

Henderson

Global Care Growth

Fund

Short Report

For the six months ended 30 September 2013

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Fund Manager

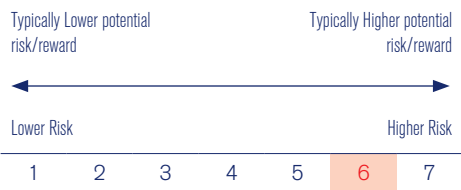
Nick Anderson

Investment objective and policy

To provide long term capital growth and increasing income by investment in a spread of equities, convertibles and fixed interest stocks worldwide. Investment will only be made in those companies whose products and practices are considered by the Authorised Corporate Director to enhance the environment and life of the community.

Risk and reward profile

The Fund currently has 7 share classes in issue; A income, I income, I accumulation, Z accumulation, I Euro (hedged) accumulation, A Euro accumulation and I Euro accumulation. Each share class has the same risk and reward profile which is as follows:



The Synthetic Risk and Reward Indicator (SRRI) is calculated based on historical volatility over a rolling 5 year period, it is reviewed monthly and updated if volatility has changed materially to cause a movement in the SRRI level. The SRRI is an indicator and may not accurately reflect future volatility and market conditions. The value of an investment in the Fund can go up or down. When you sell your shares, they may be worth less than you paid for them. The risk/reward rating above is based on medium-term volatility. In the future, the Fund's actual volatility could be higher or lower and its rated risk/reward level could change.

The 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's social screens eliminate many potential investments
- Fluctuations in exchange rates may cause the value of your investment to rise or fall

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events which could amplify everyday risk and trigger other risks such as:

Counterparty risk The Fund could lose money if an entity with which it interacts becomes unwilling or unable to meet its obligations to the Fund.

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

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

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

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

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

Fund Manager's commentary

The six-month review period saw developed market equities deliver healthy returns. Help came in no small way from the support of accommodative central bank policies in the US, Europe and, more recently, Japan. In contrast, emerging market equities lagged as expectations of a tapering (reduction) in US quantitative easing and reduced prospects for Chinese growth depressed the outlook for the region.

Over the period, we witnessed significant developments from both a corporate governance and environmental perspective. In Japan, change was not solely restricted to monetary policy, with the ruling Liberal Democrat Party also putting into effect structural reforms. One example of this policy is the improvement of corporate governance at Japanese firms through such measures as encouraging independent, external directors and introducing guidelines similar to those of the UK's Stewardship Code. For a country not historically renowned for its attention to shareholder issues, we welcome such developments.

September's report from the Intergovernmental Panel on Climate Change confirmed the significant influence of human behaviour; this concluded that substantial and sustained reductions of greenhouse gas emissions will be required to limit climate change in the future. This highlights the continued importance of themes such as cleaner energy, efficiency and sustainable transport, around which the Fund is structured.

The Fund outperformed the benchmark MSCI World Index over the period, returning 6.1% versus the benchmark's return of 2.4%. The Fund saw standout performance from its Sustainable Transport theme where automotive parts manufacturers Continental and BorgWarner reported strong profit growth. This is in line with our expectations that revenue growth at these companies will outstrip global auto demand due to their exposure to structural trends such as fuel efficiency. This comes due to stricter emissions regulations globally, which are leading to increased demand from car and truck manufacturers for the technologies BorgWarner and Continental produce, such as turbochargers and start-stop systems.

Strong performance was also seen from UK packaging manufacturer and recycler DS Smith and automotive parts recycler LKQ, both of which are part of the Fund's Environmental Services

theme. Operationally, both DS Smith and LKQ have executed well, expanding their business through successful European acquisitions. Underperformance came from the Fund's Knowledge and Technology theme, where US software solutions firm Citrix reported lower than expected earnings as weak enterprise spending weighed on revenues. Japanese educational services provider Benesse failed to deliver on its strategy around its home learning and nursing home businesses. We subsequently exited the position.

Company engagement over the period included extensive communication with the Remuneration Committee Chairman of physician management services company Mednax, seeking clarity around the company's retention, succession policies and key performance targets. We continue to engage on these issues into 2014 as the remuneration committee seeks to consult over potential changes to executive remuneration structures.

Over the six months we added positions in companies whose products seek to maximise efficiencies through data management, automation and cost management. This includes data integration software provider Informatica, payment processing servicer Visa, and hospital technology solutions firm MedAssets. We have also initiated positions in financial firms providing constructive services such as loans to small and medium enterprises and pension planning; this includes Italian bank UniCredit and US financial service provider Charles Schwab. These new positions were funded through sales of positions including North American transport company J.B. Hunt, which had reached our fair value target, and Swiss power products and automation technology provider ABB, where excessive management turnover and a series of overpriced acquisitions cast doubt over the company's future.

Over the course of the past five years we have witnessed companies restructure and improve efficiency in order to operate and survive in an environment of lower economic growth. With economic data improving globally, along with business and consumer sentiment indicators, there is scope for increased profitability. While we are conscious that political and macroeconomic factors may continue to drive markets and investor sentiment in the short term, our investment philosophy and process remains focused on the sustainability of company profits and business models and their social and environmental impact.

Discrete annual performance

	31 Mar 13- 30 Sep 13 %	31 Mar 12- 30 Sep 12 %	31 Mar 11- 30 Sep 11 %	31 Mar 10- 30 Sep 10 %	31 Mar 09- 30 Sep 09 %
Henderson Global Care Growth Fund	6.1	(4.2)	(16.1)	(6.4)	27.0
MSCI World Index	2.4	0.6	(13.5)	(4.1)	27.5

Source: Henderson Global Investors - mid to mid with net revenue 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 revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

Summary of Fund performance

Share class	Net asset value* 30/09/13 p	Net asset value* 31/03/13 p	Net asset value % change
Class A income	164.70	156.02	5.56
Class I income	171.96	162.63	5.74
Class I accumulation	173.16	163.66	5.80
Class Z accumulation	228.68	214.64	6.54
Class I Euro (hedged) accumulation	1,053.38	1,004.06	4.91
Class A Euro accumulation	14,599.49	13,821.38	5.63
Class I Euro accumulation	100.40	95.60	5.02

* The net asset value is calculated as at close of business on the last business day of the accounting period. The investments are valued at fair value which is generally deemed to be the bid market price.

Net revenue distribution

Share class	2013 p	2012 p
Class A income	0.12	0.18
Class I income	0.78	0.86
Class I accumulation	0.78	0.86
Class Z accumulation	2.07	2.00

Share class	2013 Euro cents	2012 Euro cents
Class I Euro (hedged) accumulation	4.37	7.11
Class A Euro accumulation	6.58	-
Class I Euro accumulation	0.62	0.11

Total dividend distributions for the six months ended 30 September 2013, comparison is for the same period last year.

Past performance is not a guide to future performance.

Fund facts

Accounting dates

30 September, 31 March

Payment dates

30 November, 31 May

Ongoing charge figure

	30/09/13	31/03/13
	%	%
Class A	1.74*	1.76
Class I	0.86**	0.86+
Class Z	0.08***	0.08
Class I Euro (hedged)	0.83**	0.83
Class A Euro	1.74*	1.76
Class I Euro	0.82**	0.83

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.

+ From 1 August 2012, the General Administration Charge (GAC) increased from 0.06% to 0.10%.

From 10 August 2013:

* The General Administration Charge (GAC) decreased from 0.24% to 0.18%.

** The General Administration Charge (GAC) decreased from 0.10% to 0.075%.

*** The General Administration Charge (GAC) decreased from 0.06% to 0.045%.

Performance record

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class X income			
2008	-	130.20	84.90
2009	-	123.70	85.97
2010 **	-	123.90	120.00
Class A income			
2008	0.06	131.70	86.19
2009	0.21	126.10	87.42
2010	0.05	143.30	118.00
2011	0.12	146.50	114.40
2012	0.17	139.90	122.40
2013	0.12*	170.20+	135.00+
Class I income			
2008	0.40	134.10	88.05
2009	0.51	129.60	89.49
2010	0.68	147.90	122.00
2011	0.76	152.00	118.30
2012	0.89	145.30	127.30
2013	0.88*	178.00+	140.50+
Class I accumulation			
2012***	0.86	142.90	130.00
2013	0.89*	179.30+	141.40+
Class Z accumulation			
2008	2.06	165.70	109.90
2009	1.36	163.80	112.00
2010	2.04	189.20	155.00
2011	2.33	195.40	153.10
2012	2.70	188.90	165.80
2013	2.96*	235.50+	185.00+

Past performance is not a guide to future performance.

Performance record

	Net revenue (Euro cents per share)	Highest price (Euro cents per share)	Lowest price (Euro cents per share)
Class I Euro (hedged) accumulation			
2010#	2.61	1,083.89	892.50
2011	5.22	1,113.19	870.83
2012	7.34	1,065.15	932.56
2013	4.37*	1,300.59+	1,031.45+
Class A Euro accumulation			
2012##	-	15,120.00	14,090.00
2013	6.58*	17,660.00+	14,874.19+
Class I Euro accumulation			
2012****	0.11	103.00	95.80
2013	0.62*	121.50+	100.10+

* to 29 November

+ to 30 September

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

Class I Euro (hedged) accumulation launched 7 May 2010

Class A Euro accumulation launched 19 July 2012

*** Class I accumulation launched 19 July 2012

**** Class I Euro accumulation launched 19 July 2012

Past performance is not a guide to future performance.

Major holdings

as at 30/09/13	%
Continental	2.92
Smith (David S.)	2.82
Pentair	2.81
Mednax	2.46
Sumitomo	2.35
LKQ	2.35
Legrand	2.23
Schneider Electric	2.23
Reed Elsevier	2.21
Adobe Systems	2.19

Major holdings

as at 31/03/13	%
Mednax	2.70
Continental	2.66
Pentair	2.55
Schneider Electric	2.45
Smith (David S.)	2.40
ABB	2.37
Davita	2.34
Regal Beloit	2.29
Comfortdelgro	2.21
Reed Elsevier	2.17

Asset allocation

as at 30/09/13	%
United States	52.20
United Kingdom	11.85
Japan	9.58
France	5.57
Germany	4.89
Switzerland	2.81
Italy	2.68
Singapore	2.00
Hong Kong	1.72
Sweden	1.70
Canada	1.51
Netherlands	1.30
Brazil	1.25
Net other assets	0.94
Total	100.00

Asset allocation

as at 31/03/13	%
United States	54.49
United Kingdom	11.71
Japan	9.79
France	4.74
Germany	4.40
Switzerland	3.19
Singapore	2.21
Hong Kong	1.79
Indonesia	1.61
Canada	1.48
Netherlands	1.41
Italy	1.28
Austria	0.36
Net other assets	1.54
Total	100.00

Report and accounts

This document is a short report of the Henderson Global Care Growth Fund for the six months ended 30 September 2013.

Copies of the annual and half yearly long form report and financial statements of this Fund are available on our website www.henderson.com or contact client services on the telephone number provided.

Other information

The information in this report is designed to enable you to make an informed judgement on the activities of the Fund during the period it covers and the results of those activities at the end of the period.

Issued by:

Henderson Investment Funds Limited

Registered office:

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

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Risk warning

Please remember that past performance is not a guide to future performance. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

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Changes of address – regulatory requirements

FCA regulation requires us to send this report mailing to the address held on file on the accounting date of 30 September 2013. If you have confirmed a change of address with us since that date we will ensure all future correspondence will be sent to your new address.

Online valuations

You can value your Henderson Global Care Growth Fund at any time by logging on to www.henderson.com. Select 'Personal Investor' and then access 'Valuations' from the Tools Menu. Simply select the Fund you hold and enter the appropriate number of shares.

Any questions?

Further information about the activities and performance of the Fund for this and previous periods can be obtained from the Investment Manager. If you have any questions please call our Client Services Team on 0800 832 832 or email support@henderson.com.

Important Information

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

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