



ANNUAL SHORT REPORT

For the year ended
31 August 2016

Henderson
GLOBAL INVESTORS

Henderson Global Equity Income Fund

Henderson Global Equity Income Fund

Short Report

For the year ended 31 August 2016

Investment Fund Managers

Andrew Jones and Ben Lofthouse

Investment objective and policy

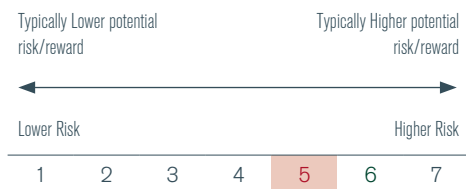
To achieve an income in excess of that of the MSCI World Index with the potential for long-term capital growth.

The fund will invest principally in global equities. In addition to ordinary shares, the fund may also invest in fixed interest securities, preference shares, debt securities convertible into ordinary stock, money market instruments, cash and near cash and deposits.

Risk and reward profile

The fund currently has 15 types of share class in issue;

A income, A accumulation, A Euro accumulation, A Euro Income, A US Dollar accumulation, A US Dollar income, I accumulation, I income, I Euro accumulation, I Euro Income, I US Dollar accumulation, I US Dollar income, G accumulation, G income and S income, have 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, in general, 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. Under normal market conditions the following risks may apply:

Counterparty risk The fund could lose money if a counterparty with which it transacts 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. The risk of default may be higher where the fund invests in sub-investment grade bonds.

Derivatives risk Using derivatives can involve a higher level of risk. A small movement in the price of an underlying investment may result in a disproportionately large movement in the price of the derivative instrument.

Liquidity risk In difficult market conditions 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.

There have been no changes to the risk rating in the year.

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

*Class G was launched on 20 February 2016, as it does not have a 5 year history, a synthetic history has been created using the fund's relevant sector average.

Investment review

Global equity markets rose significantly in sterling terms over the year with the MSCI World Index returning 26.0%. The fund underperformed the benchmark but was in line with the Investment Management Association Global Equity Income peer group over the year.

Global economic growth forecasts were reduced as the year went on, and the UK's decision to leave the European Union added to the uncertain economic outlook. Against this backdrop, the UK and European stock markets underperformed areas such as the US, Japan and Hong Kong. At a sector level, defensive areas such as consumer staples, utilities, and telecoms outperformed, while financials continued to underperform the market.

The fund's holdings in defensive areas such as the tobacco sector and professional publishing companies proved beneficial over the year. Reynolds American, Philip Morris International and British American Tobacco continued to report good results which demonstrated robust pricing, good cash flow generation and led to increases in dividends. Global publishers Wolters Kluwer and RELX continue to provide must-have information for a variety of industries and have converted this to consistent growth in recent years.

The fund also benefited from its positions in Microsoft, Taiwan Semiconductor Manufacturing Corporation (TSMC) and Syngenta. Microsoft produced good results over the year, which shows that the business continues to transition well to a subscription and cloud-based business, with products such as Office 365 growing well. In addition, the company continues to control costs, generates good cash flow and has increased its dividend by 16%. TSMC had a very strong year on the back of investments it has made in previous years that have resulted in the company growing its sales, taking market share and generating good cash flow. This has enabled it to increase the dividend 33% year-on-year. Syngenta rose after recommending an offer for the company at a significant premium from ChemChina.

One defensive area that was negative for the fund over the year, was the pharmaceutical sector. Having performed well for several years, the sector underperformed following increased scrutiny on the costs of certain drugs, particularly in the US. Despite

having little exposure to the areas of concern, stocks such as Roche and Novartis performed poorly. Roche continued to report good results, increased its dividend and demonstrated that it is making progress in its key focus area of oncology. Novartis faced more challenges, notably in its eye care division, Alcon, which had lower growth and margins than expected. While the results announced were disappointing, the company is taking measures to improve performance, such as a reinvestment in research and development and the appointment of a new head of the division. Both companies look like excellent value on a long-term basis and the positions have been maintained.

The fund established new positions in Philip Morris International (PMI), Coca Cola and Chevron. PMI's shares have been relatively poor performers in comparison to the rest of the sector over the last few years, primarily due to the strength of the dollar. This has masked the strong underlying performance of the company with good growth in both volumes and price. The company has also launched an innovative lower-risk product, iQOS, which has already taken significant market share in Japan.

Coca Cola has recently changed its strategy to focus more on value rather than volume in mature markets, while continuing to seek to grow volume in emerging markets. The underlying business fundamentals are showing signs of improvement, but like PMI, this is currently being masked by the strength of the dollar. With a strong balance sheet and a prospective yield of 3.2% the company is attractively valued. Following the fall in the oil price, Chevron's shares were very weak and offered a yield of 5.5% at purchase, which will be supported by the strength of the company's balance sheets and the management's restructuring efforts. These positions were funded by exiting the positions in Baxalta, Canon, Daiwa Securities and ENI.

Despite strong performance from equity markets over the last few years, valuations remain reasonable on a historical price-to-earnings basis and continue to look very attractive on a yield basis, especially in relation to cash and bonds. Underlying dividend growth has been positive globally and a dividend culture is being established in ever more countries. By continuing to focus on companies generating strong cash flow, the managers are confident of delivering good income and capital returns to investors over the medium-to-long term.

Performance summary

	31 Aug 15- 31 Aug 16 %	31 Aug 14- 31 Aug 15 %	31 Aug 13- 31 Aug 14 %	31 Aug 12- 31 Aug 13 %	31 Aug 11- 31 Aug 12 %
Henderson Global Equity Income Fund	22.2	3.4	9.2	21.1	15.3
MSCI World Index	26.0	4.1	13.4	21.5	11.5

Source: Morningstar, bid to bid, net of fees as at valuation point, 12 noon, based on performance of Class A income. Benchmark values are at close of business.

Please remember that past performance is not a guide to future performance. The value of an investment and the income derived 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.

Comparative tables

	Class A accumulation			Class G accumulation
	2016 (pence per share)	2015 (pence per share)	2014 (pence per share)	2016 (pence per share)
Change in net assets per share				
Opening net asset value per share	253.41	245.82	224.02	100.90 ¹
Return before operating charges*	61.85	12.13	25.92	20.87
Operating charges	(4.74)	(4.54)	(4.12)	(0.86)
Return after operating charges*	57.11	7.59	21.80	20.01
Distributions on accumulation shares	(10.19)	(8.86)	(8.54)	(3.27)
Retained distributions on accumulation shares	10.19	8.86	8.54	3.27
Closing net asset value per share	310.52	253.41	245.82	120.91
* after direct transaction costs of:	0.18	0.24	0.24	0.08

Performance

Return after charges	22.54%	3.09%	9.73%	19.83%
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Other information

Closing net asset value (£000s)	158,617	153,808	165,281	4,181
Closing number of shares	51,080,346	60,695,891	67,235,891	3,458,012
Operating charges	1.74%	1.74%	1.73%	0.75%
Direct transaction costs	0.07%	0.09%	0.10%	0.07%

Prices

Highest share price (pence)	317.40	282.10	247.40	123.50
Lowest share price (pence)	246.00	228.70	224.20	95.51

¹ G share class was launched on 26 February 2016 and this is the first published price.

Comparative tables (continued)

	Class A income			Class G income
	2016 (pence per share)	2015 (pence per share)	2014 (pence per share)	2016 (pence per share)
Change in net assets per share				
Opening net asset value per share	47.36	47.50	44.84	100.90 ¹
Return before operating charges*	11.36	2.42	5.17	20.70
Operating charges	(0.88)	(0.87)	(0.82)	(0.84)
Return after operating charges*	10.48	1.55	4.35	19.86
Distributions on income shares	(1.88)	(1.69)	(1.69)	(3.24)
Closing net asset value per share	55.96	47.36	47.50	117.52
* after direct transaction costs of:	0.03	0.05	0.05	0.08
Performance				
Return after charges	22.13%	3.26%	9.70%	19.68%
Other information				
Closing net asset value (£000s)	455,401	435,612	470,463	19,537
Closing number of shares	813,810,325	919,829,069	990,438,953	16,625,034
Operating charges	1.74%	1.74%	1.73%	0.75%
Direct transaction costs	0.07%	0.09%	0.10%	0.07%
Prices				
Highest share price (pence)	57.67	53.99	48.93	121.10
Lowest share price (pence)	45.77	44.18	44.89	95.51

¹ G share class was launched on 26 February 2016 and this is the first published price.

Comparative tables (continued)

	Class I accumulation		
	2016 (pence per share)	2015 (pence per share)	2014 (pence per share)
Change in net assets per share			
Opening net asset value per share	106.46	102.36	99.72 ²
Return before operating charges*	26.16	5.04	3.48
Operating charges	(0.99)	(0.94)	(0.84)
Return after operating charges*	25.17	4.10	2.64
Distributions on accumulation shares	(4.46)	(3.85)	(2.95)
Retained distributions on accumulation shares	4.46	3.85	2.95
Closing net asset value per share	131.63	106.46	102.36
* after direct transaction costs of:	0.08	0.10	0.10
Performance			
Return after charges	23.64%	4.01%	2.65%
Other information			
Closing net asset value (£000s)	38,583	15,892	6,121
Closing number of shares	29,312,184	14,927,906	5,979,378
Operating charges	0.85%	0.85%	0.84%
Direct transaction costs	0.07%	0.09%	0.10%
Prices			
Highest share price (pence)	134.50	118.10	102.90
Lowest share price (pence)	103.40	95.33	94.77

² I share class was launched on 19 July 2013 and this is the first published price.

Comparative tables (continued)

	Class I income			Class S income		
	2016 (pence per share)	2015 (pence per share)	2014 (pence per share)	2016 (pence per share)	2015 (pence per share)	2014 (pence per share)
Change in net assets per share						
Opening net asset value per share	98.94	98.49	92.27	99.34	98.15	91.26
Return before operating charges*	23.84	5.01	10.67	24.06	4.96	10.60
Operating charges	(0.90)	(0.89)	(0.82)	(0.07)	(0.07)	(0.07)
Return after operating charges*	22.94	4.12	9.85	23.99	4.89	10.53
Distributions on income shares	(4.09)	(3.67)	(3.63)	(4.16)	(3.70)	(3.64)
Closing net asset value per share	117.79	98.94	98.49	119.17	99.34	98.15
* after direct transaction costs of:	0.07	0.10	0.10	0.07	0.10	0.10
Performance						
Return after charges	23.19%	4.18%	10.68%	24.15%	4.98%	11.54%
Other information						
Closing net asset value (£000s)	126,512	65,670	39,736	2,427	1,793	1,544
Closing number of shares	107,403,754	66,371,952	40,344,889	2,036,586	1,805,090	1,573,052
Operating charges	0.85%	0.85%	0.84%	0.07%	0.07%	0.07%
Direct transaction costs	0.07%	0.09%	0.10%	0.07%	0.09%	0.10%
Prices						
Highest share price (pence)	121.40	112.50	101.30	122.80	112.60	100.70
Lowest share price (pence)	95.96	91.72	92.39	96.54	91.49	91.39

Comparative tables (continued)

	Class A Euro accumulation			Class I Euro accumulation		
	2016 (pence per share)	2015 (pence per share)	2014 (pence per share)	2016 (pence per share)	2015 (pence per share)	2014 (pence per share)
Change in net assets per share						
Opening net asset value per share	46.85	45.40	41.60	96.05	92.00	83.20
Return before operating charges*	11.84	2.28	4.55	22.99	4.90	9.54
Operating charges	(0.86)	(0.83)	(0.75)	(0.88)	(0.85)	(0.74)
Return after operating charges*	10.98	1.45	3.80	22.11	4.05	8.80
Distributions on accumulation shares	(1.92)	(1.66)	(1.60)	(4.04)	(3.49)	(3.33)
Retained distributions on accumulation shares	1.92	1.66	1.60	4.04	3.49	3.33
Closing net asset value per share	57.83	46.85	45.40	118.16	96.05	92.00
* after direct transaction costs of:	0.03	0.05	0.05	0.07	0.09	0.09
Performance						
Return after charges	23.44%	3.19%	9.13%	23.02%	4.40%	10.58%
Other information						
Closing net asset value (£000s)	1	1	1	77	65	1
Closing number of shares	2,000	2,000	2,000	64,809	68,056	1,000
Operating charges	1.70%	1.70%	1.70%	0.85%	0.85%	0.83%
Direct transaction costs	0.07%	0.09%	0.10%	0.07%	0.09%	0.10%
Prices						
Highest share price (Euro cent)	70.97	72.80	57.90	144.90	147.80	116.70
Lowest share price (Euro cent)	58.61	53.40	49.40	119.80	107.90	98.90

Comparative tables (continued)

	Class A Euro income			Class I Euro income		
	2016 (pence per share)	2015 (pence per share)	2014 (pence per share)	2016 (pence per share)	2015 (pence per share)	2014 (pence per share)
Change in net assets per share						
Opening net asset value per share	43.85	43.98	41.60	89.70	89.00	83.20
Return before operating charges*	10.52	2.24	4.70	20.32	4.80	9.81
Operating charges	(0.80)	(0.79)	(0.75)	(0.81)	(0.79)	(0.73)
Return after operating charges*	9.72	1.45	3.95	19.51	4.01	9.08
Distributions on income shares	(1.76)	(1.58)	(1.57)	(3.69)	(3.31)	(3.28)
Closing net asset value per share	51.81	43.85	43.98	105.52	89.70	89.00
* after direct transaction costs of:	0.03	0.04	0.04	0.06	0.09	0.09
Performance						
Return after charges	22.17%	3.30%	9.50%	21.75%	4.51%	10.91%
Other information						
Closing net asset value (£000s)	788	400	259	1	1	1
Closing number of shares	1,521,046	910,967	589,032	1,000	1,000	1,000
Operating charges	1.70%	1.70%	1.70%	0.85%	0.85%	0.83%
Direct transaction costs	0.07%	0.09%	0.10%	0.07%	0.09%	0.10%
Prices						
Highest share price (Euro cent)	65.60	69.30	56.00	133.50	140.50	112.90
Lowest share price (Euro cent)	54.12	51.30	49.20	110.40	103.50	98.50

Comparative tables (continued)

	Class A US Dollar accumulation			Class I US Dollar accumulation		
	2016 (pence per share)	2015 (pence per share)	2014 (pence per share)	2016 (pence per share)	2015 (pence per share)	2014 (pence per share)
Change in net assets per share						
Opening net asset value per share	325.33	315.50	289.00	73.25	70.42	63.50
Return before operating charges*	82.72	15.56	31.73	18.02	3.45	7.49
Operating charges	(6.65)	(5.73)	(5.23)	(0.67)	(0.62)	(0.57)
Return after operating charges*	76.07	9.83	26.50	17.35	2.83	6.92
Distributions on accumulation shares	(13.26)	(11.59)	(11.14)	(3.07)	(2.70)	(2.54)
Retained distributions on accumulation shares	13.26	11.59	11.14	3.07	2.70	2.54
Closing net asset value per share	401.40	325.33	315.50	90.60	73.25	70.42
* after direct transaction costs of:	0.27	0.32	0.32	0.05	0.07	0.07
Performance						
Return after charges	23.38%	3.12%	9.17%	23.69%	4.02%	10.90%
Other information						
Closing net asset value (£000s)	85	2	2	23	19	85
Closing number of shares	21,127	600	600	25,572	25,572	120,471
Operating charges	1.70%	1.70%	1.70%	0.85%	0.85%	0.84%
Direct transaction costs	0.07%	0.09%	0.10%	0.07%	0.09%	0.10%
Prices						
Highest share price (USD cent)	531.44	551.24	546.17	119.90	123.00	120.90
Lowest share price (USD cent)	461.54	472.40	452.17	103.60	104.80	99.40

Comparative tables (continued)

	Class A US Dollar income			Class I US Dollar income		
	2016 (pence per share)	2015 (pence per share)	2014 (pence per share)	2016 (pence per share)	2015 (pence per share)	2014 (pence per share)
Change in net assets per share						
Opening net asset value per share	33.36	33.46	31.73	68.40	68.10	63.50
Return before operating charges*	7.98	1.71	3.50	15.90	3.48	7.66
Operating charges	(0.61)	(0.60)	(0.57)	(0.62)	(0.61)	(0.56)
Return after operating charges*	7.37	1.11	2.93	15.28	2.87	7.10
Distributions on income shares	(1.33)	(1.21)	(1.20)	(2.81)	(2.57)	(2.50)
Closing net asset value per share	39.40	33.36	33.46	80.87	68.40	68.10
* after direct transaction costs of:	0.02	0.03	0.03	0.05	0.07	0.07
Performance						
Return after charges	22.09%	3.32%	9.23%	22.34%	4.21%	11.18%
Other information						
Closing net asset value (£000s)	697	306	305	33	1	1
Closing number of shares	1,769,149	916,951	912,448	40,293	1,000	1,000
Operating charges	1.70%	1.70%	1.70%	0.85%	0.85%	0.84%
Direct transaction costs	0.07%	0.09%	0.10%	0.07%	0.09%	0.10%
Prices						
Highest share price (USD cent)	53.90	57.50	57.90	110.00	116.90	116.90
Lowest share price (USD cent)	46.68	49.80	49.40	95.40	100.70	99.10

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.

Fund facts

Accounting dates

28 February, 31 August

Payment date

31 January, 30 April, 31 July, 31 October

Ongoing charge figure

	2016 %	2015 %
Class A	1.74	1.74
Class G*	0.75	n/a
Class I	0.85	0.85
Class S	0.07	0.07
Class A Euro	1.70	1.70
Class A US Dollar	1.70	1.70
Class I Euro	0.85	0.85
Class I US Dollar	0.85	0.85

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

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

*G share class was launched on 26 February 2016.

Major holdings

as at 2016	%
Microsoft	3.74
Pfizer	3.03
Roche Holdings	2.88
Novartis	2.84
RELX	2.79
Imperial Tobacco	2.74
Cisco Systems	2.20
Chevron	2.09
Nestlé	2.08
Deutsche Post	1.98

Major holdings

as at 2015	%
Novartis	3.60
Pfizer	3.56
Microsoft	3.43
Roche Holdings	3.30
Imperial Tobacco	2.70
RELX	2.66
Reynolds American	2.48
Vodafone	2.09
Orange	2.06
Wells Fargo	1.98

Asset allocation

as at 2016	%
Financials	20.49
Industrials	14.91
Consumer Staples	14.63
Health Care	14.00
Telecommunication Services	12.08
Consumer Discretionary	7.82
Information Technology	7.62
Energy	6.22
Utilities	1.72
Materials	0.79
Other net liabilities	(0.28)
Total net assets	100.00

Asset allocation

as at 2015	%
Financials	22.43
Health Care	15.66
Industrials	15.21
Consumer Staples	11.26
Information Technology	9.64
Telecommunication Services	9.17
Consumer Discretionary	9.11
Materials	3.22
Energy	2.65
Utilities	1.89
Other net liabilities	(0.24)
Total net assets	100.00

Report and accounts

This document is a short report of the Henderson Global Equity Income Fund for the year ended 31 August 2016.

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

Other information

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

Issued by:

Henderson Investment Funds Limited
Registered office:
201 Bishopsgate
London EC2M 3AE
Member of The Investment Association and authorised and regulated by the Financial Conduct Authority.
Registered in England No 2678531

Depository

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IFDS House
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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.

Auditor

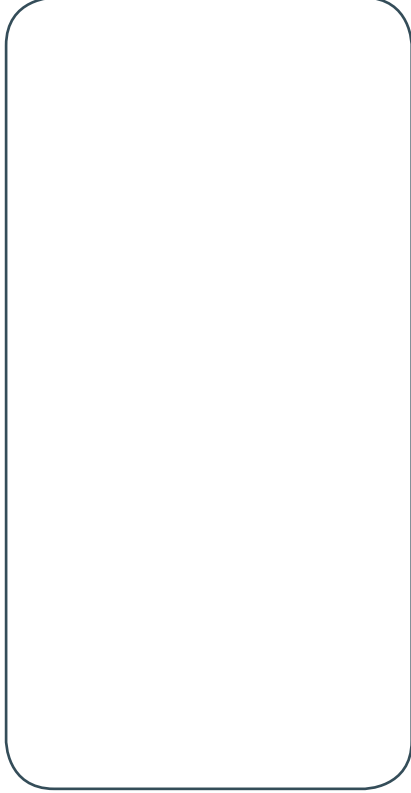
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Changes of address - regulatory requirements

FCA regulation requires us to send this report mailing to the address held on file on the accounting date of 31 August 2016. 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 Equity Income 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

Henderson Global Investors is the name under which Henderson Global Investors Limited (reg. no. 906355), Henderson Fund Management Limited (reg. no. 2607112), 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 at 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. Ref: 34V

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

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