



INTERIM SHORT REPORT

For the period from 27 May 2016 to
30 November 2016

Henderson
GLOBAL INVESTORS

Henderson UK Property PAIF Feeder Fund

Henderson UK Property PAIF Feeder Fund

Short Report

For the period from 27 May 2016 to 30 November 2016

Investment Fund Managers

Marcus Langlands Pearse and Ainslie McLennan

Investment objective and policy

It is intended that the fund will be a feeder fund for the Henderson UK Property PAIF (the "Company") at all times. At the date of 27 May 2016 the Company is an open-ended investment company constituted as a non-UCITS retail scheme qualifying as a PAIF.

The objective of the fund is to achieve a high income together with some growth of both income and capital by investing solely in the Company.

The investment policy of the fund means that it may be appropriate for it to hold cash or near cash. This will only occur where the Manager reasonably regards it as necessary to enable the pursuit of the fund's objective, redemption of Units, efficient management of the fund in accordance with its objective, or for purposes ancillary to its objective.

The fund is intended for investors who cannot, or prefer not to, invest in the Company directly.

Risk and reward profile

The fund currently has 7 types of units in issue, Class A (income and accumulation), Class I (income and accumulation), Class G income and Class U2 (income and accumulation).

The value of an investment in the fund can go up or down. When you sell your units they may be worth less than you paid for them.

Please note that:

- The Henderson UK Property PAIF (the "Company") focuses on a particular asset class
- The Henderson UK Property PAIF (the "Company") focuses on a particular country
- As a category shares are, in general, more volatile than either bonds or money market instruments.

The fund is a feeder fund for Henderson UK Property PAIF (the "Company"). The risks associated with the company are detailed below. These could

be triggered or made worse by unusual market conditions or unpredictable market events.

Property risk Property values can go up and down and in extreme market conditions property values may move more significantly than bonds or shares. Valuations are determined by independent property experts. The valuation of property is generally a matter of valuer's opinion rather than fact. The amount raised when a property is sold may be less than the valuation.

Liquidity risk Certain assets could become hard to value or sell at a desired time and price. Property investments can be harder to buy and sell when compared to investments in bonds and shares. In extreme market conditions or if the company is experiencing significant levels of redemption requests, this may mean the Company is unable to meet redemption requests on demand.

Dual priced spread risk This Company is dual priced. When the Company is growing in size the prices at which you buy or sell shares in the Company will incorporate the transaction costs incurred in buying physical properties. When the Company is shrinking in size the prices that you buy or sell shares in the Company at will incorporate the transaction costs incurred in selling physical properties. The difference between these prices is called the 'creation - cancellation price spread'. This spread is currently c. 5% and reflects the high transaction costs of buying and selling commercial property. Typically the buying price of an individual commercial property can be 7-8% higher than the selling price. The spread of the Company is not fixed and may vary over time depending on the composition of the company.

Property default risk Tenants in the Company's properties may become unable to pay their rent. As a result, the Company's income may be impacted and further costs incurred.

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

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.

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

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 Company's risks are contained in the 'Risk Warnings' section of the Company's prospectus.

Property overview

From the noon valuation point on 5 July 2016, dealing in shares of the Henderson UK Property PAIF and units of the Henderson UK Property PAIF Feeder Fund were suspended. This was because uncertainty generated by the European Union (EU) referendum had a negative effect on market sentiment and led to substantial withdrawals from property funds. The dealing suspension allowed for an orderly sale of some properties while liquidity was restored, helping to ensure that the strong attributes of the portfolio in terms of its mix of properties and quality tenant base were not compromised while cash was raised ahead of a re-opening.

Both funds re-opened to dealing from noon on 14 October 2016, following a decision by the Board of Henderson Investment Funds Limited (HIFL), the Authorised Fund Manager (product provider) for the fund, to end the dealing suspension.

Portfolio review

As the feeder fund is predominantly invested in Henderson UK Property PAIF, the commentary presented is consistent with the report filed for the period to 30 November 2016 for that fund. Further information on the PAIF can be obtained from the website or through the contact details on page 17 of this report.

As at 30 November 2016, the company was valued at £3.20bn. The Company ended the period holding 99 properties, which accounted for 71.8% of the portfolio's value; 17.4% was held in cash equivalents and 2.6% in property securities. The sector breakdown shows retail at 27.1%, offices at 18.8%, industrials at 16.8% and alternatives, which includes leisure, at 9.1%.

The average lease term on the company, weighted by income, is 10.4 years, and the vacancy rate stands at 2.8%** versus the Investment Property Databank (IPD) average of around 7.1%. The geographical focus remains biased towards London and the South East (60.4%).

The top 10 tenants include well-known corporate names such as Sainsbury's, The London Fire Brigade and Homebase, as well as multi-national companies such as Kuehne & Nagel. The IPD IRIS portfolio reviewing service judge the fund to have a strong tenant base with a low-risk income rating (top quartile) versus the IPD UK Quarterly Universe Benchmark.

** Excluding development sites (figures as at September 2016, IPD Benchmark Report 2016Q3, IPD Quarterly Benchmark Index 2016Q3)

Acquisitions and disposals

Please refer to Henderson UK Property PAIF for details of acquisitions and disposals within the period under review..

Outlook

Commercial property in the UK is very much an income investment, and the focus for the fund is remaining core in the property holdings and strong tenant profiles so that dividend income is robust. The significant downweight the fund made to London offices over 2016 should help protect from any uncertainty in this part of the market as a result of the vote for the UK to leave the EU. An emphasis on the management of the assets within the portfolio (e.g. renegotiating existing leases with tenants to deliver longer or more favourable terms and implementing refurbishments) should help to further strengthen the rental opportunities for the fund moving forward.

Performance summary

27 May 16* -
30 Nov 16
%

Henderson UK Property PAIF Feeder Fund	(1.7)
IA OE Property Sector Average	4.6

Source: Morningstar, bid to bid net of fees, as at valuation point 12 noon, based on class A accumulation.

Benchmark value at close of business.

*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.

Summary of fund performance

Share class	Net asset value 30/11/16 p
Class A accumulation	207.49
Class A income	97.75
Class G income	53.74
Class I accumulation	125.99
Class I income	108.63
Class U2 accumulation	57.90
Class U2 income	53.29

Net revenue distribution

Unit class	30/11/16 p
Class A accumulation	3.28
Class A income	1.55
Class G income	0.83
Class I accumulation	1.93
Class I income	1.67
Class U2 accumulation	0.87
Class U2 income	0.80

Total dividend distributions for the period from 27 May 2016 to 30 November 2016.

Fund facts

Accounting dates	Payment dates
30 November, 31 May	31 October, 31 January, 30 April, 31 July

Ongoing charge figure

The annualised 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. Ongoing charges are all expenses deducted from the assets of the fund during the period, except for expenses that are explicitly excluded by regulation.

	30/11/16 %
Class A¹	1.62
Class G¹	0.70
Class I¹	0.81
Class U2¹	0.63

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

The fund is a non-UCITS fund and we have adopted this disclosure to enable comparison across our fund range.

¹ Launched on 27 May 2016

Performance record

Calendar year	Net revenue (pence per unit)	Highest price (pence per unit)	Lowest price (pence per unit)
Class A accumulation			
2016 ¹	1.81	221.46+	197.32+
2017	1.47*	-	-
Class A income			
2016 ¹	0.86	105.28+	93.81+
2017	0.69*	-	-
Class G income			
2016 ¹	0.46	55.24+	51.72+
2017	0.37*	-	-
Class I accumulation			
2016 ¹	1.06	127.83+	119.66+
2017	0.86*	-	-
Class I income			
2016 ¹	0.93	111.20+	104.09+
2017	0.74*	-	-
Class U2 accumulation			
2016 ¹	0.49	58.58+	54.85+
2017	0.38*	-	-
Class U2 income			
2016 ¹	0.45	54.39+	50.93+
2017	0.35*	-	-

* to 31 January

+ 30 November

¹ Launched 27 May 2016

Asset allocation

as at 30/11/2016	%
Henderson UK Property PAIF Fund	100.33
Net other liabilities	(0.33)
Total net assets	100.00

Past performance is not a guide to future performance.

Report and accounts

This document is a short report of the Henderson UK Property PAIF Feeder Fund for the period from 27 May 2016 to 30 November 2016.

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 EC2M 3AE
Member of The Investment Association and
authorised and regulated
by the Financial Conduct Authority.
Registered in England No 2678531

Unitholder Administrator

International Financial Data Services (UK) Limited
IFDS House
St Nicholas Lane
Basildon
Essex
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.

Auditor

PricewaterhouseCoopers LLP
141 Bothwell Street
Glasgow
G2 7EQ

Trustee/Depositary

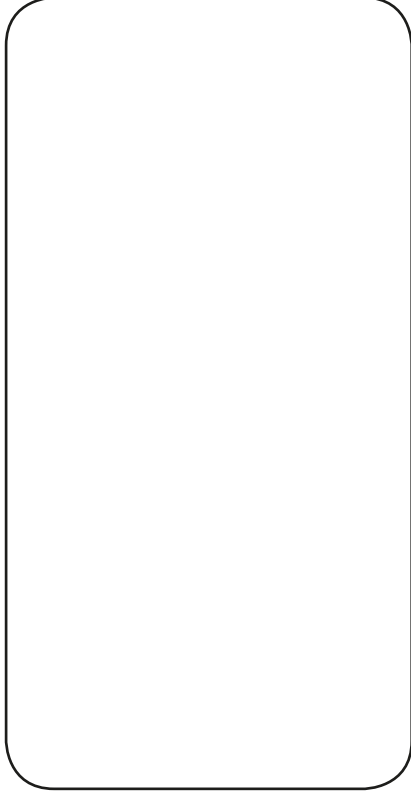
National Westminster Bank Plc
135 Bishopsgate
London EC2M 3UR

Contact us

Client Services 0800 832 832

www.henderson.com

Head Office address:
201 Bishopsgate, London EC2M 3AE



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 November 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 UK Property PAIF Feeder 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.

H026489/1216