



Henderson

Investment Funds

Series V

Short Report

For the six months ended 31 March 2012

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Long Term Balanced Fund

Fund Manager

William Edgar

Investment objective and policy

The Fund aims to achieve a long-term return, in excess of the long-term return that is typically achieved from a balanced portfolio of UK and global investments by investing in collective investment schemes, fixed interest securities, other transferable securities, money market instruments, warrants, cash and deposits.

The Fund may use derivatives for the purposes of efficient portfolio management.

Risk profile

Funds investing outside the UK are exposed to and can hold investments in currencies other than pounds sterling, so fluctuations in exchange rates may cause the value of your investment to rise or fall.

Fixed interest securities are the debts of governments and companies, generally in the form of bonds. These bonds are particularly affected by changes in interest rates, inflation and the decline in credit worthiness of the issuer, which may in turn affect the bonds' value.

The Fund may invest in other types of collective investment schemes including property funds, commodity funds and hedge funds. Such schemes may expose investors to increased risk due to restrictions on withdrawals, less strict regulation and use of derivatives.

Economic and Market Background

Although the final quarter of 2011 remained a volatile period most equity markets delivered positive returns. Markets continued to be driven more by the actions and words of politicians, central bankers and ratings agencies than the evidence of material change in corporate fundamentals. The key turnaround for markets came in mid-December as the European Central Bank (ECB) attempted to ease tight credit conditions in the Eurozone by lending €489 billion over three years at an interest rate of 1%. Many believe that the ECB's Longer-Term Refinancing Operation averted a major credit crunch. Most regions registered gains over the quarter, the key exception being Japan, which was hampered by the strong yen and floods in Thailand affecting its exporters.

The first quarter of 2012 started off strongly thanks to a general increase in risk appetite among investors. In addition to the market welcoming the actions of the ECB, this reflected more positive economic data coming out of the US, particularly in terms of the labour market and housing. Adding to the improved sentiment were generally strong corporate earnings and positive banking stress test results in the US. Monetary policy in the UK and US continued to be highly accommodative, whilst the Bank of China made it easier for banks to lend. In addition, the Bank of Japan decided to further ease monetary policy by increasing its asset purchasing plan and also setting a 1% inflation target. All major equity markets rose over the quarter although the bullishness did start to fade in March. The uprising in Syria and the ongoing tensions between Israel and Iran saw oil prices rise markedly, which if persistent will act as a drag on the global economy and potentially create inflationary pressure. Equities performed better than bonds, and amongst fixed income assets, credit-sensitive corporate bonds tended to do better than government bonds.

Performance and Activity

The Fund delivered a return of 13.5% over the six month period outperforming its peer group benchmark (BNY Mellon Pooled Average Balanced ex Property). Looking at the period as a whole, all major equity markets posted strong gains. All of the Fund's holdings delivered positive returns over the period, but the best performing assets were the Henderson UK Alpha Fund (Accumulation), the Henderson US Growth Fund (Accumulation), the Henderson Asia Pacific Capital Growth Fund (Accumulation) and the Henderson Emerging Markets Opportunities Fund (Accumulation). Throughout the period the Fund was underweight fixed income and, in particular, underweight overseas government bonds. This proved beneficial as the latter asset class delivered a negative return due partly to appreciation of sterling. The Fund targeted a broadly neutral position towards equities although there was some variation in the weightings to individual regions. The US remains our preferred equity market reflecting the view that the US economy will continue to grow albeit moderately whilst our least favoured market is continental Europe. Throughout the period the Fund had a zero weighting to property.

Strategy and Outlook

The momentum in stock prices started to fade in the second half of March as some economic data started to disappoint. Investors will be hoping that the weaker than expected US non-farm payrolls figure for March was a blip rather than a deteriorating trend. Our view remains that the global economy should grow in 2012, but significant risks remain in Europe where the actions of the ECB have lessened the risk of default in the financial sector, but may not have altered the poor outlook for the region's economy. China's economic data has continued to worsen, but the authorities' desire to further ease policy may be hampered by persistent inflation. Although the oil price has somewhat stabilised recently any further upward pressure on fuel costs could potentially derail weak economies. Corporate balance sheets remain strong and earnings have been resilient, however, in such an uncertain environment we continue to target a broadly neutral allocation to equities. Our most distinct stance remains the underweight to overseas bonds.

Gartmore

Long Term Balanced Fund

Discrete annual performance

	1 Apr 11- 31 Mar 12 %	1 Apr 10- 31 Mar 11 %	1 Apr 09- 31 Mar 10 %	1 Apr 08- 31 Mar 09 %	1 Apr 07- 31 Mar 08 %
Gartmore Long Term Balanced Fund	1.0	5.2	35.5	(22.6)	(3.9)
MStar Mixed Investment 40-85% Shares	0.0	6.6	39.2	(20.7)	(3.3)

Source: Morningstar – mid to mid (excluding initial charge) with net revenue reinvested for a basic rate taxpayer.

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 31/03/12 p	Net asset value 30/09/11 p	Net asset value % change
Class I accumulation	512.64	451.64	13.51

Fund facts

Accounting dates	Payment dates
31 March, 30 September	31 May, 30 November

Total expense ratio

	31/03/12 %	30/09/11 %
Class I	0.73	0.72

The total expense ratio (TER) of the Fund is the ratio of the Fund's total operating costs to its average net assets for twelve months.

The TER includes a synthetic element of 0.11% (2011: 0.05%) to incorporate the TER of underlying Funds.

Ongoing charge figure*

	31/03/12 %
Class I	0.74

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

* The OCF replaces the TER. It is calculated in accordance with guidelines issued by the Committee of European Securities Regulators with the aim of ensuring a harmonised approach to the calculation of the OCF by all UCITS.

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

Gartmore

Long Term Balanced Fund

Performance record

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class I accumulation			
2007	10.84	511.07	461.71
2008	13.52	504.41	348.24
2009	10.45	455.26	334.21
2010	7.73	509.22	426.73
2011	9.62	524.21	439.63
2012	-+	520.80*	476.59*

+ to 31 May

* to 31 March

Net revenue distribution

There is no distribution for the six months ended 31 March 2012.

Past performance is not a guide to future performance.

Gartmore

Long Term Balanced Fund

Major holdings

as at 31/03/12	%
Henderson Higher Income Fund (Income)*	16.50
Henderson US Growth Fund (Accumulation)*	15.59
Henderson UK Alpha Fund (Accumulation)*	14.12
Henderson European Selected Opportunities Fund (Accumulation)*	10.29
Henderson Money Market Fund (Accumulation)*	8.50
Henderson Cautious Managed Fund (Accumulation)*	7.94
Henderson Asia Pacific Capital Growth Fund (Accumulation)*	5.39
Henderson Japan Enhanced Equity Fund (Accumulation)*	4.55
Henderson Emerging Markets Opportunities Fund (Accumulation)*	4.42
Henderson UK & Irish Smaller Companies Fund (Accumulation)*	4.17

* Related party to the Fund

Asset allocation

as at 31/03/12	%
United Kingdom	42.73
United States	15.59
Continental Europe	10.29
Cash	8.50
Pacific Rim	5.39
Japan	4.55
Emerging Markets	4.42
Fixed Interest	4.15
Government Index-Linked	1.55
Net other assets	2.83
Total	100.00

Major holdings

as at 30/09/11	%
Henderson Higher Income Fund (Income)*	15.44
Henderson US Growth Fund (Accumulation)*	15.01
Henderson UK Alpha Fund (Accumulation)*	12.25
Henderson European Selected Opportunities Fund (Accumulation)*	10.72
Henderson Money Market Fund (Accumulation)*	9.47
Henderson Cautious Managed Fund (Accumulation)*	7.88
Henderson Asia Pacific Capital Growth Fund (Accumulation)*	5.28
Henderson Japan Enhanced Equity Fund (Accumulation)*	5.12
Henderson Emerging Markets Opportunities Fund (Accumulation)*	4.07
Henderson UK & Irish Smaller Companies Fund (Accumulation)*	4.05

Asset allocation

as at 30/09/11	%
United Kingdom	39.62
United States	15.01
Continental Europe	10.72
Cash	9.47
Pacific Rim	5.28
Japan	5.12
Emerging Markets	4.07
Fixed Interest	2.83
Government Index-Linked	1.53
Net other assets	6.35
Total	100.00

Further information

Report and accounts

This document is a short report of the Henderson Investment Funds Series V for the six months ended 31 March 2012.

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 investor 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.

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.

Advisers

Authorised Corporate Director

Henderson Investment Funds Limited
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London EC2M 3AE
Member of the IMA and authorised and regulated
by the Financial Services Authority.
Registered in England No 2678531

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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:

Investor 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.



Contact us

Customer Services 0800 832 832

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Changes of address – regulatory requirements

FSA regulation requires us to send this report to the address held on file on the accounting date of 31 March 2012. If you have confirmed a change of address with us since that date we will ensure all future correspondence is sent to your new address.

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), Henderson Alternative Investment Advisor 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 Services Authority to provide investment products and services. Telephone calls may be recorded and monitored.

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