



INTERIM SHORT REPORT

Janus Henderson
— INVESTORS —

For the six months ended 30 April 2017

Henderson Institutional Global Buy & Maintain Fund

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Short Report

For the six months ended 30 April 2017

Investment Fund Manager

James Briggs

Other information

Henderson Group plc and Janus Capital Group merged on 30 May 2017 to form Janus Henderson Group plc.

Investment objective and policy

To provide income and growth by investing primarily in a diversified portfolio of investment grade global corporate bonds. The fund may also invest in other transferable securities (including high yield bonds), government bonds, money market instruments, deposits, cash and near cash and collective investment schemes. Derivatives may be used by the fund for the purposes of efficient portfolio management.

Risk and reward profile

The fund currently has 1 type of share class in issue; Y gross accumulation.

The risk and reward profile is as follows:



The Synthetic Risk and Reward Indicator (SRRRI) 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 SRRRI level. The SRRRI is an indicator and may not accurately reflect future volatility and market conditions.

* The fund was launched on 16 September 2015, as it does not have a five year history, a synthetic history has been created using the fund's relevant sector average.

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.

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The share class appears at 3 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in share price in the past 5 years than those in lower categories. The lowest category does not mean risk free.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events. Under normal market conditions the following risks may apply:

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

Counterparty risk The fund could lose money if a counterparty with which it trades becomes unwilling or unable to meet its obligations to the fund.

Credit risk The value of a bond or money market security may fall if the financial health of the issuer weakens, or the market believes it may weaken. This risk is greater the lower the credit quality of the bond.

Derivatives risk Derivatives use exposes the fund to risks different from, and potentially greater than, the risks associated with investing directly in securities and may therefore result in additional loss, which could be significantly greater than the cost of the derivative.

Exchange rate risk Changes in currency exchange rates may cause the value of your investment and any income from it to rise or fall.

Hedging risk Measures designed to reduce the impact of certain risks may not be available or may be ineffective.

Interest rate risk When interest rates rise (or fall), the prices of different securities will be affected differently. In particular, bond values generally fall when interest rates rise. This risk is generally greater the longer the maturity of a bond investment.

Liquidity risk Any security could become hard to value or to sell at a desired time and price, increasing the risk of investment losses.

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

There has been no change to the risk rating in the period.

The SRR1 conforms to the ESMA guidelines for the calculation of the SRR1.

Investment review

The fund posted a positive return of 2.1% (class Y gross accumulation, gross of fees) over the period.

Global investment grade corporate bonds produced negative total returns at the end of 2016 as government bonds sold off aggressively. Macroeconomic themes dominated following strengthening rhetoric about a 'hard Brexit' (meaning the UK would cleanly exit the European Union and the single market) and a Spanish parliamentary no-confidence vote in October. However, it was Donald Trump's US presidential election victory in November that stole the show, reinvigorating the in-progress government bond sell-off as markets focused on Trump's reflationary pre-election promises. The energy sector was given a boost at the end of November when the Organization of the Petroleum Exporting Countries agreed on production cuts, bolstering oil prices. However, prices subsequently came under pressure, with crude ending the month of April below \$50 per barrel, which put some pressure on riskier credit, in particular US high yield.

Total returns in credit have been positive in 2017, with both government bond movements and credit spread tightening contributing to returns. Donald Trump was inaugurated as US president and attempted (unsuccessfully) to close US borders to

citizens of seven mainly Muslim countries. In the UK, the government officially triggered Article 50, which began exit negotiations, at the end of March. In Europe, government bond spreads moved around with the vagaries of the French election campaign before a Macron win saw a general outperformance of riskier assets.

On the monetary policy front, the US Federal Reserve (Fed) raised the federal funds rate by 25 basis points (bps) in mid-December and indicated three further hikes in 2017. The first of these came early in the year when the Fed raised the rate a further 25bps but did not alter its earlier guidance.

Portfolio performance has been driven by our positioning in financials, with both banking (HSBC, Morgan Stanley, Rabobank, Wells Fargo) and insurance (Aviva, Prudential, Scottish Widows) delivering strong contributions on an excess return basis. Within non-financials, communications (Comcast, Deutsche Telekom) was the strongest performer, with consumer non-cyclical (Tesco) and technology (Microsoft, HP, Apple) also making material contributions.

Notable activity during the period included our participation in new issues from housing association A2Dominion, consumer products company Unilever, the University of Southampton and pharmaceutical company Novartis, among others. Against these new issues, we trimmed our exposure to NBC Universal and exited our positions in French utility EDF and the International Petroleum Investment Company, an organisation formed to use Abu Dhabi's natural petroleum wealth to create new opportunities for the emirate and its people.

We continue to have a cautious long-term view of corporate bonds due to concerns about the shifting monetary policy backdrop combined with spreads close to their all-time tights. We also believe that credit markets, especially in the US, have been supported for the last 12-18 months by strong Asian inflows, which we believe may now be waning. However, our short-term view has shifted to a more positive stance following Emmanuel Macron's win in the French presidential election. With the election now behind us, we find it hard to identify an obvious catalyst to push spreads wider over the next couple of months.

Performance summary

Cumulative performance	Six months	One year	Since launch
	31 Oct 16 -	30 Apr 16 -	16 Sep 15 -
	30 Apr 17	30 Apr 17	30 Apr 17
	%	%	%
Henderson Institutional Global Buy & Maintain Fund	2.1	4.8	5.8

Discrete performance	30 Apr 16 -	16 Sep 15 [†] -
	30 Apr 17	30 Apr 16
	%	%
Henderson Institutional Global Buy & Maintain Fund	4.8	0.9

Source: Morningstar, bid to bid and gross of fees, as at close of business, based on performance of Class Y gross accumulation.

Note there is no benchmark as it is a targeted absolute return fund.

† Inception date

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.

Fund facts

Accounting dates	Payment dates
30 April, 31 October	31 March, 30 June, 30 September, 31 December

Ongoing charge figure

	30/04/17	31/10/16
	%	%
Class Y	0.24	0.24

The ongoing charge figure (OCF) of the fund is calculated as the ratio of the total ongoing charges to the average net asset value for twelve months.

The OCF is calculated in accordance with guidelines issued by the European Securities and Markets Authority (ESMA).

Comparative table for the six months ended 30 April 2017

	Class Y gross accumulation		
	30/04/17 (pence per unit)	31/10/16 (pence per unit)	31/10/15 (pence per unit)
Change in net assets per share			
Opening net asset value per share	103.22	99.36	99.97 ¹
Return before operating charges*	2.31	4.10	(0.37)
Operating charges	(0.13)	(0.24)	(0.24)
Return after operating charges*	2.18	3.86	(0.61)
Distributions on accumulation shares	(1.11)	(2.44)	(0.18)
Retained distributions on accumulation shares	1.11	2.44	0.18
Closing net asset value per share	105.40	103.22	99.36
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	2.11%	3.88%	(0.61%)
Other information			
Closing net asset value (£000s)	92,522	90,573	87,145
Closing number of units	87,778,839	87,749,276	87,702,873
Operating charges (annualised)	0.24%	0.24%	0.24%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest unit price (pence)	105.70	104.30	100.40
Lowest unit price (pence)	103.10	95.61	99.20

¹The fund launched on 16 September 2015 and this is the first published price.

Performance values are at close of business and may differ from the performance summary.

Operating charges

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

Share class launches and closures

There were no share classes launched or closed in the period.

Past performance is not a guide to future performance

Major holdings	
as at 30/04/17	%
Apple 3.6% 31/07/2042	1.27
Wal-Mart Stores 6.2% 15/04/2038	1.09
Pfizer 6.5% 03/06/2038	1.05
Banque Federative du Credit Mutuel 2.5% 29/10/2018	1.04
Procter & Gamble 5.25% 19/01/2033	1.03
Altria 2.625% 14/01/2020	1.02
Qualcomm 2.25% 20/05/2020	1.01
Oracle 2.5% 15/10/2022	1.00
Southern Power 1.85% 01/12/2017	1.00
A2Dominion 3.5% 15/11/2028	0.99

Asset allocation	
as at 30/04/17	%
United Kingdom	45.39
United States	28.23
Germany	5.49
France	4.18
Australia	2.65
Netherlands	2.01
Switzerland	1.95
Japan	1.53
Sweden	1.11
Mexico	1.07
Ireland	0.86
Norway	0.75
Italy	0.58
Derivatives	(0.89)
Other net assets	5.09
Total net assets	100.00

Major holdings	
as at 31/10/16	%
Wal-Mart Stores 6.2% 15/04/2038	1.25
Banque Federative du Credit Mutuel 2.5% 29/10/2018	1.14
Altria 2.625% 14/01/2020	1.12
Oracle 2.5% 15/10/2022	1.10
Qualcomm 2.25% 20/05/2020	1.10
Southern Power 1.85% 01/12/2017	1.09
Philip Morris 4.125% 17/05/2021	1.09
Apple 3.6% 31/07/2042	1.06
Pfizer 6.5% 03/06/2038	1.06
Procter & Gamble 5.25% 19/01/2033	1.05

Asset allocation	
as at 31/10/16	%
United Kingdom	43.83
United States	28.32
Germany	4.49
France	4.47
Australia	2.18
Netherlands	2.08
Japan	1.61
Switzerland	1.16
Sweden	1.13
Mexico	1.12
Ireland	0.96
Norway	0.76
Italy	0.59
United Arab Emirates	0.23
Portugal	0.13
Derivatives	(2.60)
Other net assets	9.54
Total net assets	100.00

Report and accounts

This document is a short report of the Henderson Institutional Global Buy & Maintain Fund for the six months ended 30 April 2017.

Copies of the annual and half yearly long form report of this fund are available on our website www.janushenderson.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

London

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Member of The Investment Association

and authorised and regulated

by the Financial Conduct Authority.

Registered in England No 2678531

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SS15 5FS

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.

Depository

National Westminster Bank Plc

135 Bishopsgate

London

EC2M 3UR

Auditor

PricewaterhouseCoopers LLP

141 Bothwell Street

Glasgow

G2 7EQ

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 shares 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@janushenderson.com

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

Online valuations

You can value your Henderson Institutional Global Buy & Maintain Fund at any time by logging on to www.janushenderson.com. Select 'UK Private Investor' and then access 'Valuations' from the Tools Menu. Simply select the fund you hold and enter the appropriate number of shares.

Important Information

Janus Henderson Investors is the name under which Janus Capital International Limited (reg no. 3594615), Henderson Global Investors Limited (reg. no. 906355), Henderson Investment Funds Limited (reg. no. 2678531), Henderson Investment Management Limited (reg. no. 1795354), AlphaGen Capital Limited (reg. no. 962757), Henderson Equity Partners Limited (reg. no. 2606646), Gartmore Investment Limited (reg. no. 1508030), (each incorporated and registered in England and Wales with registered office 201 Bishopsgate, London EC2M 3AE) are authorised and regulated by the Financial Conduct Authority to provide investment products and services. Telephone calls may be recorded and monitored.

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