restrict property price appreciation and clamp down on the shadow banking sector.

In contrast to Chinese weakness, Japan was the standout performer globally over the review period. December's general election resulted in a landslide win for the Liberal Democratic Party-led coalition under Shinzo Abe, which heralded a much more aggressive stance towards addressing the prolonged period of deflation that had dogged the Japanese economy for 20 years. In late January, the Bank of Japan (BoJ) adopted a 2% inflation target and introduced an 'open-ended' asset purchase plan in an attempt to fight deflation. Furthermore, in April the bank pledged to double the Japanese monetary base over two years. The yen continued to weaken on the promise and subsequent delivery of stronger policy; the Nikkei 225 Index approached five-year highs towards the end of the review period. Japanese GDP growth's surge to 3.5% (annualised) in the first quarter, led by consumer spending and export gains, may suggest that 'Abenomics' is having the desired impact on the underlying economy. The MSCI China Index rose 6.7%, while the FTSE World Asia Pacific ex-Japan Index gained 15.4% and the FTSE Japan Index rose 35.2% in sterling terms.

Emerging market equities

Global emerging markets experienced wide regional and sector divergences over the review period. India was the strongest performer amongst the BRIC economies, helped by strength in the US dollar, falling inflation expectations coupled with easy monetary policy from the Reserve Bank of India. Russia performed weakly over the period affected by the decline in crude oil prices, given the commodity's status as the economy's chief export earner. With the exception of a stellar performance from Argentina, emerging Latin American markets generally underperformed their emerging Asian counterparts. Thailand and Indonesia performed particularly strongly off the back of a combination of strong consumption, industrial and investment activity growth domestically. The MSCI Emerging Markets Index returned 9.1% in sterling terms.

Bonds

Rising and ebbing fears for a possible fragmentation of the euro area and global growth saw investors seeking 'safe havens' for their money at times of market stress, and searching for higher-yielding riskier areas when the outlook became more settled. Notably, the demand for government bonds in the so-called 'core markets' of the US, UK and Germany generally accelerated over March (prices rose; yields fell), during Italy's initial failures to form a coalition government, continuing when anxieties surrounding the Cyprus banking crisis came to prominence. Towards the end of the period, however, the last-minute bailout for Cyprus coupled with Enrico Letta's appointment to lead the new Italian coalition government has seen money flowing back from the 'core' into peripheral markets: Italy's borrowing costs, expressed as the yield on their benchmark 10-year government bonds, were a fraction below the 4.0% mark at the end of April, having been as high as 4.9% during the 6 months. In corporate bonds, strong company balance sheets and a low rate of companies defaulting on their debt in many areas of the market drove better performance in lower rated and higher yielding issuers. The JPM Global Bond Index rose 0.4% and the Barclays Global Aggregate Corporate Bond Index rose 3.3% in sterling terms over the review period.

Commodities

Oil prices were volatile over the period. In January, Brent crude oil began to rise owing to a surprising drop in US oil inventories and concerns over the potential effects on oil supply from fighting in Mali, West Africa, spiking to around US$118 per barrel in February driven by supply concerns in the Middle East. The price of crude has tailed off markedly since, driven by rising US inventories, weaker demand and lower global growth forecasts. The London-traded commodity ended April hovering around the key US$100 per barrel level. Gold came under heavy pressure in April and suffered a sharp fall on 12 April as rumours grew that Cyprus might have to sell some of its gold reserves in order to finance a bailout: this ignited fears that other troubled euro area countries might follow suit. But the gold sell-off may also be a sign of returning market confidence. Brent Crude fell 4.2% while gold lost 11.9% in sterling terms over the period.

Outlook

Monetary policy has played a significant role in the market rally seen since summer 2012 – as it has done since the advent of the financial crisis. A period of consolidation for equities and other so-called 'riskier assets' could therefore lie ahead, especially if there are fewer initiatives from central banks in the latter half of 2013. The Fed has been debating when to wind down quantitative easing; and the ECB has been emphasising the limitations of its mandate. While Europe now appears to be 'in remission', there is still an outside danger that the crisis could reignite. European growth is anaemic, and although government bond yields in Europe's periphery are currently well-behaved (ie, these countries can fund themselves) Italy's protracted attempts to form a coalition government and the agonising negotiations for the bailout in Cyprus mean that investors should not become complacent about the risks.

Aggregated statement of total return for the six months ended 30 April 2013 (unaudited)

	30/04/13		30/04/12	
	£000	£000	£000	£000
Income				
Net capital gains		82,356		64,764
Revenue	6,928		6,178	
Expenses	(5,392)		(6,347)	
Finance costs: Interest	-		(1)	
Net revenue/(expense) before taxation	1,536		(170)	
Taxation	(516)		(389)	
Net revenue/(expense) after taxation		1,020		(559)
Total return before distributions		83,376		64,205
Finance costs: Distributions		(1,719)		(1,547)
Change in net assets attributable to shareholders from investment activities		**81,657**		**62,658**

Aggregated statement of change in net assets attributable to shareholders for the six months ended 30 April 2013 (unaudited)

	30/04/13		30/04/12	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		**947,129**		**1,014,080**
Amounts receivable on issue of shares	64,119		77,684	
Amounts payable on cancellation of shares	(144,698)		(78,065)	
		(80,579)		(381)
Stamp duty reserve tax		(7)		(2)
Unclaimed distributions		1		-
Change in net assets attributable to shareholders from investment activities (see above)		81,657		62,658
Retained distributions on accumulation shares		1,754		1,641
Closing net assets attributable to shareholders		**949,955**		**1,077,996**

Aggregated balance sheet as at 30 April 2013 (unaudited)

	30/04/13		31/10/12	
	£000	£000	£000	£000
Assets				
Investment assets		906,829		902,803
Debtors	18,672		8,027	
Cash and bank balances	40,359		48,934	
Total other assets		59,031		56,961
Total assets		965,860		959,764
Liabilities				
Investment liabilities		776		248
Creditors	9,913		8,302	
Bank overdrafts	5,213		4,076	
Distribution payable on income shares	3		9	
Total other liabilities		15,129		12,387
Total liabilities		15,905		12,635
Net assets attributable to shareholders		**949,955**		**947,129**

Certification of financial statements by Directors of the ACD

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes Sourcebook, we hereby certify the investment report and financial statements on behalf of the Directors of Henderson Investment Funds Limited.

L Cairney

Lesley Cairney
(Director)

12 June 2013

Aggregated notes to the financial statements as at 30 April 2013 (unaudited)

1 Accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association (IMA) in October 2010.

(b) Basis of valuation of investments

The valuation of listed investments is at fair value, which is generally deemed to be bid market price, excluding any accrued interest in the case of fixed interest securities, at close of business on the last valuation day of the accounting period.

Unlisted, unapproved, illiquid or suspended securities are valued at the ACD's best estimate of the amount that would be received from an immediate transfer at arm's length.

Derivative assets and liabilities are valued at the price to close out the contract at the balance sheet date.

Authorised unit trusts are valued at cancellation prices for trusts managed by the ACD and at bid prices for other trusts.

OEIC Sub-Funds are valued at the quoted price for those managed by the ACD and at contractual prices for other Funds.

(c) Revenue recognition

Dividends receivable from quoted equity and non-equity shares are credited to revenue, net of attributable tax credits, when the security is quoted ex-dividend. Dividends on unquoted stocks are credited to revenue when the dividend is announced.

Overseas dividends are grossed up at the appropriate rate of withholding tax and the tax consequences are shown within the tax charge.

Interest from debt securities has been accounted for on an effective yield basis. Effective yield is a calculation that reflects the amount of amortisation of any discount or premium on the purchase price over the remaining life of the security.

Bank interest, interest on margin and revenue earned on other securities are recognised on an accruals basis.

Underwriting commission is taken to revenue and recognised when the issue takes place, except where the Fund is required to take up all or some of the shares underwritten in which case an appropriate proportion of the commission received is deducted from the cost of the relevant shares.

If any revenue receivable at the balance sheet date is not considered recoverable, a provision is made for the relevant amount.

Income distributions from Real Estate Investment Trusts (UK REITs) will be split into two parts, a Property Income Distribution (PID) made up of rental revenue and a non-PID element, consisting of non-rental revenue. The PID element is subject to Corporation Tax as schedule A revenue, while the UK dividend will be treated as franked revenue.

(d) Treatment of stock dividends

Dividends received as shares (scrip/stock dividends), to the extent that the value of such dividends is equal to the cash dividends, are treated as revenue. This revenue forms part of any distribution.

In the case of enhanced scrip dividends, the amount by which such dividends exceed the cash dividends is treated as capital and does not form part of the distribution.

(e) Stock lending activities

The Funds may carry out stock lending activities. The income earned and any associated charges are recognised on an accruals basis.

(f) Special dividends

These are recognised as either revenue or capital depending on the nature and circumstances of the dividend receivable.

(g) Treatment of expenses (including ACD expenses)

All expenses (other than those relating to the purchase and sale of investments and stamp duty reserve tax arising on sales and repurchases of shares in the Fund) are charged against revenue on an accruals basis.

The ACD's periodic charge is calculated daily on the total net assets by Henderson Investment Funds Limited.

1 Accounting policies (continued)

General Administration Charge

All fees with the exception of the ACD's Periodic charge, Depositary and Safe Custody fees, have been replaced by a single ad valorem charge, the General Administration Charge (GAC). The ACD believes that this creates more efficiency around the charging process than more traditional methods.

Allocation of revenue and expenses to multiple share classes

With the exception of the ACD's Periodic Charge and GAC which are directly attributable to individual Share Classes, all revenue and expenses are allocated to Share Classes pro rata to the value of the net assets of the relevant Share Class on the day that the revenue or expense is incurred.

For further details please refer to the Prospectus.

(h) Exchange rates

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at close of business on the last business day of the accounting period.

Revenue and expenditure transactions are translated at the rates of exchange ruling on the dates of the transactions.

Exchange differences on such transactions follow the same treatment as the principal amounts.

(i) Taxation

Provision is made for tax at the current rates on the excess of taxable revenue over allowable expenses, with relief for overseas taxation taken where appropriate.

In general, the tax accounting treatment follows that of the principal amount.

Deferred tax is provided on all timing differences that have originated but not reversed at the balance sheet date other than those recorded as permanent differences. Deferred tax is provided at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Deferred tax assets are only recognised to the extent it is regarded as more likely than not that there will be taxable profits against which the future reversal of underlying timing differences can be offset.

(j) Aggregation

The aggregated accounts represent the sum of the individual Funds within the umbrella company. Further analysis of the distribution and the net asset position can be found within the financial statements of the individual Funds.

(k) Cash flow statement

After analysis of the Funds, there is no requirement to produce cash flow statements.

(l) Treatment of derivatives

For the purposes of efficient portfolio management, each of the Funds may hold derivative financial instruments.

Forward currency contracts

Open forward currency contracts which are all covered are shown in the Portfolio Statement at fair value and the net gains/(losses) are reflected in net capital gains/(losses) on investments.

Futures contracts

Open futures contracts are shown in the Portfolio Statement at fair value and the net capital gains/(losses) are reflected within Derivative contracts in net capital gains/(losses) on investments.

2 Distribution policy
The distribution policy of each Fund is to distribute/accumulate all available revenue, after deduction of expenses properly chargeable against revenue, subject to any of the ACD's periodic charge or other expense which may currently be transferred to capital.

Revenue attributed to accumulation shareholders is retained at the end of each distribution period and represents a reinvestment of revenue.

For the purpose of calculating the distribution, revenue on debt securities is computed on an effective yield basis, the same basis on which it is reflected in the financial statements as modified by the revaluation of investments.

Gains and losses on investments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution.

Where the revenue from investments exceeds the expenses, a distribution will be made. Should expenses exceed revenue there will be no distribution and the shortfall will be transferred from capital at the year end.

The policy of Henderson Institutional Overseas Bond is to make interest distributions on a quarterly basis. The other Funds make annual dividend distributions. The distribution dates are as follows:

Henderson Institutional Overseas Bond Fund	31 December, 30 June, 31 March and 30 September
Henderson International Fund	31 December
Henderson Japan Capital Growth Fund	31 December
Henderson Institutional Emerging Markets Fund	31 December
Henderson Asia Pacific Capital Growth Fund	31 December
Henderson Global Technology Fund	31 December

Equalisation
Income equalisation only applies to Henderson Institutional Overseas Bond Fund within the umbrella. Income equalisation ensures that part of the price on purchase of a share reflects the relevant share of accrued income received or to be received by the Fund. This capital sum is returned to a shareholder (or where accumulation shares are held, it will be accumulated) with the first allocation of income in respect of a share issued during an accounting period. The amount representing the income equalisation in the share's price is a return of capital, and is not itself taxable in the hands of shareholders but must be deducted by them from the price of the shares for the purpose of calculating any liability to capital gains tax.

Equalisation on a distribution applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital.

3 Risk
In pursuing its investment objective each Fund holds a number of financial instruments. These financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from the sub-Funds' operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for redemptions and debtors for accrued revenue. The sub-Funds' may also enter into derivative transactions. The purpose of these financial instruments is efficient portfolio management. The main risks arising from financial instruments are credit, liquidity and market risks.

(a) Market risk
Market risk is the risk that the value of the Funds' investments or the benefits arising thereon will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk, and other price risk.

Foreign currency risk
Foreign currency risk is the risk that the value of the Funds' investments will fluctuate as a result of changes in foreign currency exchange rates.

Where a proportion of the net assets of the Funds are denominated in currencies other than sterling, the balance sheet can be affected by movements in exchange rates. The ACD may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies.

Interest rate risk
Certain Funds invest in debt securities. The revenue of the Funds may be affected by changes to interest rates relevant to particular securities or as a result of the ACD being unable to secure similar returns on the expiry of contracts or sale of securities. The value of debt securities may be affected by interest rate movements or the expectation of such movements in the future. Certain bond yields (and, as a consequence bond prices) are determined mainly by market perception as to the appropriate level of yields given the economic background. Key determinants include economic growth prospects, inflation, the government's fiscal position, short-term interest rates and international market comparisons.

3 Risk (continued)

Returns from bonds are fixed – at the time of purchase the fixed coupon payment is known as the final redemption proceeds. This means that if a bond is held until its redemption date, the total return achieved is unaltered from its purchase date. However, over the life of a bond, the yield (and hence market price) at any given time will depend on the market environment at that time. Therefore, a bond sold before its redemption date is likely to have a different price to its purchase level and a profit or loss may be incurred.

Other price risk

Other price risk is the risk that the value of the Funds' investment will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Other price risk arises mainly from uncertainty about future prices of financial instruments the Funds might hold. It represents the potential loss the Funds might suffer through holding market positions in the face of price movements.

The Funds' investment portfolios are exposed to market price fluctuations, which are monitored by the ACD in pursuance of their investment objectives and policies as set out in the Prospectus. The ACD has the responsibility for monitoring the existing portfolio selection in accordance with the Funds' investment objectives and seeks to ensure that individual securities meet an acceptable risk reward profile.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

(b) Liquidity risk

Liquidity risk is the risk that the Funds cannot raise sufficient cash to meet their liabilities when due. One of the key factors influencing this will be the ability to sell investments at, or close to, the fair value without a significant loss being realised.

Under normal circumstances, the Funds will remain close to fully invested. However, where circumstances require: for example because of illiquid securities markets or high levels of redemptions in the Funds, the Funds may hold cash and/or more liquid assets. Temporary higher liquidity levels may also arise during the carrying out of a change in asset allocation policy, or following a large issue of shares.

The ACD manages the Funds' cash to ensure they can meet their liabilities. The ACD receives daily reports of subscriptions and redemptions enabling the ACD to raise cash from the Funds' portfolios in order to meet redemption requests. In addition the ACD monitors market liquidity of all securities, with particular focus on the FRN market, where relevant, seeking to ensure the Funds maintain sufficient liquidity to meet known and potential redemption activity. Fund cash balances are monitored daily by the ACD and Administrator. Where investments cannot be realised in time to meet any potential liability, the Funds may borrow up to 10% of their value to ensure settlement. All of the Funds' financial liabilities are payable on demand or in less than one year.

(c) Credit and counterparty risk

Credit risk arises from three main sources. Firstly, the possibility that the issuer of a security will be unable to pay interest and principal in a timely manner. Secondly, for asset backed investments (including FRNs) there is the possibility of default of the issuer and default in the underlying assets meaning the Funds may not receive back the full principal originally invested. Thirdly, there is settlement risk, which is the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Funds have fulfilled their responsibilities, which could result in the Funds suffering a loss.

In order to manage credit risk the Funds are subject to investment limits for issuers of securities. Issuer credit ratings are evaluated periodically and an approved issuer list is maintained and monitored. In addition the Funds only buy and sell investments through brokers which have been approved by the ACD as an acceptable counterparty and limits are set and monitored to cover the exposure to any individual broker. Changes in broker's financial ratings are periodically reviewed by the Henderson Credit Risk Committee along with set limits and new counterparty approval.

The Fund's assets held with banks and with the Depositary are also exposed to credit risk. Assets held with the Depositary are ring fenced. The banks used by the Funds and the ACD are subject to regular reviews.

Only counterparties that have been approved by Henderson's Credit Risk Committee are used for derivatives transactions. The continuing credit worthiness of other counterparties is monitored on a daily basis.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

4 Portfolio transaction costs

	30/04/13 £000	30/04/12 £000
Purchases in period before transaction costs	601,293	376,882
Commissions	568	297
Taxes	56	37
Total purchase transaction costs*	624	334
Purchases including transaction costs	**601,917**	**377,216**
Sales in period before transaction costs	679,713	381,515
Commissions	(674)	(363)
Other costs	-	(30)
Taxes	(195)	(47)
Total sale transaction costs*	(869)	(440)
Total sales net of transaction costs	**678,844**	**381,075**
Transaction handling charges*	**34**	**38**

* These amounts have been deducted in determining net capital gains.

Henderson Asia Pacific Capital Growth Fund
Manager's report

Fund Managers

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.

Performance summary

	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 income 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.

Significant portfolio changes for the six months ended 30 April 2013

Purchases	£000	Sales	£000
China Construction Bank	9,114	Prada	8,720
BHP Billiton	8,821	SK Innovation	7,800
National Australia Bank	8,017	Zhuzhou CSR Times Electric	7,417
Westpac Bank	6,333	Bangkok Bank	7,354
AIA	6,207	CITIC Securities	7,296
Yum Brands	5,975	Tencent Holdings	7,264
Kasikornbank	5,518	CP All	7,099
Suncorp	5,219	Semen Gresik (Persero)	7,071
Taiwan Semiconductor Manufacturing	4,949	Cheil Worldwide	6,676
Yes Bank	4,749	China Life Insurance	6,653

Managers' 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.

Comparative tables as at 30 April 2013

Net asset value per share

	Net asset value of Fund (£)	Net asset value of shares (£)	Number of shares in issue	Net asset value per share (pence)
Class X accumulation				
31/10/2010#	144,347,301	-	-	-
Class A accumulation				
31/10/2010	144,347,301	125,568,736	18,548,933	676.96
31/10/2011	224,520,214	192,618,172	31,594,956	609.65
31/10/2012	206,475,720	177,720,507	28,122,485	631.95
30/04/2013	213,566,231	188,499,963	26,692,748	706.18
Class I accumulation				
31/10/2010	144,347,301	18,100,782	2,558,436	707.49
31/10/2011	224,520,214	28,170,956	4,391,384	641.51
31/10/2012	206,475,720	25,277,994	3,776,169	669.41
30/04/2013	213,566,231	21,139,255	2,811,754	751.82
Class Z accumulation				
31/10/2010	144,347,301	677,783	92,092	735.98
31/10/2011	224,520,214	773,248	114,718	674.04
31/10/2012	206,475,720	679,051	95,715	709.45
30/04/2013	213,566,231	887,100	110,825	800.45
Class C accumulation				
31/10/2011†	224,520,214	2,957,838	735,040	402.41
31/10/2012	206,475,720	2,798,167	663,694	421.61
30/04/2013	213,566,231	3,039,913	640,931	474.30

X share class merged with A share class on 11 January 2010

† C share class launched on 12 August 2011

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

\# X Share class merged with A share class on 11 January 2010

† C Share class launched on 12 August 2011

Ongoing charge figure

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 expenses deducted from the assets of the Fund during the period, except for expenses that are explicitly excluded by regulation.

	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 calculation is in accordance with guidelines issued by the Committee of European Securities Regulators (CESR).
**From 1 August 2012, the Annual Management charge decreased from 1.00% to 0.75% and the general administration charge increased from 0.06% to 0.10%.

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 lowest category does not mean risk free.

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.

Since the issue of the KIID there have been no changes to the risk rating in the period.

The Synthetic risk and reward indicator (SRRI) conforms to the CESR guidelines for the calculation of the SRRI.

Portfolio statement as at 30 April 2013

Holding	Investment	Market value £000	Percentage of total net assets %
	Collective investment schemes 0.00% (31/10/2012: 0.01%)		
	Ireland 0.00% (31/10/2012: 0.01%)		
	Equities 97.75% (31/10/2012: 97.64%)		
	Australia 18.88% (31/10/2012: 0.00%)		
352,712	BHP Billiton	7,669	3.59
918,336	Goodman REIT	3,191	1.49
3,175,882	Mirvac Stapled Securities REIT	3,728	1.75
332,391	National Australia Bank	7,537	3.53
457,443	Santos	3,716	1.74
553,906	Suncorp	4,766	2.23
1,137,844	Treasury Wine Estates	4,417	2.07
235,742	Westpac Bank	5,306	2.48
		40,330	18.88
	China 19.14% (31/10/2012: 39.26%)		
957,500	AAC Technologies	3,004	1.40
56,932	Baidu	3,140	1.47
15,445,000	China Construction Bank	8,312	3.89
1,983,695	China Overseas Land	3,884	1.82
5,721,500	China Railway Construction	3,704	1.73
5,209,400	CSOP FTSE China A50 ETF	4,313	2.02
5,404,000	Guangdong Investment	3,346	1.57
3,994,000	Huaneng Power International	2,959	1.39
2,662,000	Petrochina	2,173	1.02
1,014,000	Sands China	3,417	1.60
132,607	Vipshop	2,621	1.23
		40,873	19.14
	Hong Kong 7.53% (31/10/2012: 6.60%)		
2,168,400	AIA	6,176	2.89
309,600	HSBC Holdings	2,165	1.01
2,387,400	Samsonite	3,755	1.76
2,601,500	Techtronic Industries	3,989	1.87
		16,085	7.53
	India 9.46% (31/10/2012: 4.71%)		
410,648	HCL Technologies	3,526	1.65
42,568	Shree Cement	2,295	1.08
332,597	Sun Pharmaceutical	3,778	1.77
315,460	Tata Motors	5,580	2.61
839,677	Yes Bank	5,017	2.35
		20,196	9.46
	Indonesia 4.12% (31/10/2012: 5.99%)		
6,090,676	Bank Mandiri	4,206	1.97
11,270,500	Perusahaan Gas	4,581	2.15
		8,787	4.12

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Korea 13.65% (31/10/2012: 22.68%)		
66,612	Hana Tour Service	2,755	1.29
256,746	KGInicis	2,644	1.24
145,818	Kia Motors	4,645	2.18
169,980	LG Display	2,970	1.39
31,039	NCsoft	2,997	1.40
20,877	Samsung Electronics	10,609	4.97
144,910	SK Hynix	2,523	1.18
		29,143	13.65
	Malaysia 0.00% (31/10/2012: 4.08%)		
	Philippines 4.26% (31/10/2012: 0.95%)		
169,540	GT Capital	2,086	0.98
12,876,000	LT	4,874	2.28
1,156,760	Universal Robina	2,147	1.00
		9,107	4.26
	Singapore 5.42% (31/10/2012: 3.12%)		
472,000	DBS	4,124	1.93
3,870,000	Ezion	4,098	1.92
2,338,000	Global Logistic Properties REIT	3,354	1.57
		11,576	5.42
	Taiwan 6.46% (31/10/2012: 4.96%)		
7,025,000	E.Sun Financial	2,715	1.27
696,000	King Slide Works	3,561	1.67
167,000	ST Shine Optical	2,250	1.05
430,469	Taiwan Semiconductor Manufacturing	5,280	2.47
		13,806	6.46
	Thailand 7.59% (31/10/2012: 5.29%)		
4,397,200	Bank of Ayudhya	3,129	1.46
8,194,500	BTS Rail Mass Transit Fund	2,171	1.02
1,047,900	Kasikornbank	4,840	2.27
5,803,300	LPN Development	3,036	1.42
1,190,700	Total Access Communication	3,037	1.42
		16,213	7.59
	United States 1.24% (31/10/2012: 0.00%)		
60,277	Yum Brands	2,638	1.24
	Investment assets	**208,754**	**97.75**
	Net other assets	4,812	2.25
	Net assets	**213,566**	**100.00**

Statement of total return for the six months ended 30 April 2013 (unaudited)

	30/04/13		30/04/12	
	£000	£000	£000	£000
Income				
Net capital gains		24,607		12,263
Revenue	965		944	
Expenses	(1,792)		(1,872)	
Finance costs: Interest	-		-	
Net expense before taxation	(827)		(928)	
Taxation	(106)		(61)	
Net expense after taxation		(933)		(989)
Total return before distributions		**23,674**		**11,274**
Finance costs: Distributions		-		-
Change in net assets attributable to shareholders from investment activities		**23,674**		**11,274**

Statement of change in net assets attributable to shareholders for the six months ended 30 April 2013 (unaudited)

	30/04/13		30/04/12	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		**206,476**		**224,520**
Amounts receivable on issue of shares	1,495		1,088	
Amounts payable on cancellation of shares	(18,079)		(11,476)	
		(16,584)		(10,388)
Change in net assets attributable to shareholders from investment activities (see above)		23,674		11,274
Closing net assets attributable to shareholders		**213,566**		**225,406**

Balance sheet as at 30 April 2013 (unaudited)

	30/04/13		31/10/12	
	£000	£000	£000	£000
Assets				
Investment assets		208,754		201,623
Debtors	10,017		81	
Cash and bank balances	4,139		5,501	
Total other assets		14,156		5,582
Total assets		222,910		207,205
Liabilities				
Creditors	5,614		693	
Bank overdrafts	3,730		36	
Total other liabilities		9,344		729
Total liabilities		9,344		729
Net assets attributable to shareholders		**213,566**		**206,476**

1 Accounting policies

The accounting, risk and distribution policies are set out in notes 1to 3 to the aggregated financial statements on pages 6 to 9.

2 Portfolio transaction costs

	30/04/13 £000	30/04/12 £000
Purchases in period before transaction costs	198,491	42,355
Commissions	403	96
Taxes	41	24
Total purchase transaction costs*	444	120
Purchases including transaction costs	**198,935**	**42,475**
Sales in period before transaction costs	217,470	54,402
Commissions	(469)	(155)
Taxes	(156)	(45)
Total sale transaction costs*	(625)	(200)
Sales net of transaction costs	**216,845**	**54,202**
Transaction handling charges*	**18**	**16**

* These amounts have been deducted in determining net capital gains.

Henderson Institutional Emerging Markets Fund
Manager's report

Fund Manager

Claire Orme

Investment objective and policy

To aim to provide capital growth by investing in emerging market companies. These companies will either be incorporated in emerging markets or, if incorporated elsewhere, derive a majority of their revenue from, or from activities related to, emerging markets. For the avoidance of doubt the Fund may also invest in securities of other investment vehicles whose objectives are compatible with that of the Fund.

Performance summary

	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 Institutional Emerging Markets Fund*	6.8	(9.7)	9.6	48.9	(21.0)
Henderson Institutional Emerging Markets Fund**	4.2	(10.9)	7.5	46.2	(21.4)
MSCI Emerging Markets (net dividend) Index	8.5	(10.2)	10.7	52.1	(23.7)

* Source for closing prices GAV - Henderson Global Investors, MSCI Emerging Market (net dividends) Index 31.10.12 to 30.04.13 - GBP - MSCI.
** Source for midday prices: Morningstar, mid-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 income 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.

Significant portfolio changes for the six months ended 30 April 2013

Purchases	£000
Enersis ADR	152
Lukoil ADR	95
Ecopetrol SA ADR	92
Sime Darby	83
Philippine Long Distance Telephone Company	71
Tencent	39
Hyundai Motor	35
Cia De Bebidas Preference	27
Powszechny Zaklad Ubezpieczen	26

Sales	£000
Petroleo Brasileiro Preference	300
POSCO	254
Hyundai Motor	248
Public Bank Berhad (Alien Market)	223
Cez	209
Uralkali GDR	187
Samsung Electronics	141
Lukoil ADR	113
China Mobile	104
HDFC Bank ADS	100

All purchases have been included.

Manager's commentary

Global emerging markets enjoyed strong performance during the period (in local currency terms), led by Argentina (+65.5%), Thailand (+23.0%) and Turkey (+18.6%). Brazil (-2.0%) and Russia (-1.9%) were the only countries to lose ground over the period.

Europe, Middle Eastern and African (EMEA) markets were volatile over the period but managed to finish higher. 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 euro group bailout package for Cyprus, and global energy price inflationary pressures resulted in market fluctuations.

In China, 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 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 from the combination of strong consumption, industrial and domestic investment activity growth.

Over in Latin America, the Brazilian economy displayed some signs of a recovery towards the end of 2012. Retail sales expanded after a series of interest rate cuts and tax law changes spurred consumer transactions. Industrial production in Brazil has contracted for much of 2012 and continued to be hampered by low levels of investment in both the state and private sector due to a lack of transparency in regulation, rising costs, and continuing fears over the global economy. Mexico was a strong performer in the first quarter of 2013 thanks to a sharp rally in the Mexican peso. This performance came in spite of an unexpected move by the Mexican central bank to reduce interest rates to a record low of 4.0%.

Over the review period, the strongest sectors in the MSCI Emerging Markets Index were financials, information technology and consumer staples while materials and energy were laggards. On a stock basis, the key contributors to index returns included Samsung Electronics and Taiwan Semiconductor Manufacturing Co. as well as financials China Construction Bank, and Brazilian lenders Itau Unibanco and Banco Bradesco. Conversely, energy and commodity companies America Movil, AngloGold Ashanti and Gazprom were among the detractors on sector weakness.

Over the period, the Fund rose 6.1% using the midday net asset value (NAV) price. Using the like-for-like closing gross asset value (GAV) price, the Fund gained 7.6%, compared with a rise of 9.1% in the MSCI Emerging Markets Net Return Index in sterling terms.

The global macroeconomic outlook remains uncertain as the Chinese economy continues to modestly disappoint. This is creating a headwind for some of the commodity-oriented emerging market economies that were beneficiaries of the resource boom of the last decade. However, there will also be winners from this changing trend. Valuations in emerging markets are broadly supportive and we see plenty of opportunities for companies to grow their profits in the current environment.

Source for individual country index performance: respective MSCI net dividend indices from FactSet.

Comparative tables as at 30 April 2013

Net asset value per share

	Net asset value of Fund (£)	Net asset value of shares (£)	Number of shares in issue	Net asset value per share (pence)
Class X accumulation				
31/10/2010**	89,288,745	-	-	-
Class A accumulation				
31/10/2010	89,288,745	4,074,667	1,517,140	268.58
31/10/2011	59,776,597	4,059,496	1,680,518	241.56
31/10/2012	45,870,138	4,160,258	1,705,915	243.87
30/04/2013	47,548,657	3,893,082	1,497,829	259.91
Class I accumulation				
31/10/2010	89,288,745	15,303,071	5,454,954	280.54
31/10/2011	59,776,597	10,536,958	4,146,498	254.12
31/10/2012	45,870,138	10,256,911	3,970,712	258.31
30/04/2013	47,548,657	11,657,332	4,219,203	276.29
Class Z accumulation				
31/10/2010	89,288,745	69,851,007	23,285,731	299.97
31/10/2011	59,776,597	45,180,143	16,459,493	274.49
31/10/2012	45,870,138	31,452,969	11,158,752	281.87
30/04/2013	47,548,657	31,998,243	10,561,033	302.98

** X share class merged with A share class 11 January 2010

Performance record

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class X accumulation			
2008	1.18	234.00	109.30
2009	1.43	231.50	126.50
2010**	-	239.60	229.70
Class A accumulation			
2008	1.87	241.80	113.20
2009	1.99	240.80	131.10
2010	1.27	288.10	223.60
2011	1.99	291.90	211.70
2012	1.88	267.30	220.20
2013	-*	279.40+	254.20+
Class I accumulation			
2008	3.45	249.40	117.00
2009	3.96	250.10	135.70
2010	3.49	303.30	232.30
2011	4.08	305.30	222.60
2012	3.87	281.90	231.80
2013	-*	296.80+	270.20+
Class Z accumulation			
2008	6.68	261.00	122.80
2009	4.79	265.20	142.90
2010	6.05	324.80	246.60
2011	8.96	327.10	240.40
2012	8.86	306.60	250.50
2013	-*	325.60+	297.20+

* to 28 June
\+ to 30 April
** X share class merged with A share class 11 January 2010

Ongoing charge figure

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 expenses deducted from the assets of the Fund during the period, except for expenses that are explicitly excluded by regulation.

	30/04/13	**31/10/12**
	%	**%**
Class A	1.80	1.84
Class I	1.08	1.12
Class Z	0.08	0.11

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

Synthetic risk and reward profile

The Fund currently has 3 types of share in issue; A accumulation, I accumulation and Z 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 lowest category does not mean risk free.

The Fund's risk level reflects the following:

- As a category, shares are more volatile than either bonds or money market instruments
- The Fund focuses on countries that have less developed markets
- 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.

Since the issue of the KIID there have been no changes to the risk rating in the period.

The Synthetic risk and reward indicator (SRRI) conforms to the CESR guidelines for the calculation of the SRRI.

Portfolio statement as at 30 April 2013

Holding	Investment	Market value £000	Percentage of total net assets %
	Collective Investment Schemes 5.14% (31/10/12: 4.64%)		
	Ireland 5.14% (31/10/12: 4.64%)		
110,270	iShares MSCI Taiwan	2,446	5.14
	Equities 89.52% (31/10/12: 90.74%)		
	Brazil 12.05% (31/10/12: 12.51%)		
37,920	All America Latina Logistica	124	0.26
74,864	Banco Bredesco Preference	789	1.66
68,700	Banco Itau Financeira Preference	742	1.56
36,517	Cia De Bebidas Preference	968	2.03
53,900	Cia Siderurgica Nacional	137	0.29
54,400	Electrobras Centrais	95	0.20
74,655	Embraer-Empresa Bras De Aeronautica	419	0.88
40,633	Gerdau Preference	204	0.43
110,696	Itausa Investimentos Preference	354	0.74
133,249	Petroleo Brasileiro Preference	858	1.81
33,626	Usinas Sider Minas Preference	106	0.22
32,114	Vale Rio Doce	352	0.74
55,856	Vale Rio Doce Preference 'A'	584	1.23
		5,732	12.05
	Chile 1.78% (31/10/12: 1.54%)		
41,152	Enersis ADR	499	1.05
26,000	Lan Airlines ADR	345	0.73
		844	1.78
	China 17.89% (31/10/12: 18.81%)		
608,921	Aluminum Corporation of China 'H'	147	0.31
2,188,100	Bank of China 'H'	656	1.38
418,316	Bank of Communications Hong Kong Branch 'H'	213	0.45
468,000	Beijing Capital International Airport 'H'	208	0.44
143,000	China Communications Construction 'H'	88	0.18
1,787,790	China Construction	962	2.02
162,500	China Cosco 'H'	44	0.09
210,520	China Life Insurance	369	0.78
92,489	China Merchant	187	0.39
144,894	China Mobile	1,018	2.14
546,650	China Petroleum & Chemical 'H'	384	0.81
118,704	China Shenhua Energy 'H'	269	0.57
249,977	China South Locomotive And Rolling Stock	105	0.22
590,516	China Telecom 'H'	194	0.41
171,000	Citic Pacific	133	0.28
463,901	CNOOC	555	1.17
216,400	Guangzhou R&F Properties	250	0.53

Holding	Investment	Market value £000	Percentage of total net assets %
	China (continued)		
1,700,000	Industrial & Commercial Bank of China 'H'	768	1.62
90,000	Kingboard Chemicals	157	0.33
614,235	Petrochina 'H'	501	1.05
60,000	Ping An Insurance 'H'	305	0.64
173,500	Shimao Property	239	0.50
29,900	Tencent	658	1.38
516,000	Zijin Mining 'H'	97	0.20
		8,507	17.89
	Colombia 1.49% (31/10/12: 1.45%)		
7,500	Bancolombia Preference ADR	326	0.68
12,548	Ecopetrol SA ADR	384	0.81
		710	1.49
	Czech Republic 0.18% (31/10/12: 0.73%)		
4,695	Cez	87	0.18
	Egypt 0.54% (31/10/12: 0.60%)		
6,000	Orascom Construction GDR	120	0.25
290,711	Orascom Telecom	126	0.26
290,711	Orascom Telecom Media & Technology	13	0.03
		259	0.54
	Hong Kong 0.74% (31/10/12: 0.00%)		
179,840	China Overseas Land & Investment	352	0.74
	Hungary 0.11% (31/10/12: 0.10%)		
7,637	OTP Bank GDR	50	0.11
	India 7.52% (31/10/12: 6.98%)		
20,068	Axis Bank GDR	363	0.76
17,856	Dr Reddys Laboratories ADS	434	0.91
21,940	HDFC Bank ADS	598	1.26
12,261	ICICI Bank ADR	369	0.77
13,984	Infosys Technologies ADR	375	0.79
150,884	ITC GDR	593	1.25
23,613	Reliance Industries GDS	445	0.94
16,025	Tata Motors ADR	283	0.60
5,076	Ultratech Cement	116	0.24
		3,576	7.52
	Indonesia 2.80% (31/10/12: 2.78%)		
1,464,120	Astra International	701	1.48
1,685,500	Bumi Resources	74	0.15
719,835	Telekomunikasi Indonesia 'B'	554	1.17
		1,329	2.80

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Korea 14.54% (31/10/12: 15.46%)		
3,949	Cheil Industries	218	0.46
2,731	Daelim Industrial	122	0.26
7,810	Daewoo Shipbuilding & Marine	120	0.25
1,290	E-Mart	161	0.34
3,470	GS Engineering & Construction	61	0.13
4,290	Hana Financial	88	0.19
14,820	Hynix Semiconductor	258	0.54
879	Hyundai Heavy Industries	103	0.22
3,365	Hyundai Motor	391	0.82
3,503	Hyundai Steel	156	0.33
11,470	Korea Electric Power	212	0.45
6,659	KT&G	308	0.65
12,003	LG Display	210	0.44
1,852	LG Electronics	95	0.20
1,246	NCsoft	120	0.25
1,816	NHN	313	0.66
845	POSCO	155	0.32
4,213	Samsung C & T	145	0.30
2,525	Samsung Electronics	2,239	4.71
1,247	Samsung Engineering	64	0.14
1,951	Samsung Fire & Marine	257	0.54
4,287	Samsung Heavy Industries	88	0.18
5,719	Samsung Securities	169	0.35
2,630	Samsung Techwin	105	0.22
12,410	Shinhan Financial	276	0.58
1,701	SK	157	0.33
2,483	SK Energy	217	0.46
925	SK Telecom	104	0.22
		6,912	14.54
	Malaysia 3.87% (31/10/12: 4.12%)		
468,600	Berjaya Sports Toto	414	0.87
200,000	CIMB Group	326	0.69
103,000	Malayan Banking Berhad	208	0.44
104,700	MISC Berhad	96	0.20
158,900	Public Bank Berhad (Alien Market)	550	1.16
122,900	Sime Darby	245	0.51
		1,839	3.87
	Mexico 4.79% (31/10/12: 4.72%)		
54,984	America Movil ADR	755	1.59
340,620	Cemex	246	0.52
184,700	Grupo Mexico 'B'	424	0.89
25,043	Grupo Televisa ADR	407	0.86
218,108	Wal-Mart De Mexico 'V'	444	0.93
		2,276	4.79

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Peru 0.95% (31/10/12: 0.99%)		
4,691	Credicorp	454	0.95
	Philippines 0.76% (31/10/12: 0.52%)		
7,631	Philippine Long Distance Telephone Company	360	0.76
	Poland 1.26% (31/10/12: 1.16%)		
4,473	Bank Pekao	137	0.29
30,631	Powszechna Kasa Oszczednosci Bank Polski	205	0.43
2,899	Powszechny Zaklad Ubezpieczen	257	0.54
		599	1.26
	Russia 6.09% (31/10/12: 6.36%)		
59,272	Gazprom ADR	303	0.64
55,173	Gazprom OAO ADS	281	0.59
24,110	JSC MMC Norilsk	237	0.50
12,674	Lukoil ADR	516	1.09
14,950	Magnit	488	1.03
24,470	Mobile Telesystems ADR	325	0.68
34,918	Surgutneftegaz ADR	192	0.40
10,911	Tatneft GDR	265	0.56
7,837	Uralkali GDR	182	0.38
52,276	VTB Bank GDR	106	0.22
		2,895	6.09
	South Africa 7.35% (31/10/12: 7.88%)		
2,896	Anglo Platinum	70	0.15
12,401	Anglogold Ashanti	148	0.31
39,056	Aveng	82	0.17
26,881	Gold Fields	124	0.26
20,576	Impala Platinum	179	0.38
17,070	Imperial	242	0.51
58,645	MTN	678	1.42
15,781	Naspers 'N'	677	1.42
46,014	PPC Limited	108	0.23
18,796	SASOL	521	1.10
26,881	Sibanye Gold	16	0.03
40,285	Standard Bank	323	0.68
43,518	Vodacom	326	0.69
		3,494	7.35
	Taiwan 0.13% (31/10/12: 0.09%)		
19,414	Delta Electronic	60	0.13
	Thailand 2.25% (31/10/12: 1.87%)		
139,519	Bangkok Bank	693	1.46
53,400	PTT	379	0.79
		1,072	2.25

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Turkey 2.43% (31/10/12: 2.07%)		
238,053	Eregli Demir Celik 'A'	174	0.37
88,440	KOC	342	0.72
110,671	Turkiye Garanti Bankasi	393	0.83
98,785	Turkiye Is Bankasi 'C'	245	0.51
		1,154	2.43
	Derivatives (0.07)% (31/10/12: 0.00%)		
	Futures (0.07)% (31/10/12: 0.00%)		
138	SGX MSCI Taiwan Index May 2013	(31)	(0.07)
	Investments assets	**44,976**	**94.59**
	Net other assets	2,573	5.41
	Net assets	**47,549**	**100.00**

Statement of total return for the six months ended 30 April 2013 (unaudited)

	30/04/13		30/04/12	
	£000	£000	£000	£000
Income				
Net capital gains		2,996		1,457
Revenue	467		529	
Expenses	(108)		(114)	
Finance costs: Interest	-		-	
Net revenue before taxation	359		415	
Taxation	(48)		(36)	
Net revenue after taxation		311		379
Total return before distributions		3,307		1,836
Finance costs: Distributions		-		-
Change in net assets attributable to shareholders from investment activities		**3,307**		**1,836**

Statement of change in net assets attributable to shareholders for the six months ended 30 April 2013 (unaudited)

	30/04/13		30/04/12	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		**45,870**		**59,777**
Amounts receivable on issue of shares	811		979	
Amounts payable on cancellation of shares	(2,439)		(4,866)	
		(1,628)		(3,887)
Change in net assets attributable to shareholders from investment activities (see above)		3,307		1,836
Closing net assets attributable to shareholders		**47,549**		**57,726**

Balance sheet as at 30 April 2013 (unaudited)

	30/04/13		31/10/12	
	£000	£000	£000	£000
Assets				
Investment assets		45,007		43,752
Debtors	139		46	
Cash and bank balances	2,484		3,181	
Total other assets		2,623		3,227
Total assets		47,630		46,979
Liabilities				
Investment liabilities		31		-
Creditors	50		89	
Bank overdrafts	-		1,020	
Total other liabilities		50		1,109
Total liabilities		81		1,109
Net assets attributable to shareholders		**47,549**		**45,870**

Notes to the financial statements as at 30 April 2013 (unaudited)

1 Accounting policies

The accounting, risk and distribution policies are set out in notes 1 to 3 of the aggregated financial statements on pages 6 to 9.

2 Portfolio transaction costs

	30/04/13 £000	30/04/12 £000
Purchases in period before transaction costs	620	1,290
Commissions	2	4
Total purchase transaction costs*	2	4
Purchases including transaction costs	**622**	**1,294**
Sales in period before transaction costs	2,362	4,803
Commissions	(4)	(11)
Taxes	-	(1)
Total sale transaction costs*	(4)	(12)
Sales net of transaction costs	**2,358**	**4,791**
Transaction handling charges*	**3**	**5**

* These amounts have been deducted in determining net capital gains.

Henderson Global Technology Fund
Manager's report

Fund Managers

Stuart O'Gorman and Ian Warmerdam

Investment objective and policy

To aim to provide capital growth by investing in companies worldwide that derive, or are expected to derive, profits from technology.

Performance summary

	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 Global Technology Fund	4.7	7.9	6.6	49.9	(2.5)
MSCI All Countries World Information Technology Index	8.7	10.4	2.4	39.5	(7.3)

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 income 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.

Significant portfolio changes for the six months ended 30 April 2013

Purchases	£000	Sales	£000
Qualcomm	6,262	Apple	16,192
Sandisk	5,168	Microsoft	12,562
Facebook	4,579	Samsung Electronics	5,452
Adobe Systems	4,466	Facebook	5,228
Cisco Systems	4,174	Tencent	5,206
Apple	4,114	Hon Hai Precision Industry	5,184
Hitachi	3,804	IBM	4,835
Symantec	3,627	Google 'A'	4,803
Intel	3,490	Qualcomm	4,629
Fiserv	3,453	Linkedin	4,610

Manager's commentary

In the six months to 30 April 2013, technology equities largely underperformed the wider equity market. The declining performance of Apple in particular, significantly affected indices and overall sentiment. Likewise, the relative underperformance in growth-orientated sectors, such as technology, was partly attributable to what we believe was yield-seeking investors purchasing high dividend-yielding parts of the equity market as a substitute for bonds.

The Henderson Global Technology Fund underperformed its benchmark, the MSCI AC World IT Index, returning 10.4% versus 13.4%, respectively, during the period. At the stock level, positive contributions came from the underweight to Apple relative to the index, which now stands at approximately 5% versus 12%. The positions in social media companies Facebook and LinkedIn performed well and were sold after hitting our valuation targets. Online travel research company TripAdvisor surged to a record high, driven by increasing confidence in their growth trends. Fleetcor Technologies, a stock in our Paperless Payment theme, benefited after announcing a partnership with Vodafone for mobile payment services.

Positive performance was offset by our underweighting the PC food chain, our underweight in semiconductors, and a number of stock-specific issues, particularly in the software sector.

After a considerable period of underperformance, the PC stocks and their components' suppliers had a strong start to 2013. Stocks such as Hewlett Packard and Microsoft outperformed. Despite suffering from a lack of exposure to these companies, we retain our negative view of the long-term prospects for this sector. The maturity of end-market and competitive threats from mobile devices, such as tablets and smartphones, are likely to significantly affect the future growth of PC stocks. We have a structural bias away from the semiconductor sector due to long-term concerns regarding the commodity nature of many areas of this market. As this sector has outperformed year-to-date, this has also been a detractor to Fund performance.

There were a few disappointments in quarterly results as some earnings fell short of market expectations. These included VeriFone, which missed its second quarter profit estimates after suffering execution issues, and F5 Networks, due to telecommunications spending, being reined in, and issues in its product transition. Nuance Communications, the manufacturer of speech-recognition software, fell as the company lowered its full-year sales and earnings forecast due to weaker demand and the impact of a transition in its sales model.

There have been no changes to the Fund's investment philosophy. We continue to remain underweight to the expensive emerging technology markets, for instance cloud-computing and 3D printing, whilst maintaining a bias towards the internet and software, where our focus is long-term secular growth.

Trading has included sales of Verifone, following its profit warning, and the Chinese internet company Tencent Holdings, following concerns over margin trends. Facebook and LinkedIn were sold after hitting valuation targets and Fusion-IO was exited as the company's outlook for first quarter revenues dropped significantly from the fourth quarter last year.

Purchases included the application software company Adobe Systems. The company was bought following increased confidence in its ability to transition to a subscription-based model. Symantec was purchased in the belief that the company can improve its operating margins through refocusing its product mix, reducing headcount and streamlining its sales teams. Nuflare Technology was added based on attractive valuation and dominant market position, and similarly a position in Yandex was purchased based on strong market trends and attractive valuation. In light of the depreciating yen, small positions were taken in the Japanese companies Hitachi, Toshiba, and Nintendo.

While near-term direction will be sensitive to macroeconomic conditions, we believe the fundamental backdrop for technology equities looks very attractive. Valuation levels look very compelling from both an absolute and relative basis: balance sheets are very healthy, cash generation is strong and demand has the potential to recover from below-trend levels.

We believe our overall bias towards companies with strong barriers to entry should help cushion the portfolio from macroeconomic volatility. Our valuation-aware process focuses on underappreciated areas of secular growth that offer strong returns over the long-term. The Fund remains biased to our preferred themes of E-Commerce, Online Advertising, Data Growth, Connectivity and Paperless Payment.

Comparative tables as at 30 April 2013

Net asset value per share

	Net asset value of Fund (£)	Net asset value of shares (£)	Number of shares in issue	Net asset value per share (pence)
Class X accumulation				
31/10/2010 #	370,035,927	-	-	-
Class A accumulation				
31/10/2010	370,035,927	219,436,276	39,245,497	559.14
31/10/2011	347,641,687	213,428,315	36,768,629	580.46
31/10/2012	381,759,261	222,383,825	35,789,987	621.36
30/04/2013	342,843,438	235,631,726	34,320,385	686.56
Class I accumulation				
31/10/2010	370,035,927	150,599,651	25,562,633	589.14
31/10/2011	347,641,687	134,211,836	21,775,975	616.33
31/10/2012	381,759,261	159,373,762	23,965,053	665.03
30/04/2013	342,843,438	107,209,845	14,521,747	738.27
Class Z accumulation				
31/10/2011 †	347,641,687	1,536	1,500	102.40
31/10/2012	381,759,261	1,674	1,500	111.60
30/04/2013	342,843,438	1,867	1,500	124.45

X share class merged with A share class on 11 January 2010.

† Z share class launched on 19 September 2011.

Comparative tables (continued)

Performance record

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class X accumulation	-		
2008	-	440.10	289.50
2009	-	497.00	312.40
2010 #		499.80	485.00
Class A accumulation	-		
2008	-	456.20	301.40
2009	-	520.30	325.60
2010	-	608.00	474.70
2011	-	626.70	503.80
2012	-	682.80	583.60
2013	-*	724.30+	634.40+
Class I accumulation	-		
2008	-	473.00	313.90
2009	-	544.90	339.60
2010	-	641.30	497.40
2011	-	661.70	534.10
2012	-	727.30	620.40
2013	-*	777.80+	680.10+
Class Z accumulation	-		
2011 †	-	105.10	94.15
2012	1.01	121.40	102.70
2013	-*	131.00+	114.30+

* to 28 June

\+ to 30 April

X share class merged with A share class on 11 January 2010

† Z share class launched on 19 September 2011

Ongoing charge figure

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 expenses deducted from the assets of the Fund during the period, except for expenses that are explicitly excluded by regulation.

	30/04/13	**31/10/12**
	%	**%**
Class A	1.82	1.82
Class I	0.87	1.03
Class Z	0.07	0.07

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

Synthetic risk and reward profile

The Fund currently has 3 types of shares in issue; A accumulation, I accumulation and Z 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 lowest category does not mean risk free.

The Fund's risk level reflects the following:

- The Fund focuses on a particular industry
- 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.

Since the issue of the KIID there have been no changes to the risk rating in the period.

The Synthetic risk and reward indicator (SRRI) conforms to the CESR guidelines for the calculation of the SRRI.

Portfolio statement as at 30 April 2013

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 95.92% (31/10/12: 94.02%)		
	Brazil 0.00% (31/10/12: 0.40%)		
	Canada 0.20% (31/10/12: 0.00%)		
67,104	Research in Motion	701	0.20
665,000	Wildcard Technologies*	-	-
		701	0.20
	Cayman Islands 0.16% (31/10/12: 0.53%)		
15,053	51Job	556	0.16
	Channel Islands 0.00% (31/10/12: 0.42%)		
	France 0.55% (31/10/12: 0.36%)		
63,048	Cap Gemini	1,865	0.55
	Germany 2.44% (31/10/12: 2.61%)		
121,560	SAP	6,221	1.82
124,248	Wirecard	2,138	0.62
		8,359	2.44
	Hong Kong 0.00% (31/10/12: 1.41%)		
	Japan 2.75% (31/10/12: 0.56%)		
222,200	Alps Electric	1,086	0.32
753,000	Hitachi	3,079	0.90
4,600	Nintendo	327	0.09
449,000	Nippon Electric	1,466	0.43
104	Nuflare Technology	519	0.15
835,000	Toshiba	2,947	0.86
		9,424	2.75
	Korea 6.76% (31/10/12: 6.62%)		
92,723	LG	1,620	0.46
22,172	Samsung Electronics	19,661	5.74
3,748	Samsung Electronics preference shares	1,905	0.56
		23,186	6.76
	Netherlands 1.79% (31/10/12: 1.20%)		
91,620	ASML lithography	4,380	1.28
105,889	Yandex	1,751	0.51
		6,131	1.79
	Sweden 1.43% (31/10/12: 0.56%)		
611,404	Ericsson 'B'	4,910	1.43

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Taiwan 3.20% (31/10/12: 3.95%)		
5,073,000	Au Optronics	1,497	0.44
1,937,177	Taiwan Semiconductor	4,597	1.34
398,192	Taiwan Semiconductor ADS	4,884	1.42
		10,978	3.20
	United Kingdom 1.55% (31/10/12: 1.33%)		
173,390	Esure	515	0.15
165,913	RightMove	3,187	0.93
820,731	Vodafone	1,610	0.47
		5,312	1.55
	United States 75.09% (31/10/12: 74.07%)		
	Consumer Goods 0.00% (31/10/12: 0.82%)		
	Consumer Services 4.28% (31/10/12: 2.87%)		
19,228	Amazon.com	3,135	0.91
212,980	eBay	7,168	2.09
79,799	Tripadvisor	2,696	0.79
85,486	Homeaway	1,677	0.49
		14,676	4.28
	Financial 0.59% (31/10/12: 0.51%)		
41,101	Wex	2,000	0.59
	IT Services 8.59% (31/10/12: 8.13%)		
132,941	Accenture	6,953	2.03
429,958	Corning	4,003	1.17
25,352	Mastercard	8,950	2.61
88,194	Visa	9,539	2.78
		29,445	8.59
	Technology 61.63% (31/10/12: 61.74%)		
62,206	ACI Worldwide	1,877	0.55
158,253	Adobe Systems	4,583	1.34
53,888	Allot Comunications	392	0.11
72,429	Analog Devices	2,047	0.60
58,737	Apple	16,707	4.87
278,403	Arm Holdings	2,773	0.81
65,748	Arruba	950	0.28
46,873	Altera	964	0.28
61,959	Avnet	1,303	0.38
297,080	Cadence Design Systems	2,628	0.77
1,036,210	Cisco Systems	13,928	4.06
39,754	Citrix Systems	1,587	0.46
68,862	Cognizant Technology	2,867	0.83

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Technology (continued)		
19,520	Coherent	701	0.20
63,802	Comcast	1,693	0.49
27,347	Commvault Systems	1,292	0.37
361,940	EMC	5,211	1.52
57,139	F5 Networks	2,805	0.82
60,375	Fiserv	3,531	1.03
46,204	Fleetcor Technologies	2,281	0.67
45,552	Google 'A'	24,121	7.04
121,857	IBM	15,858	4.63
464,201	Infineon Technology	2,356	0.69
240,666	Intel	3,702	1.08
36,994	Intuit	1,417	0.41
90,072	JDS Uniphase	781	0.23
57,627	KLA-Tencor	2,008	0.59
68,130	Magnachip Semiconductor	703	0.21
103,018	Mail RU	1,787	0.52
856,815	Microsoft	18,216	5.31
149,244	NetApp	3,345	0.98
59,878	NetEase.com	2,169	0.63
125,531	Nuance Communication	1,535	0.45
68,051	Opentable	2,421	0.71
632,122	Oracle	13,301	3.88
8,546	Priceline.Com	3,819	1.11
345,214	Qualcomm	13,665	3.99
35,906	Red Hat	1,105	0.32
82,368	Salesforce.Com	2,176	0.63
137,905	Sandisk	4,645	1.35
221,770	Symantec	3,461	1.01
99,189	Synopsys	2,266	0.66
34,028	Teradata	1,116	0.33
117,158	Texas Instruments	2,725	0.79
46,163	Tibco Software	575	0.17
36,845	Time Warner	2,222	0.65
39,855	Virgin Media	1,249	0.36
21,783	VMWare	986	0.29
75,409	Western Digital	2,678	0.78
300,242	Yahoo	4,769	1.39
		211,297	61.63
	Derivatives (0.02)% (31/10/12: 0.00%)		
	Forward foreign exchange contracts (0.02)% (31/10/12: 0.00%)		
	Buy GBP 5,214,609 Sell JPY 798,693,000 July 2013	(58)	(0.02)
	Investment assets	**328,782**	**95.90**
	Net other assets	14,061	4.10
	Net assets	**342,843**	**100.00**

*unlisted security

Statement of total return for the six months ended 30 April 2013 (unaudited)

	30/04/13		30/04/12	
	£000	£000	£000	£000
Income				
Net capital gains		37,254		44,833
Revenue	2,456		1,589	
Expenses	(2,635)		(2,823)	
Finance costs: Interest	-		(1)	
Net expense before taxation	(179)		(1,235)	
Taxation	(258)		(195)	
Net expense after taxation		(437)		(1,430)
Total return before distributions		36,817		43,403
Finance costs: Distributions		-		-
Change in net assets attributable to shareholders from investment activities		**36,817**		**43,403**

Statement of change in net assets attributable to shareholders for the six months ended 30 April 2013 (unaudited)

	30/04/13		30/04/12	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		**381,759**		**347,642**
Amounts receivable on issue of shares	23,870		33,366	
Amounts payable on cancellation of shares	(99,597)		(17,380)	
		(75,727)		15,986
Stamp duty reserve tax		(6)		-
Change in net assets attributable to shareholders from investment activities (see above)		36,817		43,403
Closing net assets attributable to shareholders		**342,843**		**407,031**

Balance sheet as at 30 April 2013 (unaudited)

	30/04/13		31/10/12	
	£000	£000	£000	£000
Assets				
Investment assets		328,840		358,933
Debtors	3,817		1,334	
Cash and bank balances	13,471		26,176	
Total other assets		17,288		27,510
Total assets		346,128		386,443
Liabilities				
Investment liabilities		58		-
Creditors	2,908		2,732	
Bank overdrafts	319		1,952	
Total other liabilities		3,227		4,684
Total liabilities		3,285		4,684
Net assets attributable to shareholders		**342,843**		**381,759**

Notes to the financial statements as at 30 April 2013 (unaudited)

1 Accounting policies

The accounting, risk and distribution policies are set out in notes 1 to 3 of the aggregated financial statements on pages 6 to 9.

2 Portfolio transaction costs

	30/04/13 £000	30/04/12 £000
Purchases in period before transaction costs	105,794	138,319
Commissions	121	163
Taxes	3	1
Total purchase transaction costs*	124	164
Purchases including transaction costs	**105,918**	**138,483**
Sales in period before transaction costs	172,914	129,951
Commissions	(158)	(152)
Taxes	(38)	(29)
Total sale transaction costs*	(196)	(181)
Sales net of transaction costs	**172,718**	**129,770**
Transaction handling charges*	**6**	**6**

* These amounts have been deducted in determining net capital gains.

Henderson International Fund
Manager's report

Fund Manager

Matthew Beesley

Investment objective and policy

To aim to provide capital growth by investing in companies in any economic sector and any area of the world.

Performance summary

	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 International Fund	14.6	1.3	4.0	37.0	(22.3)
MSCI World Index	22.5	(1.5)	9.1	33.4	(18.4)

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 income 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.

Significant portfolio changes for the six months ended 30 April 2013

Purchases	£000	Sales	£000
Sumitomo Mitsui	1,798	Las Vegas Sands	1,876
Pentair	1,731	Allianz	1,749
KBC	1,696	Oracle	1,722
eBay	1,602	Vodafone	1,696
Nestlé	1,526	Bayer	1,565
Samsung Electronics	1,479	General Electric	1,468
General Electric	1,381	Broadcom	1,451
Walgreen	1,326	Apple	1,382
Turkie Halk Bankasi	1,309	Tokio Marine	1,242
ITV	1,213	BG Group	1,213

Manager's commentary

Global equity markets approached the end of 2012 with caution as looming spending cuts and tax increases (the 'fiscal cliff') in the US threatened the country's continued growth and weighed on corporate and investor sentiment. A last-minute compromise deal in US Congress sparked a considerable relief rally in the New Year which, combined with relatively solid macroeconomic and corporate earnings data, culminated in the S&P 500 Index reaching successive all-time highs towards the end of the period. Japanese markets rallied dramatically over the six months (although sterling currency returns were tempered by depreciation in the yen), boosted by the new leadership's aim to reinvigorate the economy and create inflation via aggressive monetary intervention and fiscal policy changes. In China, economic data was varied with evidence of a drop in exports and manufacturing growth weighing on markets. Political and economic concerns in the eurozone once again came under the lens with the Italian elections producing no clear winner and the Cypriot banking crisis coming to a head. While these developments held back European equities' performance, encouragingly, global markets showed resilience.

The Fund performed in line with its benchmark over the period, with stock selection within Europe ex-UK and Japan contributing to performance, while North American and UK holdings detracted. By sector, consumer discretionary and industrials holdings benefited the Fund, while healthcare and IT detracted from performance relative to the benchmark.

At the stock level, Makita (Japanese power tool brand) reported solid earnings ahead of estimates thanks to improving demand, particularly from the recovering US housing market. The weakening yen has also improved the company's competitive position relative to its global peers. CBS (US commercial broadcaster) also contributed positively as investors welcomed the company's announcement to divest its outdoor advertising units, monetising loss-making divisions and allowing CBS to focus on its core revenue-generating areas. Belgian financial group KBC performed strongly buoyed by plans to accelerate its repayment of state aid, improvements in its Irish loan book and an unexpected dividend for 2012, which evidenced satisfactory capital ratios. The main detractors included oilfield services and equipment provider National Oilwell Varco (NOV), where management guided towards falling margins as customers came under pressure to reduce costs. The long-term case for NOV remains positive as high demand for offshore rig construction and global fleet renewal should continue to drive growth. Oil and gas firm BG's earnings report in late October also disappointed investors as a lowered production outlook dampened the market's view of the company's growth prospects. Lastly, falling iron ore prices, Rio Tinto's primary earnings driver, put downward pressure on shares in the mining company despite the announcement of strong underlying earnings ahead of analysts' expectations.

Key purchases over the review period included positions in KBC, US pharmacy operator Walgreen, and South Korean technology giant Samsung Electronics. In addition to its solid core banking business in Belgium, the attractiveness of the KBC investment case is complemented by the acceleration of its aforementioned repayment of state aid, which should improve the quality of the bank's capital adequacy ratio (a measure of financial strength; the ratio of capital to assets). Walgreen's recent acquisition of a 45% stake in Europe's Alliance Boots pharmacies, at an attractive valuation, should produce cost synergies over coming years. In its domestic US business sales growth appears to be improving and it is advantageously positioned as the preferred provider to three of the top federal government-subsidised Medicare plans. We also added a position in Samsung; the company's emerging dominance in the high-end smartphone market, in addition to a strong presence in the lower priced smartphones segment, prompted us to open a position in the electronics manufacturer. To finance this purchase we closed the Fund's position in Apple, which has exhibited falling sales growth and margin compression over recent quarters. We also exited the position in Bayer which, following solid earnings results in its Crop Science and Healthcare divisions, led the share price towards our fair value price target. With our investment thesis playing out, and the valuation reflecting this, we closed the position.

Looking ahead in 2013 we see an attractive landscape for Fundamentals-based stock-picking among attractively valued, cash flow generative companies on a two to three year view. The global economy has shown signs of progress and, while the challenges to economic growth in Europe remain, there is evidence of improving confidence within the region. We have witnessed strong relative outperformance in the healthcare and consumer staples sectors, which we see as reflective of on-going investor appetite for yield given the low interest rate environment. We note that on a simple price to earnings basis, valuations in these sectors are at five-year highs and with arguably little room for positive earnings surprises, it is possible we will see a rotation out of these sectors in the medium term. Likewise, we have seen the more cyclical sectors of materials, industrials, and technology lag in this market environment, which could potentially see a reversal. However, given such a strong rally from mid-2012, we are mindful that equities may be vulnerable to a correction in the short term.

Comparative tables as at 30 April 2013

Net asset value per share

	Net asset value of Fund (£)	Net asset value of shares (£)	Number of shares in issue	Net asset value per share (pence)
Class X accumulation				
31/10/2010#	50,957,326	-	-	-
Class A accumulation				
31/10/2010	50,957,326	49,924,518	9,067,130	550.61
31/10/2011	48,282,271	47,322,288	8,809,220	537.19
31/10/2012	49,800,815	48,720,164	8,562,717	568.98
30/04/2013	56,796,822	55,423,423	8,275,528	669.73
Class I accumulation				
31/10/2010	50,957,326	1,032,808	173,723	594.51
31/10/2011	48,282,271	959,983	163,948	585.54
31/10/2012	49,800,815	1,080,651	172,662	625.88
30/04/2013	56,796,822	1,373,399	185,606	739.95

X share class merged with A share class on 11 January 2010.

Performance record

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class X accumulation			
2008	-	536.20	325.30
2009	0.94	483.80	328.50
2010#	-	494.60	476.10
Class A accumulation			
2008	0.45	555.70	338.60
2009	3.06	506.50	342.50
2010	-	590.00	480.30
2011	-	594.30	478.10
2012	-	612.40	541.20
2013	-*	686.70+	592.10+
Class I accumulation			
2008	4.48	587.70	359.80
2009	6.57	542.60	364.70
2010	1.69	638.00	514.90
2011	4.48	642.80	520.10
2012	3.89	670.10	592.90
2013	-*	757.80+	652.30+

* to 28 June
+ to 30 April
# X share class merged with A share class on 11 January 2010.

Ongoing charge figure

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 expenses deducted from the assets of the Fund during the period, except for expenses that are explicitly excluded by regulation.

	30/04/13	31/10/12
	%	%
Class A	1.77	1.76
Class I	0.88	0.85

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

Synthetic risk and reward profile

The Fund currently has 2 types of shares in issue; A accumulation and I 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 lowest category does not mean risk free.

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.

Since the issue of the KIID there have been no changes to the risk rating in the period.

The Synthetic risk and reward indicator (SRRI) conforms to the CESR guidelines for the calculation of the SRRI.

Portfolio statement as at 30 April 2013

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 94.70% (31/10/2012: 94.33%)		
	Belgium 3.54% (31/10/2012: 0.00%)		
79,700	KBC	2,012	3.54
	Germany 2.93% (31/10/2012: 8.19%)		
328,000	Infineon Technologies	1,665	2.93
	Hong Kong 3.30% (31/10/2012: 1.90%)		
657,500	AIA Group	1,873	3.30
	Indonesia 1.73% (31/10/2012: 2.00%)		
1,421,500	Mandiri	982	1.73
	Japan 8.27% (31/10/2012: 5.13%)		
39,700	Makita	1,547	2.72
17,900	Ryohin Keiaku	1,086	1.91
68,050	Sumitomo Mitsui	2,065	3.64
		4,698	8.27
	Korea 2.50% (31/10/2012: 0.00%)		
1,600	Samsung Electronics	1,419	2.50
	Sweden 1.00% (31/10/2012: 0.00%)		
64,000	Volvo	570	1.00
	Switzerland 4.99% (31/10/2012: 0.00%)		
24,600	Nestle	1,129	1.99
48,800	Pentair	1,704	3.00
		2,833	4.99
	Turkey 2.27% (31/10/2012: 0.00%)		
184,500	Turkie Halk Bankasi	1,292	2.27
	United Kingdom 12.14% (31/10/2012: 17.83%)		
240,600	Centrica	893	1.57
875,800	ITV	1,103	1.94
3,730,000	Lloyds Banking Group	2,026	3.57
38,200	Rio Tinto	1,115	1.96
63,100	Unilever	1,758	3.10
		6,895	12.14

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	United States 52.03% (31/10/2012: 59.28%)		
41,000	Bed Bath & Beyond	1,812	3.19
29,200	Borg Warner	1,466	2.58
55,300	CBS	1,626	2.86
52,000	Charles Schwab	566	1.00
55,800	Citigroup	1,673	2.95
31,500	Citrix Systems	1,258	2.21
21,450	Cummins	1,467	2.58
18,450	Davita Healthcare Partners	1,407	2.48
45,600	eBay	1,535	2.70
3,190	Google 'A'	1,689	2.97
43,700	Limited Brands	1,415	2.50
97,000	Microsoft	2,062	3.63
40,100	National Oilwell Varco	1,680	2.96
32,000	Occidental Petroleum	1,834	3.23
94,300	Pfizer	1,760	3.10
23,200	Praxair	1,703	3.00
20,200	PVH	1,497	2.64
100,700	Standard Chartered	1,628	2.87
46,124	Walgreen	1,467	2.58
		29,545	52.03
	Investment assets	**53,784**	**94.70**
	Net other assets	3,013	5.30
	Net assets	**56,797**	**100.00**

Statement of total return for the six months ended 30 April 2013 (unaudited)

	30/04/13		30/04/12	
	£000	£000	£000	£000
Income				
Net capital gains		8,554		4,436
Revenue	700		427	
Expenses	(463)		(435)	
Finance costs: Interest	-		-	
Net revenue/(expense) before taxation	237		(8)	
Taxation	(71)		(42)	
Net revenue/(expense) after taxation		166		(50)
Total return before distributions		8,720		4,386
Finance costs: Distributions		-		-
Change in net assets attributable to shareholders from investment activities		**8,720**		**4,386**

Statement of change in net assets attributable to shareholders for the six months ended 30 April 2013 (unaudited)

	30/04/13		30/04/12	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		**49,801**		**48,282**
Amounts receivable on issue of shares	168		203	
Amounts payable on cancellation of shares	(1,892)		(974)	
		(1,724)		(771)
Change in net assets attributable to shareholders from investment activities (see above)		8,720		4,386
Closing net assets attributable to shareholders		**56,797**		**51,897**

Balance sheet as at 30 April 2013 (unaudited)

	30/04/13		31/10/12	
	£000	£000	£000	£000
Assets				
Investment assets		53,784		46,981
Debtors	2,445		1,301	
Cash and bank balances	1,638		2,228	
Total other assets		4,083		3,529
Total assets		57,867		50,510
Liabilities				
Creditors	1,070		618	
Bank overdrafts	-		91	
Total other liabilities		1,070		709
Total liabilities		1,070		709
Net assets attributable to shareholders		**56,797**		**49,801**

Notes to the financial statements as at 30 April 2013 (unaudited)

1 Accounting policies

The accounting, risk and distribution policies are set out in notes 1 to 3 of the aggregated financial statements on pages 6 to 9.

2 Portfolio transaction costs

	30/04/13 £000	30/04/12 £000
Purchases in period before transaction costs	22,227	13,234
Commissions	32	19
Taxes	12	12
Total purchase transaction costs*	44	31
Purchases including transaction costs	**22,271**	**13,265**
Sales in period before transaction costs	24,063	14,309
Commissions	(34)	(22)
Taxes	(1)	(1)
Total sale transaction costs*	(35)	(23)
Sales net of transaction costs	**24,028**	**14,286**
Transaction handling charges*	**2**	**2**

* These amounts have been deducted in determining net capital gains.

Henderson Japan Capital Growth Fund
Manager's report

Fund Manager

Michael Wood-Martin

Investment objective and policy

To aim to provide capital growth by investing in Japanese companies. The Fund is not restricted in the size of companies in which it can invest.

Performance summary

	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 Japan Capital Growth Fund	24.4	4.9	(8.4)	23.0	(11.9)
MSCI Japan Index	27.4	(0.5)	(6.3)	21.7	(12.4)

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 income 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.

Significant portfolio changes for the six months ended 30 April 2013

Purchases	£000	Sales	£000
Suzuki	869	Shin-Etsu Chemical	1,010
Shimamura	660	Secom	734
Sony	588	Daiwa Securities	730
Nippon Telegraph & Telephone	491	Sony	425
TDK	468	Murata Manufacturing	365
Inpex	464	Mizuho Financial	349
Credit Saison	463	Mitsubishi UFJ Financial	275
Rakuten	413	Sumitomo Mitsui Financial	189
Nitori	354	Canon	155
Canon	346	Japan Airlines	136

Manager's commentary

Having languished for several months the Japanese stock market was transformed following the announcement of an election in November, which lay the foundation for a return to power for the opposition Liberal Democratic Party (LDP). Such was the landslide victory that the stock market responded favourably to the proposed measures to weaken the currency via a more proactive monetary policy. Stocks gained close to 60% over the period and whilst some of this was lost through yen depreciation to overseas investors, the Japanese stock market returned an impressive 35% in sterling terms. Sentiment at both corporate and consumer levels picked up. The housing market reflected an upturn in activity while wage increases began to filter through. The stock market ended the period on a high with the currency remaining at a level which prices corporate Japan back into global markets. The weak currency should provide the springboard from which profits can rapidly expand.

Over the period, the Fund rose 33.4% using the mid-day net asset value (NAV) price, compared with a rise of 35.6% in the MSCI Japan Index.

Performance within the market had a domestic bias with real estate and financials being amongst the strongest gainers. Cyclical sectors generally rose less than the market due to the prospect of slower growth overseas. The more predictable sectors also lagged the gain in the index. Within the portfolio the commitment to the financial sector had the most positive influence on performance. On a stock specific basis gainers were led by Daiwa Securities, which witnessed a huge rise in profits, and which contributed meaningfully to the overall performance of the Fund. Banking stocks Mitsubishi UFG, Sumitomo Mitsui Financial Group and Mizuho also performed well. Murata Manufacturing (electronics) and Mitsui OSK (shipping) contributed for separate reasons; the former on reflection of continuous strength in business, and the latter benefiting from a recovery from the depths of the shipping cycle. On the negative side the large position in consumer discretionary fared poorly although there have been signs of late that businesses are beginning to witness and upturn in activity. Retailers Yamada Denki, Rakuten and Nitori lagged the move in the index. Nintendo also failed to keep up with the market as sales of console games remained muted while business conditions at TDK (electronics) remained suppressed. The performance of the Fund fell slightly behind the gain in the market over the period.

A couple of holdings were removed and a couple of new additions were made to the portfolio over the period. Shin-Etsu Chemical and Secom (security services) were sold from the portfolio as both stocks had become relatively expensive. Each had performed strongly in recent years and it was felt that there were better opportunities elsewhere. Shimamura (retail) and Suzuki Motor were introduced to the portfolio. Shimamura is one of Japan's leading chain store retailers selling mainly clothing for men, women and children. Revenues and profits have steadily expanded over the past decade and this trend is expected to continue. Suzuki Motor is a rather unique company with revenues derived both from Japan and from India via the company's alliance with Maruti. Prospects in India are improving thus providing an opportunity for Suzuki's share price to benefit. The structure of the portfolio remains largely the same with a bias towards domestic rather than overseas sectors in anticipation of an acceleration of activity within Japan.

The Japanese equity market appears over-extended by a number of measures following its spectacular rise over the past several months and may need to consolidate and catch its breath. Nevertheless, the outlook for Japan remains constructive and investors should focus on the measures that are being undertaken to reflate economic activity. With both political and financial authorities' interests aligned for the first time in many years the probability for successful policy implementation is greatly improved. Such has been the pressure on the economy through a strong currency over the past number of years that the recent reversal in the yen is all the more meaningful. Profits are expected to expand and the anticipated flow through to the domestic economy is raising growth expectations. Although equities need to consolidate we envisage that momentum will take the market higher.

Comparative tables as at 30 April 2013

Net asset value per share

	Net asset value of Fund (£)	Net asset value of shares (£)	Number of shares in issue	Net asset value per share (pence)
Class X accumulation				
31/10/2010*	28,582,208	-	-	-
Class A accumulation				
31/10/2010	28,582,208	17,501,536	11,236,076	155.76
31/10/2011	33,646,495	17,142,999	10,524,701	162.88
31/10/2012	32,357,052	17,344,282	11,097,473	156.29
30/04/2013	44,095,494	23,726,417	11,391,365	208.28
Class I accumulation				
31/10/2010	28,582,208	11,080,672	6,798,089	163.00
31/10/2011	33,646,495	16,503,496	9,553,805	172.74
31/10/2012	32,357,052	15,012,770	8,991,103	166.97
30/04/2013	44,095,494	20,369,077	9,113,352	223.51

* X share class merged with A share class on 11 January 2010.

Comparative tables (continued)

Performance record

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class X accumulation			
2008	-	160.50	118.70
2009	0.05	155.70	117.00
2010**	-	146.90	139.80
Class A accumulation			
2008	0.28	166.60	123.40
2009	0.99	162.20	121.90
2010	0.59	181.70	146.30
2011	0.72	183.40	152.10
2012	0.64	177.10	152.60
2013	-*	217.40+	161.80+
Class I accumulation			
2008	1.10	173.20	128.50
2009	1.64	169.00	127.20
2010	1.70	191.60	153.30
2011	1.71	193.60	160.60
2012	1.92	188.40	163.00
2013	-*	233.40+	173.20+

* to 28 June
+ to 30 April
** X share class merged with A share class on 11 January 2010.

Ongoing charge figure

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 expenses deducted from the assets of the Fund during the period, except for expenses that are explicitly excluded by regulation.

	30/04/13 %	31/10/12 %
Class A	1.76	1.77
Class I	0.87	1.03**

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

** From 1 August 2012, the Annual Management Charge decreased from 1.00% to 0.75% and the general administration charge increased from 0.06% to 0.10%

Synthetic risk and reward profile

The Fund currently has 2 types of share in issue; A accumulation and I 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 lowest category does not mean risk free.

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.

Since the issue of the KIID there have been no changes to the risk rating in the period.

The Synthetic risk and reward indicator (SRRI) conforms to the CESR guidelines for the calculation of the SRRI.

Portfolio statement as at 30 April 2013

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 98.89% (31/10/2012: 97.28%)		
	Consumer goods 20.85% (31/10/2012: 15.86%)		
101,000	Daiwa House Industries	1,466	3.32
18,100	Nintendo	1,287	2.92
16,600	Nitori	801	1.81
207,000	Sekisui Chemical	1,673	3.79
37,900	Seven & I	934	2.12
10,200	Shimamura	828	1.88
121,300	Sony	1,286	2.92
55,900	Suzuki	920	2.09
		9,195	20.85
	Consumer services 12.07% (31/10/2012: 12.72%)		
23,900	Benesse	676	1.53
35,900	Japan Airlines	1,169	2.65
113,400	Nippon TV Network	1,287	2.92
70,860	Yamada Denki	2,192	4.97
		5,324	12.07
	Financials 27.49% (31/10/2012: 26.07%)		
87,900	Credit Saison	1,648	3.74
370,000	Daiwa Securities	2,106	4.78
708,800	Mitsubishi UFJ Financial	3,095	7.02
1,059,900	Mizuho Financial	1,503	3.40
71,600	Sumitomo Mitsui Financial	2,172	4.93
78,400	Tokio Marine Holdings	1,598	3.62
		12,122	27.49
	Industrials 20.54% (31/10/2012: 25.79%)		
431	Inpex	1,335	3.03
6,980	Keyence	1,420	3.22
526,000	Mitsui O.S.K Lines	1,402	3.18
25,000	Murata Manufacturing	1,301	2.95
24,700	Sankyo	722	1.64
69,900	TDK	1,639	3.71
100,200	Yamato Holdings	1,240	2.81
		9,059	20.54
	Technology 14.28% (31/10/2012: 14.05%)		
76,300	Canon	1,754	3.98
70,200	Nomura Research Institute	1,356	3.08
72,800	NS Solutions	948	2.15
327,100	Rakuten	2,235	5.07
		6,293	14.28

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Telecommunications 3.66% (31/10/2012: 2.79%)		
50,700	Nippon Telegraph & Telephone	1,612	3.66
	Investment assets	**43,605**	**98.89**
	Net other assets	490	1.11
	Net assets	**44,095**	**100.00**

Statement of total return for the six months ended 30 April 2013 (unaudited)

	30/04/13		30/04/12	
	£000	£000	£000	£000
Income				
Net capital gains		10,633		1,172
Revenue	467		406	
Expenses	(240)		(247)	
Finance costs: Interest	-		-	
Net revenue before taxation	227		159	
Taxation	(33)		(28)	
Net revenue after taxation		194		131
Total return before distributions		10,827		1,303
Finance costs: Distributions		-		-
Change in net assets attributable to shareholders from investment activities		**10,827**		**1,303**

Statement of change in net assets attributable to shareholders for the six months ended 30 April 2013 (unaudited)

	30/04/13		30/04/12	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		**32,357**		**33,646**
Amounts receivable on issue of shares	5,150		1,298	
Amounts payable on cancellation of shares	(4,239)		(2,086)	
		911		(788)
Change in net assets attributable to shareholders from investment activities (see above)		10,827		1,303
Closing net assets attributable to shareholders		**44,095**		**34,161**

Balance sheet as at 30 April 2013 (unaudited)

	30/04/13		31/10/12	
	£000	£000	£000	£000
Assets				
Investment assets		43,605		31,476
Debtors	482		502	
Cash and bank balances	234		1,046	
Total other assets		716		1,548
Total assets		44,321		33,024
Liabilities				
Creditors	63		667	
Bank overdrafts	163		-	
Total other liabilities		226		667
Total liabilities		226		667
Net assets attributable to shareholders		**44,095**		**32,357**

Notes to the financial statements as at 30 April 2013 (unaudited)

1 Accounting policies

The accounting, risk and distribution policies are set out in notes 1 to 3 of the aggregated financial statements on pages 6 to 9.

2 Portfolio transaction costs

	30/04/13 £000	30/04/12 £000
Purchases in period before transaction costs	6,593	4,626
Commissions	8	6
Total purchase transaction costs*	8	6
Purchases including transaction costs	**6,601**	**4,632**
Sales in period before transaction costs	5,105	4,808
Commissions	(7)	(7)
Total sale transaction costs*	(7)	(7)
Sales net of transaction costs	**5,098**	**4,801**
Transaction handling charges*	**1**	**1**

* These amounts have been deducted in determining net capital gains.

Henderson Institutional Overseas Bond Fund
Manager's report

Fund Managers

Kevin Adams and Joanna Murdock

Investment objective and policy

To aim to provide a return by investing in fixed and floating rate securities in any area of the world, except the United Kingdom. The Fund will invest primarily in bonds issued by Governments, public authorities and international organisations.

Performance summary

	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 Institutional Overseas Bond Fund	2.3	4.3	0.1	4.0	27.9
JP Morgan Global Bond Traded ex UK Index	2.8	6.5	1.9	2.7	36.1

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 income 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.

Significant portfolio changes for the period ended 30 April 2013

Purchases	£000
US Treasury 4.625% 15/11/2016	18,708
US Treasury 0.375% 15/06/2015	17,164
Sweden 3.75% 12/08/2017	13,908
US Treasury 3.625% 15/08/2019	13,694
US Treasury 3.75% 15/11/2018	13,361
France (Government of) 4.25% 25/10/2023	12,680
US Treasury 0.25% 30/11/2014	12,403
Japan (Government of) 0.1% 20/12/2017	12,313
Spain (Kingdom of) 3.25% 30/04/2016	11,434
Italy (Rep of) 5% 01/03/2022	11,003

Sales	£000
US Treasury 4.5% 15/05/2017	30,554
US Treasury 4% 15/02/2015	25,840
US Treasury 2.25% 31/05/2014	16,884
Italy (Rep of) 4.75% 01/05/2017	14,835
US Treasury 3.625% 15/08/2019	14,077
France (Government of) 4.25% 25/10/2023	13,674
Japan (Government of) 0.3% 20/03/2017	12,986
Spain (Kingdom of) 3.25% 30/04/2016	12,203
Canada 1.5% 01/09/2017	10,123
Japan (Government of) 0.9% 20/06/2022	7,636

Managers' commentary

The 6-month period to 30 April 2013 was characterised by volatile bond markets, driven by political events and central bank policy in the main. Core government bond yields ended the period close to unchanged, whilst peripheral European government bond markets and other 'riskier' asset classes such as equities experienced large gains as central banks maintained an easing bias.

In the US, politicians reached a compromise to avoid 'the fiscal cliff', a series of tax rises and spending cuts that could have had a significant detrimental impact to US growth. This compromise combined with an increase in the size of the Federal Reserve's bond purchase programme resulted in riskier assets performing well whilst bond yields remained well-supported. The European Central Bank (ECB)'s commitment to "do whatever it takes" to preserve the euro, coupled with politicians softening their stance towards fiscal austerity contributed to the strong performance of government bonds from Europe's periphery. Even political instability stemming from the inconclusive results of the Italian elections early in 2013 and the controversial bailout of the Cypriot banking system was unable to shake the overall trend of declining peripheral government bond yields (rising prices) over the course of the review period.

Finally in Japan, a new government in conjunction with central bank support pledged to break the low growth and deflationary environment that has characterised the Japanese economy for the past two decades. Fiscal stimulus measures as well as a dramatic quantitative easing campaign resulted in government bond yields falling alongside a rapidly depreciating exchange rate and a large rise in the value of the equity market.

In Europe, we began the period positioned for Italian government debt to outperform Spanish government debt and for steeper yield curves[1] across core and semi-core[2] government bond markets. We also positioned for German government debt to fall in value; however, broader macroeconomic concerns resulted in all core government bonds performing well and we subsequently closed the position for a loss. As the period progressed we reduced our position in Italian government debt to neutral as political instability increased with the early resignation of the technocrat prime minister. We also established a position in three-year Spanish debt positioning for a steeper Spanish yield curve taking our overall risk to the European periphery to neutral. Later in the period we positioned for Spanish government debt to outperform Italian government debt as the Italian elections drew nearer, before later positioning for Italy to outperform Spain as the concerns around Italian political risks abated and Spain's weaker growth outlook became apparent. This strategy made a small profit overall. Late in the period we also positioned for Italian government bonds to outperform French government bonds as the ECB continued to provide a back-stop to financial markets.

Outside European markets we positioned for a steeper yield curve in the US, which we subsequently closed for a profit. We later positioned for US Treasury bond yields to increase relative to Swedish government bond yields; this has proved profitable and we maintain the position as we expect US government bonds to underperform European government debt. Late in the period we positioned for a flatter yield curve in the US as economic data was weaker than expected. However, this proved unprofitable as central banks reiterated their commitment to accommodative policy and we closed the position. Throughout the period we opportunistically positioned for yields to rise in Japan and the US and for yields to fall in Australia, these strategies proved unprofitable, however, and we closed the positions for a loss. In Japan, we began the period positioned for a steeper yield curve; this performed well and we closed the position for a profit.

In currency strategy we positioned for the Australian dollar to underperform Mexican pesos and Canadian dollars during the period. This strategy as a whole made a small profit, with the Australian dollar depreciating versus the peso, but appreciating against the Canadian dollar.

We think that central banks are likely to maintain accommodative monetary policy for the foreseeable future, supporting bond markets. We continue to believe that economic growth in the US is likely to continue to improve, whilst growth in the euro area appears likely to remain depressed. The success of the Japanese central bank's quantitative easing policy – and its on-going impact on currency markets and securities markets more generally – is a source of uncertainty going forward.

[1]Steeper yield curves indicate long-term bond prices will fall relative to short-term bond prices.

[2]In this commentary when we refer to semi-core government bond markets in Europe we mean the bond markets of France and Belgium, core markets refer to Germany and Netherlands. The differentiation is primarily due to market perception of fundamental economic strength.

Comparative tables as at 30 April 2013

Net asset value per share

	Net asset value of Fund (£)	Net asset value of shares (£)	Number of shares in issue	Net asset value per share (pence)
Class X income				
31/10/2010#	198,750,083	-	-	-
Class A income				
31/10/2010	198,750,083	4,834,607	2,773,371	174.32
31/10/2011	207,803,996	5,847,373	3,375,611	173.22
31/10/2012	230,866,375	5,056,531	2,905,045	174.06
30/04/2013	245,104,832	6,175,433	3,570,567	172.95
Class I income				
31/10/2010	198,750,083	598,743	342,584	174.77
31/10/2011	207,803,996	1,120,969	646,537	173.38
31/10/2012	230,866,375	1,076,487	617,865	174.23
30/04/2013	245,104,832	171,465	99,056	173.10
Class I accumulation				
31/10/2010	198,750,083	2,473,864	1,122,310	220.43
31/10/2011	207,803,996	2,228	1,003	222.13
31/10/2012	230,866,375	2,248	1,000	224.80
30/04/2013	245,104,832	2,245	1,000	224.51
Class 3 gross accumulation				
31/10/2012†	230,866,375	5,661,776	5,701,596	99.30
30/04/2013	245,104,832	5,439,923	5,472,949	99.40
Class I gross accumulation				
31/10/2010	198,750,083	31,247,349	13,681,014	228.40
31/10/2011	207,803,996	22,544,239	9,733,904	231.61
31/10/2012	230,866,375	25,141,995	10,677,875	235.46
30/04/2013	245,104,832	26,098,122	11,091,043	235.31
Class Z gross accumulation				
31/10/2010	198,750,083	159,595,520	93,446,854	170.79
31/10/2011	207,803,996	178,289,187	102,421,808	174.07
31/10/2012	230,866,375	193,927,338	109,037,758	177.85
30/04/2013	245,104,832	207,217,644	116,297,513	178.18

#X share class merged with A share class on 11 January 2010.
†Class 3 gross accumulation launched 26 August 2012.

Comparative tables (continued)

Performance record

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class X income			
2008	1.90	179.50	123.00
2009	2.13	183.70	147.90
2010#	-	163.30	160.40
Class A income			
2008	2.39	178.70	122.50
2009	2.76	183.00	147.20
2010	1.81	177.50	159.70
2011	1.37	183.20	162.30
2012	0.73	181.50	170.20
2013	0.35*	178.50+	169.10+
Class I income			
2008	2.85	178.80	122.80
2009	3.39	183.10	147.40
2010	2.63	177.70	159.90
2011	2.10	183.50	162.50
2012	1.65	181.80	170.60
2013	0.77*	178.70+	169.50+
Class I accumulation			
2008	3.43	218.20	146.60
2009	4.16	223.40	182.00
2010	3.29	224.10	199.20
2011	2.66	234.50	206.40
2012	2.12	234.00	219.10
2013	1.00*	231.80+	219.10+
Class 3 gross accumulation			
2012†	0.02	101.00	97.40
2013	0.72*	102.40+	96.68+
Class I gross accumulation			
2008	4.46	224.90	149.90
2009	5.37	230.30	187.70
2010	4.31	233.00	206.30
2011	3.74	244.40	214.60
2012	2.76	244.30	228.70
2013	1.32*	242.60+	229.10+
Class Z gross accumulation			
2008	3.88	166.70	110.60
2009	4.76	170.80	139.50
2010	4.04	174.20	153.60
2011	3.65	183.60	160.70
2012	2.97	184.20	172.50
2013	1.44*	183.50+	173.20+

* to 28 June
\+ to 30 April
\# X Share class merged with A share class on 11 January 2010.
†Class 3 gross accumulation launched 26 August 2012.

Ongoing charge figure

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 expenses deducted from the assets of the Fund during the period, except for expenses that are explicitly excluded by regulation.

	30/04/13 %	31/10/12 %
Class A	1.20	1.20
Class I	0.55	0.55
Class Z	0.05	0.05
Class 3 gross accumulation	0.23	0.23

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

Synthetic risk and reward profile

The Fund currently has 6 types of share in issue; Class A Income, Class I Income, Class I accumulation and Class 3 gross accumulation, Class I gross accumulation and Class Z gross 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 lowest category does not mean risk free.

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

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.

Since the issue of the KIID there have been no changes to the risk rating in the period.

The Synthetic risk and reward indicator (SRRI) conforms to the CESR guidelines for the calculation of the SRRI.

Portfolio statement as at 30 April 2013

Holding	Investment	Market value £000	Percentage of total net assets %
	Bonds 92.40% (31/10/12: 95.20%)		
	Australia 0.72% (31/10/12: 0.48%)		
	Government bonds 0.72% (31/10/12: 0.48%)		
AUD 2,210,000	Australia 5.5% 21/04/2023	1,776	0.72
	Canada 1.56% (31/10/12: 1.91%)		
	Government bonds 1.56% (31/10/12: 1.91%)		
CAD 2,864,000	Canada 4.25% Index-Linked 01/12/2021	3,809	1.56
	Denmark 0.73% (31/10/12: 0.00%)		
	Government bonds 0.73% (31/10/12: 0.00%)		
DKK 13,433,000	Denmark 3% 15/11/2021	1,782	0.73
	Europe 23.80% (31/10/12: 22.25%)		
	Government bonds 23.80% (31/10/12: 22.25%)		
EUR 3,713,000	Belgium 4.25% 28/03/2041	3,961	1.61
EUR 7,427,000	France (Government of) 4.25% 25/10/2023	7,703	3.14
EUR 1,946,000	France (Government of) 5.75% 25/10/2032	2,456	1.00
EUR 1,244,000	France (Government of) 4.5% 25/04/2041	1,394	0.57
EUR 8,472,000	Germany (Fed Rep of) 3.5% 04/01/2016	7,838	3.20
EUR 1,005,000	Germany (Fed Rep of) 4.25% 04/07/2018	1,021	0.42
EUR 3,438,000	Germany (Fed Rep of) 2.25% 04/09/2021	3,225	1.31
EUR 4,517,000	Germany (Fed Rep of) 2% 04/01/2022	4,145	1.69
EUR 1,351,000	Germany (Fed Rep of) 4.75% 04/07/2034	1,685	0.69
EUR 4,967,000	Italy (Rep of) 3% 15/06/2015	4,330	1.77
EUR 3,131,000	Italy (Rep of) 5.25% 01/08/2017	2,938	1.20
EUR 3,023,000	Italy (Rep of) 4.75% 01/09/2021	2,785	1.14
EUR 14,845,000	Italy (Rep of) 5% 01/03/2022	13,831	5.64
EUR 1,161,000	Italy (Rep of) 5% 01/09/2040	1,028	0.42
		58,340	23.80
	Corporate bonds 0.00% (31/10/12: 0.00%)		
EUR 800,000	Lehman Brothers 5.75% Perpetual+	-	-
	Japan 26.20% (31/10/12: 29.90%)		
	Government bonds 26.20% (31/10/12: 29.90%)		
JPY 980,700,000	Japan (Government of) 0.4% 20/06/2015	6,506	2.65
JPY 1,470,800,000	Japan (Government of) 0.3% 20/03/2017	9,730	3.97
JPY 1,781,800,000	Japan (Government of) 0.1% 20/12/2017	11,675	4.76
JPY 1,460,900,000	Japan (Government of) 1.1% 20/06/2021	10,100	4.12
JPY 781,100,000	Japan (Government of) 0.9% 20/06/2022	5,305	2.16
JPY 637,100,000	Japan (Government of) 2.1% 20/03/2030	4,756	1.94
JPY 1,445,700,000	Japan (Government of) 2.1% 20/12/2030	10,742	4.38
JPY 435,000,000	Japan (Government of) 2% 20/09/2040	3,126	1.28
JPY 169,400,000	Japan (Government of) 1.9% 20/09/2042	1,189	0.49
JPY 152,400,000	Japan (Government of) 2% 20/03/2052	1,096	0.45
		64,225	26.20

Holding	Investment	Market value £000	Percentage of total net assets %
	Sweden 5.58% (31/10/12: 1.67%)		
	Government bonds 5.58% (31/10/12: 1.67%)		
SEK 123,700,000	Sweden 3.75% 12/08/2017	13,671	5.58
	United States 33.81% (31/10/12: 38.99%)		
	Government bonds 33.81% (31/10/12: 38.99.%)		
USD 18,278,000	US Treasury 0.25% 30/11/2014	11,754	4.80
USD 26,545,000	US Treasury 0.375% 15/06/2015	17,107	6.98
USD 15,921,000	US Treasury 4.625% 15/11/2016	11,741	4.79
USD 9,811,000	US Treasury 3.75% 15/11/2018	7,332	2.99
USD 11,881,000	US Treasury 1.375% 31/01/2020	7,796	3.18
USD 18,761,000	US Treasury 2.125% 15/08/2021	12,757	5.20
USD 983,000	US Treasury 7.625% 15/02/2025	1,018	0.42
USD 2,372,000	US Treasury 6.625% 15/02/2027	2,350	0.96
USD 2,035,000	US Treasury 5% 15/05/2037	1,845	0.75
USD 6,631,000	US Treasury 3.875% 15/08/2040	5,135	2.09
USD 2,753,000	US Treasury 3.125% 15/02/2042	1,858	0.76
USD 3,308,000	US Treasury 3% 15/05/2042	2,176	0.89
		82,869	33.81
	Derivatives (0.13)% (31/10/12: 0.00%)		
	Forward foreign exchange contracts (0.12)% (31/10/12: 0.06%)		
	Buy AUD 1,637,125 : Sell GBP 1,120,383 June 2013	(32)	(0.01)
	Buy CAD 661,927 : Sell GBP 425,160 June 2013	(3)	-
	Buy DKK 11,559,019 : Sell GBP 1,321,176 June 2013	(7)	-
	Buy EUR 1,744,646 : Sell DKK 13,000,000 June 2013+	-	-
	Buy EUR 375,674 : Sell DKK 2,800,000 June 2013+	-	-
	Buy EUR 8,812,886 : Sell GBP 7,520,000 June 2013	(50)	(0.02)
	Buy GBP 1,039,946 : Sell SEK 10,500,000 June 2013	(1)	-
	Buy GBP 1,310,219 : Sell USD 2,000,000 June 2013	25	0.01
	Buy GBP 11,890,123 : Sell SEK 117,210,545 June 2013	265	0.11
	Buy GBP 301,716 : Sell AUD 450,000 June 2013	3	-
	Buy GBP 5,525,683 : Sell JPY 840,000,000 June 2013	(18)	-
	Buy GBP 6,465,995 : Sell EUR 7,594,838 June 2013	29	0.01
	Buy JPY 1,164,924,121 : Sell GBP 7,655,000 June 2013	33	0.01
	Buy JPY 530,754,845 : Sell GBP 3,692,626 June 2013	(190)	(0.08)
	Buy USD 1,004,660 : Sell EUR 785,000 June 2013	(20)	(0.01)
	Buy USD 19,845,934 : Sell GBP 13,091,987 June 2013	(337)	(0.14)
		(303)	(0.12)
	Futures (0.01)% (31/10/12: (0.06)%)		
41	CBT US June 2013	12	-
(139)	CBT US June 2013	(29)	(0.01)
		(17)	(0.01)
	Investment assets including investment liabilities	**226,152**	**92.27**
	Net other assets	18,953	7.73
	Net assets	**245,105**	**100.00**

+ Market Value Less than £500.

Portfolio statement (continued)

Credit Ratings

Investment	Market value £	Percentage of total net assets %
Above Investment grade (AAA - BBB)	226,472	92.40
Below Investment grade (BB and below)	-	-
Unrated	-	-
Total bonds	**226,472**	**92.40**
Totals derivatives	**(320)**	**(0.13)**
Investment assets including investment liabilities	**226,152**	**92.27**
Net other assets	18,953	7.73
Net assets	**245,105**	**100.00**

Source: Standard & Poor's

Statement of total return for the six months ended 30 April 2013 (unaudited)

	30/04/13		30/04/12	
	£000	£000	£000	£000
Income				
Net capital losses		(1,688)		(3,289)
Revenue	1,873		1,682	
Expenses	(154)		(146)	
Finance costs: Interest	-		-	
Net revenue before taxation	1,719		1,536	
Taxation	-		-	
Net revenue after taxation		1,719		1,536
Total return before distributions		31		(1,753)
Finance costs: Distributions		(1,719)		(1,536)
Change in net assets attributable to shareholders from investment activities		**(1,688)**		**(3,289)**

Statement of change in net assets attributable to shareholders for the six months ended 30 April 2013 (unaudited)

	30/04/13		30/04/12	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		**230,866**		**207,804**
Amounts receivable on issue of shares	32,625		36,322	
Amounts payable on cancellation of shares	(18,452)		(26,116)	
		14,173		10,206
Stamp duty reserve tax		(1)		-
Unclaimed distributions		1		-
Change in net assets attributable to shareholders from investment activities (see above)		(1,688)		(3,289)
Retained distribution on accumulation shares		1,754		1,639
Closing net assets attributable to shareholders		**245,105**		**216,360**

Balance sheet as at 30 April 2013 (unaudited)

	30/04/13		31/10/12	
	£000	£000	£000	£000
Assets				
Investment assets		226,839		220,038
Debtors	1,772		4,763	
Cash and bank balances	18,393		10,802	
Total other assets		20,165		15,565
Total assets		247,004		235,603
Liabilities				
Investment liabilities		687		248
Creditors	208		3,503	
Bank overdrafts	1,001		977	
Distribution payable on income shares	3		9	
Total other liabilities		1,212		4,489
Total liabilities		1,899		4,737
Net assets attributable to shareholders		**245,105**		**230,866**

Notes to the financial statements as at 30 April 2013 (unaudited)

1 Accounting policies

The accounting, risk and distribution policies are set out in notes 1 to 3 to the aggregated financial statements on pages 6 to 9.

2 Portfolio transaction costs

	30/04/13 £000	30/04/12 £000
Purchases in period before transaction costs	267,568	171,159
Commissions	2	1
Total purchase transaction costs*	2	1
Purchases including transaction costs	**267,570**	**171,160**
Sales in period before transaction costs	257,799	156,798
Commissions	(2)	(1)
Total sale transaction costs*	(2)	(1)
Sales net of transaction costs	**257,797**	**156,797**
Transaction handling charges*	**4**	**4**

* These amounts have been deducted in determining net capital losses.

Distribution table for the period ended 30 April 2013 (in pence per share) (unaudited)

Interim interest distribution (accounting date 31 January 2013, paid on 28 March 2013)

Group 1: shares purchased prior to 1 November 2012

Group 2: shares purchased on or after 1 November 2012

	Gross revenue	Income tax (20%)	Net revenue	Equalisation	Distribution paid 28/03/2013	Distribution paid 30/03/2012
Class A income						
Group 1	0.3460	0.0692	0.2768	-	0.2768	0.2572
Group 2	0.0895	0.0179	0.0716	0.2052	0.2768	0.2572
Class I income						
Group 1	0.6218	0.1244	0.4974	-	0.4974	0.4909
Group 2	0.3649	0.0730	0.2919	0.2055	0.4974	0.4909
Class I accumulation						
Group 1	0.8040	0.1608	0.6432	-	0.6432	0.6289
Group 2	0.8040	0.1608	0.6432	-	0.6432	0.6289
Class 3 gross accumulation						
Group 1	0.4392	-	0.4392	-	0.4392	-
Group 2	0.3509	-	0.3509	0.0883	0.4392	-
Class I gross accumulation						
Group 1	0.8523	-	0.8523	-	0.8523	0.8186
Group 2	0.2796	-	0.2796	0.5727	0.8523	0.8186
Class Z gross accumulation						
Group 1	0.8671	-	0.8671	-	0.8671	0.8409
Group 2	0.5516	-	0.5516	0.3155	0.8671	0.8409

Distribution table (continued)

Interim interest distribution (accounting date 30 April 2013, paid on 28 June 2013)

Group 1: shares purchased prior to 1 February 2013

Group 2: shares purchased on or after 1 February 2013

	Gross revenue	Income tax (20%)	Net revenue	Equalisation	Distribution paid 28/06/2013	Distribution paid 29/06/2012
Class A income						
Group 1	0.0920	0.0184	0.0736	-	0.0736	0.1031
Group 2	-	-	-	0.0736	0.0736	0.1031
Class I income						
Group 1	0.3391	0.0678	0.2713	-	0.2713	0.3251
Group 2	0.0595	0.0119	0.0476	0.2237	0.2713	0.3251
Class I accumulation						
Group 1	0.4399	0.0880	0.3519	-	0.3519	0.4177
Group 2	0.4399	0.0880	0.3519	-	0.3519	0.4177
Class 3 gross accumulation						
Group 1	0.2767	-	0.2767	-	0.2767	-
Group 2	0.0698	-	0.0698	0.2069	0.2767	-
Class I gross accumulation						
Group 1	0.4704	-	0.4704	-	0.4704	0.5455
Group 2	0.0329	-	0.0329	0.4375	0.4704	0.5455
Class Z gross accumulation						
Group 1	0.5742	-	0.5742	-	0.5742	0.6260
Group 2	-	-	-	0.5742	0.5742	0.6260

Further Information

Shareholder enquiries

If you have any queries about your fund holding, either contact your professional adviser or telephone us on one of the numbers below:

For dealing enquiries including buying and selling units please telephone at local rate: **0845 608 8703**

The following line is also available:

Client Services: 0800 832 832

or you can contact us via e-mail at **support@henderson.com**

We may record telephone calls for our mutual protection and to improve customer service.

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