



ANNUAL SHORT REPORT

For the year ended
31 March 2017

Janus Henderson
— INVESTORS —

Henderson Global Care UK Income Fund

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Short Report

For the year ended 31 March 2017

Investment Fund Manager

Andrew Jones

Investment objective and policy

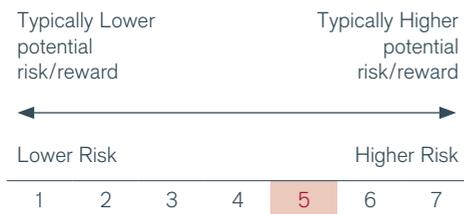
To provide income with the prospects of capital growth by investing in companies contributing to social well being and the protection and wise use of the natural environment. The Authorised Corporate Director's investment policy to achieve these objectives is to primarily invest in UK companies.

Other information

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

Risk and reward profile

The fund currently has 3 types of share class in issue; A income, I income and Z accumulation. Each type of 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 share classes appear at 5 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.

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.

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.

Equities risk Shares can lose value rapidly, and typically involve higher risks than bonds or money market instruments. The value of your investment may fall as a result.

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

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 changes to the risk rating during the year.

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

Investment review

The fund returned 9.3% compared with the FTSE All-Share's return of 22.0% over the twelve months. During the year, the FTSE 100 Index rose 23.3%, the FTSE 250 Index rose 15.3% and the FTSE Small Companies Index rose 23.0%. The year was dominated by the UK's decision to leave the European Union (EU) and the unexpected election of Donald Trump as US president. Sterling weakness in the aftermath of the Brexit vote and a sharp recovery

in commodity prices led to the outperformance of large multinational companies within the FTSE100, especially relative to the more domestically exposed companies within the FTSE 250.

The market has taken the initial view that President Donald Trump's fiscal policy of increased infrastructure and defence spending and cuts to corporation tax are good for economic growth and inflation. Although bond yields had started to rise from their historical lows in the summer, this accelerated in November causing a steepening of the yield curve globally.

Although the fund made positive returns over the year, with a total return of 9.3%, this lagged the very strong performance of the benchmark, up 22.0%. Among the best performing sectors over the 12 month period were the mining and oil & gas sectors, which the fund has no exposure to as a result of its investment criteria. The fund has holdings in a number of domestic stocks such as ITV, Hammerson, Land Securities and Marks & Spencer, which performed poorly following the referendum. The market priced a lower growth outcome into these companies very quickly and as a result, the holdings were maintained.

The holdings in BT Group and Go Ahead were also detrimental to performance over the year. BT shares were initially weak due to fears over the potential for increased regulation of its Openreach business and the impact of low gilt yields on the size of the company's pension deficit. These matters were then exacerbated following the slowdown in the company's enterprise business and overstatement of profits in its Italian operations. While these issues are clearly very disappointing, the company has taken measures to deal with them and has reiterated its dividend growth targets and as a result we kept the holding. Meanwhile, Go Ahead performed poorly after results that highlighted continued issues surrounding the GTR rail franchise and weaker operational trends in their regional bus division.

The main positives for performance over the year came from the fund's holdings in the industrials sector, such as Spectris, Spirax Sarco and Rotork.

The fund also benefited from electrical components distributor Premier Farnell, which received a bid approach at a significant share price premium, and 3i, which performed strongly after impressive results and a significant upwards revaluation of one of its largest holdings.

During the year, the fund established positions in Next, Britvic and Lloyds following significant share price underperformance. Next reacted negatively to a cautious comment on the consumer environment from its management team. However, following the share price fall, the company's valuation appeared attractive on an earnings and dividend basis given the quality of its franchise.

Britvic is one of the leading soft drink manufacturers in Britain with brands such as Fruit Shoot, J2O and Robinsons. The management team is investing in the supply chain of the business to improve operational efficiencies and is also exploring new growth initiatives including overseas expansion. The valuation is attractive with the company trading towards a historical low versus its peer group.

The management team at Lloyds have done an excellent job of improving returns and the company has resumed paying dividends. Its share price fell sharply following the EU referendum and became very attractively valued on a price to book value and dividend yield basis, bearing in mind its market position and returns. These new positions were funded by exiting the positions in Experian, NTT and Premier Farnell following strong share price performance.

Although the performance of the fund over the 12 months relative to the benchmark was disappointing, it is important to place this in the context of strong outperformance of the market for a number of years.

While the outlook for the UK economy is uncertain given the unknowns surrounding the General Election and the UK's exit from the EU, it's important to remember that the UK equity market gives investors global exposure as approximately two thirds of the UK markets' earnings are derived overseas. The fund remains well diversified owning companies with stable earnings and those domestic cyclicals with good balance sheets and attractive valuations.

Performance summary

	31 Mar 16 - 31 Mar 17	31 Mar 15 - 31 Mar 16	31 Mar 14 - 31 Mar 15	31 Mar 13 - 31 Mar 14	31 Mar 12 - 31 Mar 13
	%	%	%	%	%
Henderson Global Care UK Income Fund	9.3	(0.1)	13.9	15.7	21.6
FTSE All -Share Index	22.0	(3.9)	6.6	8.8	16.8

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

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

30 September, 31 March

Payment dates

30 November, 31 May

Ongoing charge figure

	2017 %	2016 %
Class A	1.70	1.70
Class I	0.84	0.84
Class Z	0.07	0.06

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.

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

Comparative tables for the year ended 31 March 2017

	Class Z accumulation		
	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in net assets per share			
Opening net asset value per share	299.53	293.88	254.73
Return before operating charges*	34.59	5.83	39.31
Operating charges	(0.22)	(0.18)	(0.16)
Return after operating charges*	34.37	5.65	39.15
Distributions on accumulation shares	(12.50)	(11.91)	(10.24)
Retained distributions on accumulation shares	12.50	11.91	10.24
Closing net asset value per share	333.90	299.53	293.88
* after direct transaction costs of:	0.78	0.39	0.41
Performance			
Return after charges	11.47%	1.92%	15.37%
Other information			
Closing net asset value (£000s)	2,519	2,561	2,733
Closing number of shares	754,560	855,047	929,871
Operating charges	0.07%	0.06%	0.06%
Direct transaction costs	0.25%	0.13%	0.15%
Prices			
Highest share price (pence)	335.20	313.80	303.30
Lowest share price (pence)	280.40	270.50	241.50

Comparative tables (continued)

	Class A income			Class I income		
	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in net assets per share						
Opening net asset value per share	121.87	126.63	115.75	139.67	143.93	130.56
Return before operating charges*	14.00	2.26	17.31	15.99	2.63	19.65
Operating charges	(2.13)	(2.13)	(2.01)	(1.21)	(1.20)	(1.14)
Return after operating charges*	11.87	0.13	15.30	14.78	1.43	18.51
Distributions on income shares	(4.84)	(4.89)	(4.42)	(5.71)	(5.69)	(5.14)
Closing net asset value per share	128.90	121.87	126.63	148.74	139.67	143.93
* after direct transaction costs of:	0.31	0.16	0.18	0.36	0.19	0.21
Performance						
Return after charges	9.74%	0.10%	13.22%	10.58%	0.99%	14.18%
Other information						
Closing net asset value (£000s)	57,635	56,680	75,445	117,502	92,768	63,248
Closing number of shares	44,714,464	46,508,064	59,578,219	78,997,737	66,419,034	43,943,445
Operating charges	1.70%	1.70%	1.69%	0.84%	0.84%	0.84%
Direct transaction costs	0.25%	0.13%	0.15%	0.25%	0.13%	0.15%
Prices						
Highest share price (pence)	131.80	134.90	132.60	151.60	153.50	150.70
Lowest share price (pence)	113.80	112.20	106.30	130.60	128.40	120.40

Performance values are at close of business and may not match those detailed in 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.

Past performance is not a guide to future performance.

Major holdings	
as at 2017	%
AstraZeneca	5.21
Vodafone	4.67
GlaxoSmithKline	4.13
HSBC Holdings	3.32
National Grid	3.32
Smith & Nephew	3.15
Schroder Non-Voting Shares	3.01
Severn Trent	2.93
BT	2.85
Lloyds Banking	2.83

Major holdings	
as at 2016	%
Vodafone	4.96
AstraZeneca	4.53
Smith & Nephew	3.24
National Grid	3.10
GlaxoSmithKline	2.97
BT	2.96
Informa	2.66
RELX	2.54
Sage	2.52
Hammerson REIT	2.30

Asset allocation	
as at 2017	%
Financials	31.52
Consumer Services	16.72
Health Care	12.49
Utilities	9.93
Telecommunications	9.48
Industrials	9.18
Consumer Goods	5.31
Basic Materials	3.29
Technology	3.09
Other net liabilities	(1.01)
Total net assets	100.00

Asset allocation	
as at 2016	%
Financials	30.87
Consumer Services	17.28
Telecommunications	13.60
Health Care	10.74
Industrials	10.74
Utilities	8.95
Consumer Goods	3.60
Technology	2.89
Basic Materials	1.51
Other net liabilities	(0.18)
Total net assets	100.00

Report and accounts

This document is a short report of the Henderson Global Care UK Income Fund for the year ended 31 March 2017.

Copies of the annual and half yearly long and short form reports and financial statements 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 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

Shareholder Administrator

International Financial Data Services (UK) Limited

IFDS House

St Nicholas Lane

Basildon

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 Global Care UK Income 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.

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