



Henderson
GLOBAL INVESTORS



Henderson Institutional

Cash Fund

Interim Report

For the six months ended 30 November 2012

Who are **Henderson Global Investors?**

Established in 1934 to administer the estates of Alexander Henderson, the first Lord Faringdon, Henderson Global Investors (Henderson) is a leading independent global asset management firm. The company provides its institutional, retail and high net-worth clients with access to skilled investment professionals representing a broad range of asset classes, including equities, fixed income, property and private equity. With its principal place of business in London, Henderson is one of Europe's largest investment managers, with £64.8 billion assets under management (as at 30 September 2012[†]) and employs around 1,000 people worldwide.

In Europe, Henderson has offices in Amsterdam, Dublin, Edinburgh, Frankfurt, Luxembourg, Madrid, Milan, Paris, Vienna, Zurich and London. Henderson has had a presence in North America since 1999, when it acquired US real estate investment manager Phoenix Realty Advisers, and has offices in Chicago and Hartford. In Asia, Henderson has offices in New Delhi, Singapore (Asia headquarters), Hong Kong, Tokyo and Beijing as well as Sydney. Henderson Group plc acquired New Star Asset Management Group PLC in April 2009 and Gartmore Group Limited in April 2011.

With investment expertise across every asset class, Henderson's skillful investment managers invest in every major market around the globe. They are supported by a global team of researchers and economists who have a keen understanding of the economic forces driving the security markets and who undertake rigorous sector and theme analysis. Underpinning this process is a comprehensive risk-control framework to ensure that investment views are translated into portfolios managed in line with investors risk and return requirements.

What do we do?

At Henderson Global Investors we do one thing and we do it really well - investment management. As a company, we are totally focused on this core activity and it underpins everything we do.

We do this by providing a range of investment products and services including:

- Open ended funds - offshore funds, unit trusts, OEICs
- Investment trusts
- Individual Savings Accounts
- Pension fund management
- Management of portfolios for UK and international institutional clients

[†] Source: Henderson Global Investors.

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*These collectively comprise the Authorised Manager's Report

Manager's report

We are pleased to present the Report and Accounts for Henderson Institutional Cash Fund for the six months ended 30 November 2012.

Authorised status

This Fund is an authorised unit trust under Section 243 of the Financial Services and Markets Act 2000. It is a UCITS Scheme governed by Chapter 5 (Investment and Borrowing Powers) of the Collective Investment Schemes Sourcebook (COLL).

Effective from 24 September 2012, Henderson Cash Fund changed its name to Henderson Institutional Cash Fund.

Advisers

	Name	Address	Regulator
Manager and Dealing	Henderson Investment Funds Limited which is the Manager Member of IMA The ultimate controlling party is Henderson Group Plc.	Registered Office: 201 Bishopsgate, London EC2M 3AE. Registered in England No 2678531. Telephone - 020 7818 1818 Dealing - 0845 608 8703 Enquiries - 0800 832 832	Authorised and regulated by the Financial Services Authority.
Investment Manager	Henderson Global Investors Limited The ultimate controlling party is Henderson Group Plc.	201 Bishopsgate, London EC2M 3AE	Authorised and regulated by the Financial Services Authority.
Registrar	International Financial Data Services (UK) Limited	IFDS House St Nicholas Lane Basildon Essex SS15 5FS	Authorised and regulated by the Financial Services Authority.
Trustee	National Westminster Bank	135 Bishopsgate London EC2M 3UR	Authorised and regulated by the Financial Services Authority
Independent Auditors	PricewaterhouseCoopers LLP	141 Bothwell Street Glasgow G2 7EQ	Institute of Chartered Accountants in England and Wales
Legal Adviser	Eversheds LLP	One Wood Street London EC2V 7WS	The Law Society

Manager's report (continued)

Fund Manager

Angus Teatherton

Investment objective and policy

The investment objective of the Henderson Institutional Cash Fund is to aim to provide a level of income in line with money market rates, commensurate with security of capital, through investment primarily in short term deposits, money market instruments and, at the Manager's discretion, fixed interest securities.

The value of the Funds and the income from them is not guaranteed and may fall as well as rise. You may get back less than you originally invested. Past performance is not a guide to future performance.

Performance Summary

	1 Dec 11- 30 Nov 12	1 Dec 10- 30 Nov 11	1 Dec 09- 30 Nov 10	1 Dec 08- 30 Nov 09	1 Dec 07- 30 Nov 08
	%	%	%	%	%
Henderson Institutional Cash Fund	0.7	0.5	0.7	2.4	4.4
Morningstar Money Market Sector Average	0.5	0.0	0.3	0.8	2.7

Source: Morningstar, mid to mid, basic rate tax GBP.

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.

Significant portfolio changes for the six months ended 30 November 2012

Purchases/Deposits	£000	Sales/Maturities	£000
Standard Chartered Bank 0.9% 17/10/2012-17/10/2013	13,000	Standard Chartered Bank 1.32% 09/02/2012-09/08/2012	16,006
HSBC Bank 0.45% 31/10/2012-31/01/2013	10,000	Rabobank Nederland FRN 12/10/2012	10,005
Nationwide Building Society 0.83% 30/08/2012-28/02/2013	10,000	Deutsche Bank 0.8% 13/03/2012-13/06/2012	10,000
UBS 0.55% 02/10/2012-04/02/2013	10,000	JP Morgan Chase Bank FRN 27/06/2012	10,000
Standard Chartered Bank 0.9% 25/07/2012-25/01/2013	10,000	Royal Bank of Scotland FRCD 31/08/2011-31/08/2012*	10,000
ING Bank 1.64% 11/07/2012-11/07/2013	9,500	Standard Chartered Bank 1.66% 30/09/2011-28/09/2012	10,000
ING Bank 1.2% 05/10/2012-07/10/2013	9,000	United Overseas Bank 1.28% 28/02/2012-28/08/2012	10,000
Barclays Bank 0.8% 19/09/2012-19/03/2013	8,005	HSBC Bank FRN 10/09/2012	10,000
Credit Agricole Corporate & Investment Bank 0.81% 15/10/2012-15/03/2013	8,000	Royal Bank of Scotland FRCD 17/08/2011-31/08/2012*	9,953
Skandinaviska Enskilda Banken 1.28% 01/08/2012-01/08/2013	8,000	Lloyds Banking Group 1.54% 04/07/2011-04/07/2012	9,500

*Related party to the Fund.

Manager's report

Highlights

- The UK Bank Rate remained unchanged at 0.50% throughout the period
- The Bank of England's (BoE) asset purchase programme was increased by £50bn to £375bn
- The UK economic outlook remained 'patchy', whilst inflation remained stubbornly above target
- The European Central Bank (ECB) cut rates by 0.25% with the deposit facility rate, the rate that the ECB pays commercial banks for overnight deposits, falling to zero
- Chancellor George Osborne surprisingly appointed the current Governor of the Bank of Canada, Mark Carney, as the person to replace Mervyn King as head of the Bank of England

Market review

Faced with a weakening economic picture the Chancellor George Osborne and Governor Mervyn King of the BoE announced at the annual Mansion House speeches that the BoE would launch two new policy initiatives. The first was the funding for Lending Scheme (FLS), which would provide funding to the non-financial sector at sub-market rates; the second was the relaunch of the Extended Collateral Term Repo (ECTR) facility, which would allow banks to access liquidity against a wide range of collateral for six months, at a minimum rate of base rate plus 25 basis points.

The following month the BoE's Monetary Policy Committee (MPC) voted to increase the asset purchase scheme by £50bn to £375bn; however, this decision was not unanimous with two members preferring to wait and see the outcome of the new measures. This split decision has highlighted a difference of opinion that has appeared within the MPC, where some members have started to question the effectiveness of further quantitative easing.

In Europe, Spain has been the focus of attention after they had to bail out a number of domestic banks and several regional governments; after these announcements Spanish, and to a lesser extent Italian government bond yields, soared (prices fell). It took a speech from the ECB president, in which he said the ECB will do "whatever it takes within its mandate" to preserve the euro, and "believe me, it will be enough", to bring down Spanish and Italian bond yields dramatically. Two months later the ECB launched a new policy tool, the Outright Monetary Transactions (OMT), where the central bank will essentially buy up to 3-year maturity government bonds in unlimited amounts in the secondary market; although the programme will only be activated on the request by an individual country for assistance. Since the introduction of the OMT, Spain has been playing a game of cat and mouse with the market as to when or if, they will seek financial aid from the European Union.

Fund Activity

After the announcement of the new BoE policy initiatives sterling Libor rates began to fall significantly across the yield curve, liquidity also improved in the markets following the ECB rate cut and the ECB president's comments. The Fund took this opportunity to significantly increase its weighted asset maturity (WAM) profile; this was achieved by the Fund adopting a more aggressive investment strategy and buying a number of fixed rate assets with a maturity of up to one year. The Fund has continued to maintain its exposure to Spain as this is held on a call account with Santander UK.

Outlook

Sterling money market rates appear to have bottomed with 3-month Libor and the Bank Rate at a similar level – the last time this occurred was over three years ago. The MPC have debated about the merits of lowering the Bank Rate but have concluded it may cause more damage than good to the financial sector; with this in mind as well as the continued weakening outlook for the UK economy it is likely that money market rates will remain at these lower levels for some considerable time. Therefore, the Fund is likely to return to a more defensive posture, especially with the possibility for further sovereign downgrades by the rating agencies and its knock-on effect to the financial sector.

Net asset value per unit

	Net asset value of Fund £	Net asset value of units £	Number of units in issue	Net asset value per unit (pence)
Retail class accumulation				
31/05/2010	587,585,962	36,171,640	22,499,681	160.77
31/05/2011	483,189,167	24,119,527	14,908,572	161.78
31/05/2012	352,940,159	27,303,081	16,788,320	162.63
30/11/2012	362,037,935	29,687,521	18,187,247	163.23
Corporate class accumulation				
31/05/2010	587,585,962	26,203,210	25,634,023	102.22
31/05/2011	483,189,167	25,873,516	25,123,932	102.98
31/05/2012	352,940,159	21,054,514	20,315,013	103.64
30/11/2012	362,037,935	23,943,608	23,005,646	104.08
Intermediate class accumulation				
31/05/2010	587,585,962	31,135,741	30,741,817	101.28
31/05/2011	483,189,167	11,310,390	11,116,206	101.75
31/05/2012	352,940,159	6,849,823	6,707,408	102.12
30/11/2012	362,037,935	6,704,544	6,546,758	102.41
Retail class gross accumulation				
31/05/2010	587,585,962	1,959,070	1,866,531	104.96
31/05/2011	483,189,167	980,131	926,764	105.76
31/05/2012	352,940,159	1,307,577	1,227,793	106.50
30/11/2012	362,037,935	873,787	816,935	106.96
Corporate class gross accumulation				
31/05/2010	587,585,962	7,119,499	6,957,689	102.33
31/05/2011	483,189,167	8,171,598	7,913,675	103.26
31/05/2012	352,940,159	6,161,345	5,918,109	104.11
30/11/2012	362,037,935	4,790,086	4,577,908	104.63
Intermediate class gross accumulation				
31/05/2010	587,585,962	18,876,115	18,582,787	101.58
31/05/2011	483,189,167	14,933,921	14,618,428	102.16
31/05/2012	352,940,159	13,488,047	13,139,804	102.65
30/11/2012	362,037,935	5,371,167	5,216,159	102.97
Institutional class gross accumulation				
31/05/2010	587,585,962	296,216,380	269,051,442	110.10
31/05/2011	483,189,167	271,923,046	244,269,994	111.32
31/05/2012	352,940,159	196,687,198	174,881,799	112.47
30/11/2012	362,037,935	210,452,997	185,997,174	113.15
Financial class gross accumulation				
31/05/2010	587,585,962	169,904,307	105,324,622	161.31
31/05/2011	483,189,167	125,877,038	77,290,695	162.86
31/05/2012	352,940,159	80,088,574	48,747,511	164.29
30/11/2012	362,037,935	80,214,225	48,566,867	165.16

Comparative tables as at 30 November 2012

Performance record

Calendar year	Net revenue (pence per unit)	Highest price (pence per unit)	Lowest price (pence per unit)
Retail class accumulation			
2007	5.81	150.40	144.50
2008	6.80	157.15	150.49
2009	3.46	160.50	157.18
2010	0.91	161.39	160.48
2011	0.89	162.18	161.38
2012	0.97*	163.24+	162.19+
Corporate class accumulation			
2009**	1.72	102.00	100.22
2010	0.69	102.68	101.99
2011	0.69	103.31	102.68
2012	0.73*	104.08+	103.32+
Intermediate class accumulation			
2009***	1.06	101.18	100.00
2010	0.42	101.57	101.14
2011	0.39	101.91	101.57
2012	0.45*	102.42+	101.91+
Retail class gross accumulation			
2008****	1.57	102.02	100.00
2009	2.85	104.72	102.05
2010	0.73	105.44	104.72
2011	0.75	106.13	105.43
2012	0.80*	106.96+	106.13+
Corporate class gross accumulation			
2009*****	1.81	102.07	100.04
2010	0.85	102.88	102.01
2011	0.87	103.69	102.88
2012	0.92*	104.64+	103.70+
Intermediate class gross accumulation			
2009*****	1.32	101.46	100.01
2010	0.50	101.93	101.44
2011	0.51	102.38	101.92
2012	0.54*	102.97+	102.39+
Institutional class gross accumulation			
2007*****	0.03	100.50	100.00
2008	6.02	106.57	100.60
2009	3.28	109.67	106.57
2010	1.14	110.82	109.67
2011	1.16	111.92	110.82
2012	1.22*	113.15+	111.96+
Financial class gross accumulation			
2007*****	2.73	147.80	139.91
2008	8.79	156.45	147.88
2009	4.62	160.77	156.50
2010	1.42	162.24	160.76
2011	1.45	163.60	162.23
2012	1.54*	165.17+	163.04+

* to 28 December

+ to 30 November

** launched 21 Jan 09

*** launched 12 Mar 09

**** launched 21 Aug 08

***** launched 16 Feb 09

***** launched 12 Mar 09

***** launched 27 Nov 07

***** launched 1 Oct 07

Ongoing charge figure*

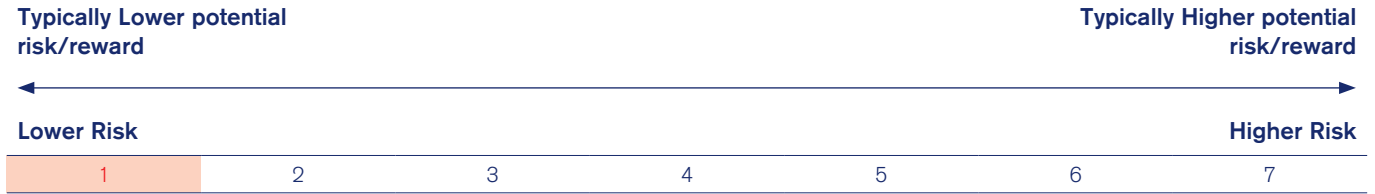
The annualised ongoing charge figure (OCF) of the Fund, calculated as the ratio of the total ongoing charges to the average net asset value for twelve months. Ongoing charges are all payments deducted from the assets of the Fund during the period, except for expenses that are explicitly excluded by regulation.

	30/11/12	31/05/12
	%	%
Retail class accumulation	0.37	0.37
Corporate class accumulation	0.24	0.24
Intermediate class accumulation	0.57	0.57
Retail class gross accumulation	0.37	0.37
Corporate class gross accumulation	0.24	0.24
Intermediate class gross accumulation	0.57	0.57
Institutional class gross accumulation	0.04	0.04
Financial class gross accumulation	0.19	0.19

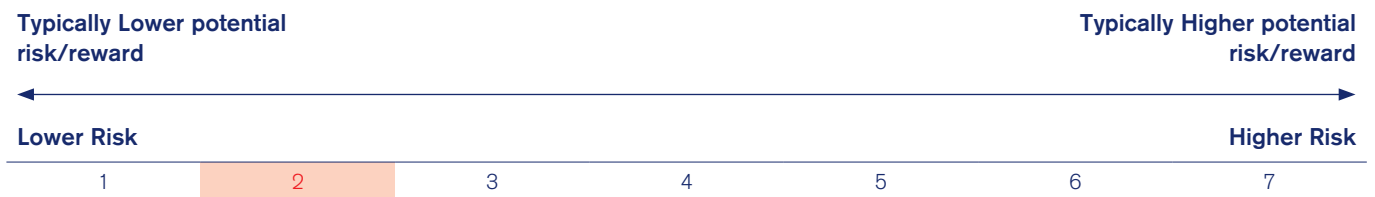
*The OCF replaces the total expense ratio (TER). It is calculated in accordance with guidelines issued by the Committee of European Securities Regulators (CESR) with the aim of ensuring a harmonised approach to the calculation of the OCF by all UCITS.

Synthetic risk and reward profile

The Fund currently has 8 types of unit in issue: Retail class accumulation, Corporate class accumulation, Intermediate class accumulation, Retail class gross accumulation, Corporate class gross accumulation, Intermediate class gross accumulation, Institutional class gross accumulation and Financial class gross accumulation. Each type of unit (except for Financial class gross accumulation and Institutional class gross accumulation) has the same risk and reward profile which is as follows:



Financial class gross accumulation and Institutional class gross accumulation have a risk and reward profile which is as follows:



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.

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, bank deposits and money market instruments are less volatile than shares
- 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 which could amplify everyday risk and trigger other risks.

Since the issue of the Key Investor Information Document (KIID) there have been no changes to the risk rating in the period.

The Synthetic risk and reward indicator (SRRRI) conforms to the Committee of European Securities Regulators (CESR) guidelines for the calculation of the SRRRI.

Holding	Investment	Market value £000	Percentage of total net assets %
Certificates of deposit 80.35% (31/05/2012: 72.08%)			
Sterling 80.35% (31/05/2012: 72.08%)			
GBP 5,000,000	ABN Amro Bank 0.5% 20/11/2012-22/02/2013	5,000	1.38
GBP 4,000,000	ABN Amro Bank 0.6% 09/11/2012-09/05/2013	4,000	1.10
GBP 4,000,000	ABN Amro Bank 1% 17/07/2012- 17/01/2013	4,003	1.11
GBP 8,000,000	Barclays Bank 0.8% 19/09/2012-19/03/2013	8,007	2.21
GBP 1,500,000	Barclays Bank 1.465% 11/07/2012-23/05/2013	1,506	0.42
GBP 7,000,000	Barclays Bank 1.5% 21/06/2012-21/05/2013	7,029	1.94
GBP 5,000,000	Barclays Bank 1.60% 09/05/2012-11/02/2013	5,011	1.38
GBP 2,000,000	Barclays Bank 1.65% 18/06/2012-18/06/2013	2,011	0.56
GBP 3,750,000	Barclays Bank 1.85% 16/01/2012-16/01/2013	3,757	1.04
GBP 5,000,000	Clydesdale Bank 1% 07/08/2012-19/02/2013	5,006	1.38
GBP 5,000,000	Clydesdale Bank 1% 09/08/2012-25/02/2013	5,006	1.38
GBP 5,000,000	Clydesdale Bank 1.15% 06/09/2012-06/06/2013	5,013	1.38
GBP 4,000,000	Commerzbank 0.52% 22/10/2012-22/01/2013	4,000	1.10
GBP 8,000,000	Credit Agricole Corporate & Investment Bank 0.81% 15/10/2012-15/03/2013	8,008	2.21
GBP 5,000,000	Credit Industriel Etcommercial 0.56% 10/10/2012-10/01/2013	5,001	1.38
GBP 4,000,000	Deutsche Bank 0.5% 25/10/2012- 04/02/2013	4,000	1.10
GBP 3,000,000	Deutsche Bank 0.52% 05/09/2012-13/12/2012	3,000	0.83
GBP 4,500,000	Deutsche Bank 0.53% 12/10/2012-12/02/2013	4,501	1.24
GBP 4,000,000	Deutsche Bank 0.75% 31/07/2012-31/01/2013	4,002	1.11
GBP 5,000,000	DNB Nor bank 0.57% 24/08/2012-24/01/2013	5,001	1.38
GBP 5,000,000	DNB Nor bank 0.65% 06/09/2012-06/03/2013	5,002	1.38
GBP 4,000,000	DNB Nor bank 0.65% 11/09/2012-11/03/2013	4,002	1.11
GBP 10,000,000	HSBC Bank 0.45% 31/10/2012-31/01/2013	10,000	2.76
GBP 7,000,000	HSBC Bank 1.25% 25/04/2012-25/04/2013	7,019	1.94
GBP 7,000,000	ING Bank 0.93% 07/09/2012-07/03/2013	7,009	1.94
GBP 9,000,000	ING Bank 1.2% 05/10/2012-07/10/2013	9,026	2.49
GBP 4,000,000	ING Bank 1.40% 31/08/2012-30/08/2013	4,018	1.11
GBP 9,500,000	ING Bank 1.64% 11/07/2012-11/07/2013	9,554	2.64
GBP 1,000,000	JP Morgan Chase Bank 0.4% 15/11/2012-15/02/2013	1,000	0.28
GBP 1,000,000	Lloyds Banking Group 0.81% 10/09/2012-11/03/2013	1,001	0.28
GBP 250,000	Lloyds Banking Group 1.56% 11/07/2012-11/07/2013	251	0.07
GBP 1,000,000	National Bank of Abu Dhabi 0.7% 30/10/2012-30/04/2013	1,001	0.28
GBP 4,000,000	National Bank of Abu Dhabi 0.95% 30/10/2012-30/10/2013	4,002	1.11
GBP 7,000,000	National Bank of Abu Dhabi 1% 10/09/2012-10/09/2013	7,010	1.94
GBP 5,000,000	National Bank of Abu Dhabi 1.55% 15/06/2012-17/06/2013	5,024	1.39
GBP 10,000,000	Nationwide Building Society 0.83% 30/08/2012-28/02/2013	10,009	2.76
GBP 5,000,000	Nationwide Building Society 0.83% 06/09/2012-06/03/2013	5,005	1.38
GBP 1,000,000	Nationwide Building Society 1.80% 02/12/2011-03/12/2012	1,000	0.28
GBP 5,000,000	Nordea Bank 0.57% 06/09/2012-06/12/2012	5,000	1.38
GBP 1,000,000	Nordea Bank 0.82% 15/08/2012-14/08/2013	1,000	0.28
GBP 1,000,000	Nordea Bank 1.12% 17/04/2012-17/04/2013	1,002	0.28
GBP 4,000,000	Nordea Bank 1.18% 31/05/2012-31/05/2013	4,011	1.11
GBP 5,000,000	Skandinaviska Enskilda Banken 0.73% 31/07/2012-31/01/2013	5,002	1.38
GBP 1,000,000	Skandinaviska Enskilda Banken 1.11% 05/09/2012-05/09/2013	1,002	0.28
GBP 2,000,000	Skandinaviska Enskilda Banken 1.24% 24/05/2012-25/02/2013	2,004	0.55
GBP 8,000,000	Skandinaviska Enskilda Banken 1.28% 01/08/2012-01/08/2013	8,028	2.22
GBP 5,000,000	Standard Chartered Bank 0.83% 06/09/2012-06/03/2013	5,005	1.38
GBP 6,000,000	Standard Chartered Bank 0.9% 25/07/2012-25/01/2013	6,004	1.66
GBP 13,000,000	Standard Chartered Bank 0.9% 17/10/2012-17/10/2013	13,002	3.59
GBP 4,000,000	Svenska Handelsbanken 0.42% 31/10/2012-31/01/2013	4,000	1.10
GBP 8,000,000	Svenska Handelsbanken 1% 10/08/2012-12/08/2013	8,013	2.21
GBP 1,000,000	Toronto Dominion Bank 0.35% 05/11/2012-05/02/2013	1,000	0.28

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Certificates of deposit (continued)			
Sterling (continued)			
GBP 10,000,000	UBS 0.55% 02/10/2012-04/02/2013	10,002	2.76
GBP 5,000,000	UBS 0.65% 11/10/2012-11/04/2013	5,002	1.38
GBP 1,000,000	UBS 1.12% 30/08/2012- 29/08/2013	1,002	0.28
GBP 4,000,000	United Overseas Bank 0.41% 14/11/2012-14/02/2013	4,000	1.11
GBP 3,000,000	United Overseas Bank 0.58% 28/11/2012-28/05/2013	3,000	0.83
GBP 5,000,000	United Overseas Bank 0.60% 06/09/2012-07/01/2013	5,001	1.38
GBP 5,000,000	United Overseas Bank 0.62% 30/10/2012-30/04/2013	5,001	1.38
GBP 5,000,000	United Overseas Bank 0.62% 31/10/2012-30/04/2013	5,001	1.38
GBP 5,000,000	United Overseas Bank 0.75% 28/08/2012-28/02/2013	5,004	1.38
		290,881	80.35
Floating rate notes 11.66% (31/05/2012: 15.79%)			
GBP 2,000,000	Bank of Nova Scotia FRN 21/11/2014	2,000	0.55
GBP 4,000,000	Commonwealth Bank of Australia FRN 20/01/2014	4,022	1.11
GBP 2,000,000	European Investment Bank FRN 30/01/2014	1,999	0.55
GBP 5,000,000	National Australia Bank FRN 12/11/2013	5,031	1.39
GBP 5,000,000	Pohjola Bank FRN 01/03/2013	5,001	1.38
GBP 5,000,000	Rabobank Nederland FRN 21/08/2013	5,006	1.38
GBP 5,000,000	Rabobank Nederland FRN 19/11/2013	4,999	1.38
GBP 5,000,000	Rabobank Nederland FRN 06/06/2014	5,014	1.39
GBP 3,100,000	Svenska Handelsbanken FRN 20/01/2014	3,121	0.86
GBP 6,000,000	Westpac Banking FRN 03/06/2014	6,034	1.67
		42,227	11.66
Sterling cash deposits 3.59% (31/05/2012: 2.84%)			
GBP 7,000,000	Riyadh Bank 0.65% 28/01/2013	7,000	1.93
GBP 6,000,000	Riyadh Bank 0.65% 31/01/2013	6,000	1.66
		13,000	3.59
	Investment assets	346,108	95.60
	Net other assets**	15,930	4.40
	Net assets	362,038	100.00

** Includes overnight cash deposits

Credit ratings[#]

Investment	Market value £000	Percentage of total net assets %
Above investment grade (AAA - BBB)	333,108	92.01
Investment assets	333,108	92.01
Net other assets (including sterling cash deposits)	28,930	7.99
Net assets	362,038	100.00

[#]Source: Fitch

Statement of total return for the six months ended 30 November 2012 (unaudited)

	30/11/12		30/11/11	
	£000	£000	£000	£000
Income				
Net capital gains/(losses)		316		(350)
Revenue	1,902		2,632	
Expenses	(262)		(304)	
Finance costs: Interest	-		(1)	
	<u>1,640</u>		<u>2,327</u>	
Net revenue before taxation	1,640		2,327	
Taxation	<u>-</u>		<u>-</u>	
Net revenue after taxation		<u>1,640</u>		<u>2,327</u>
Total return before distributions		1,956		1,977
Finance costs: Distributions		<u>(1,640)</u>		<u>(2,327)</u>
Change in net assets attributable to unitholders from investment activities		<u>316</u>		<u>(350)</u>

Statement of change in net assets attributable to unitholders for the six months ended 30 November 2012 (unaudited)

	30/11/12		30/11/11	
	£000	£000	£000	£000
Opening net assets attributable to unitholders		352,940		483,189
Amounts receivable on issue of units	73,117		145,390	
Amounts payable on cancellation of units	<u>(65,915)</u>		<u>(117,234)</u>	
		7,202		28,156
Change in net assets attributable to unitholders from investment activities (see above)		316		(350)
Retained distribution on accumulation units		1,580		2,272
Closing net assets attributable to unitholders		<u>362,038</u>		<u>513,267</u>

Balance sheet as at 30 November 2012 (unaudited)

	30/11/12		31/05/12	
	£000	£000	£000	£000
Assets				
Investment assets		346,108		320,150
Debtors	1,607		920	
Cash and bank balances	16,993		33,831	
Total other assets		18,600		34,751
Total assets		<u>364,708</u>		<u>354,901</u>
Liabilities				
Creditors	2,041		189	
Bank overdrafts	629		1,772	
Total other liabilities		2,670		1,961
Total liabilities		2,670		1,961
Net assets attributable to unitholders		<u>362,038</u>		<u>352,940</u>

Certification of financial statements by Directors of the Manager

In accordance with the requirements of the Financial Services Authority's Collective Investment Schemes Sourcebook, we hereby certify the investment report and financial statements on behalf of the Directors of Henderson Investment Funds Limited.



Lesley Cairney
(Director)



Richard McNamara
(Director)

16 January 2013

1 Accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association (IMA) in October 2010.

(b) Basis of valuation of investments

The valuation point is close of business on the last business day of the accounting period. Listed investments are valued at fair value which is generally deemed to be bid market price.

Unlisted, unapproved, illiquid or suspended securities are valued at the Manager's best estimate of the amount that would be received from an immediate transfer at arm's length.

Certificates of deposit are valued by the Manager using a yield curve approach. The yield curve provides a graphic illustration of the relationship between redemption yields and instrument's maturity dates, and from this an appropriate market yield can be derived for the instrument which can in turn be used to calculate its fair value.

Where applicable, investment valuations exclude any element of accrued revenue.

(c) Exchange rates

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at close of business on the last business day of the accounting period.

Revenue and expenditure transactions are translated at the rates of exchange ruling on the dates of the transactions.

Exchange differences on such transactions follow the same treatment as the principal amounts.

(d) Revenue recognition

Bank interest, interest from deposits and revenue earned on other securities are recognised on an accruals basis.

Interest on debt securities is determined on an effective yield basis.

Effective yield is a calculation that reflects the amount of amortisation of any discount or premium on the purchase price over the remaining life of the security.

If any revenue receivable at the balance sheet date is not considered recoverable, a provision is made for the relevant amount.

(e) Treatment of expenses (including annual management charge)

All expenses (other than those relating to the purchase and sale of investments) are charged against revenue on an accruals basis.

The annual management charge is calculated daily on the total net assets managed by Henderson Investment Funds Limited.

Allocation of revenue and expenses to unit share classes

With the exception of the annual management charge and General Administration Charge (GAC), which is directly attributable to individual unit classes, all revenue and expenses are allocated to unit classes pro rata to the value of the net assets of the relevant unit class on the day that the revenue or expense is incurred.

General Administration Charge

All fees with the exception of the annual management charge, Trustee and Safe Custody fees, are charged by a single ad valorem charge, the General Administration Charge (GAC). The Manager believes that the GAC creates more efficiency and transparency around the charging process than more traditional methods.

For further details please refer to the Prospectus.

Notes to the financial statements (continued)

1 Accounting policies (continued)

(f) Taxation

Provision is made for tax at the current rates on the excess of taxable revenue over allowable expenses, with relief for overseas taxation taken where appropriate.

In general, the tax accounting treatment follows that of the principal amount.

Deferred tax is provided on all timing differences that have originated but not reversed at the balance sheet date other than those recorded as permanent differences. Deferred tax is provided at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Deferred tax assets are only recognised to the extent it is regarded as more likely than not that there will be taxable profits against which the future reversal of underlying timing differences can be offset.

2 Distribution policy

(a) Basis of distribution

The distribution policy of the Fund is to accumulate all available revenue, after deduction of expenses properly chargeable against revenue, subject to any of the annual management charge or other expense which may currently be transferred to capital.

Gains and losses on investments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution.

Revenue attributed to accumulation unitholders is retained at the end of each distribution period and represents a reinvestment of revenue.

The policy of the Fund is to make interest distributions to the unitholders on the 28th day of each month.

Equalisation applies only to units purchased during the distribution period (group 2 units). It is the average amount of revenue included in the purchase price of group 2 units and is refunded to the holders of these units as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

(b) Unclaimed distributions

All distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the Fund.

3 Risk

In pursuing its investment objective each Fund holds a number of financial instruments. These financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from the Fund's operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for redemptions and debtors for accrued revenue. The Fund may also enter into derivative transactions. The purpose of these financial instruments is efficient portfolio management. The main risks arising from financial instruments are market, liquidity and credit and counterparty risks.

Market Risk

Market risk is the risk that the value of the Fund's investments or the benefits arising thereon will fluctuate because of changes in market prices. Market risk comprises three types of risks: foreign currency risk, interest rate risk and other price risk.

(a) Foreign currency risk

Foreign currency risk is the risk that the value of the Fund's investments will fluctuate as a result of changes in foreign currency exchange rates. The Fund's exposure to foreign currency risk is considered insignificant. This is consistent with the exposure in the prior period.

(b) Interest rate risk

The Fund may invest in debt securities. The revenue of the Fund may be affected by changes to interest rates relevant to particular securities or as a result of the Fund Manager being unable to secure similar returns on the expiry of contracts or sale of securities. The value of debt securities may be affected by interest rate movements or the expectation of such movements in the future.

Notes to the financial statements (continued)

3 Risk (continued)

(c) Other price risk

Other price risk is the risk that the value of the Fund's investments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Other price risk arises mainly from uncertainty about future prices of financial instruments the Fund might hold. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Fund's investment portfolios are exposed to market price fluctuations, which are monitored by the Manager in pursuance of their investment objectives and policies as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Trust Deed, the Prospectus and in the Financial Services Authorities Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

Liquidity risk

Liquidity risk is the risk that the Fund cannot raise sufficient immediately-realizable cash to meet their liabilities when due. One of the key factors influencing this will be the ability to sell investments at, or close to, the fair value without a significant loss being realised.

The Fund will be invested almost entirely in cash-like instruments: certificates of deposit, call accounts, overnight accounts, term deposits, floating rate notes, and occasionally short-term fixed rate bonds. Secondary markets exist for certificates of deposit, floating rate notes and bonds. No secondary market exists for term deposits, and so these have liquidity risk in that they will generally need to be held to redemption. Liquidity risk exists for instruments with secondary markets in that secondary market activity can disappear. The majority of the instruments will be short-term in nature. Liquidity risk is one of the key concerns of the fund manager, so ensuring that there is adequate immediate liquidity in the Fund is one of the main focuses.

The Manager receives daily reports of subscriptions and redemptions. In addition the Manager monitors market liquidity of all securities.

Credit and counterparty risk

Credit risk arises from three main sources. Firstly, the possibility that the issuer of a security will be unable to pay interest and principal in a timely manner. Secondly, for asset backed investments there is the possibility of default of the issuer and default in the underlying assets meaning the Fund may not receive back the full principal originally invested. Thirdly, there is counterparty risk, which is the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its responsibilities, which could result in the Fund suffering a loss.

The Fund's assets held with banks and with the Trustee are also exposed to credit risk. Assets held with the Trustee are ring fenced. The banks used by the Fund and the Manager are subject to regular reviews. In addition the Fund will only buy and sell investments through brokers which have been approved by the Manager as an acceptable counterparty and limits are set and monitored to cover the exposure to any individual broker. Changes in broker's financial ratings are periodically reviewed by the Henderson Credit Risk Committee along with set limits and new counterparty approval.

4 Portfolio transaction costs

	30/11/12 £000	30/11/11 £000
Purchases in period before transaction costs	372,972	515,980
Purchases including transaction costs	372,972	515,980
Sales in period before transaction costs	350,339	505,923
Sales net of transaction costs	350,339	505,923
Transaction handling charges*	9	8

* These amounts have been deducted in determining net capital gains/(losses).

Distribution tables for the six months ended 30 November 2012

(in pence per unit)

Interim interest distribution (accounting date 30 June 2012, paid on 27 July 2012)

Group 1: units purchased prior to 1 June 2012

Group 2: units purchased on or after 1 June 2012

	Gross revenue	Income tax (20%)	Net revenue	Equalisation	Distribution paid 27/07/2012	Distribution paid 28/07/2011
Retail class accumulation						
Group 1	0.1140	0.0228	0.0912	-	0.0912	0.0784
Group 2	0.0611	0.0122	0.0489	0.0423	0.0912	0.0784
Corporate class accumulation						
Group 1	0.0826	0.0165	0.0661	-	0.0661	0.0581
Group 2	0.0201	0.0040	0.0161	0.0500	0.0661	0.0581
Intermediate class accumulation						
Group 1	0.0539	0.0108	0.0431	-	0.0431	0.0326
Group 2	0.0164	0.0033	0.0131	0.0300	0.0431	0.0326
Retail class gross accumulation						
Group 1	0.0653	-	0.0653	-	0.0653	0.0626
Group 2	0.0066	-	0.0066	0.0587	0.0653	0.0626
Corporate class gross accumulation						
Group 1	0.0820	-	0.0820	-	0.0820	0.0724
Group 2	0.0272	-	0.0272	0.0548	0.0820	0.0724
Intermediate class gross accumulation						
Group 1	0.0527	-	0.0527	-	0.0527	0.0378
Group 2	0.0154	-	0.0154	0.0373	0.0527	0.0378
Institutional class gross accumulation						
Group 1	0.1076	-	0.1076	-	0.1076	0.0966
Group 2	0.1076	-	0.1076	-	0.1076	0.0966
Financial class gross accumulation						
Group 1	0.1368	-	0.1368	-	0.1368	0.1178
Group 2	0.0522	-	0.0522	0.0846	0.1368	0.1178

Distribution table (continued)

Interim interest distribution (accounting date 31 July 2012, paid on 28 August 2012)

Group 1: units purchased prior to 1 July 2012

Group 2: units purchased on or after 1 July 2012

	Gross revenue	Income tax (20%)	Net revenue	Equalisation	Distribution paid 28/08/2012	Distribution paid 26/08/2011
Retail class accumulation						
Group 1	0.1335	0.0267	0.1068	-	0.1068	0.0788
Group 2	0.0910	0.0182	0.0728	0.0340	0.1068	0.0788
Corporate class accumulation						
Group 1	0.0974	0.0195	0.0779	-	0.0779	0.0588
Group 2	0.0389	0.0078	0.0311	0.0468	0.0779	0.0588
Intermediate class accumulation						
Group 1	0.0668	0.0134	0.0534	-	0.0534	0.0379
Group 2	0.0558	0.0112	0.0446	0.0088	0.0534	0.0379
Retail class gross accumulation						
Group 1	0.0890	-	0.0890	-	0.0890	0.0660
Group 2	0.0594	-	0.0594	0.0296	0.0890	0.0660
Corporate class gross accumulation						
Group 1	0.0985	-	0.0985	-	0.0985	0.0736
Group 2	0.0708	-	0.0708	0.0277	0.0985	0.0736
Intermediate class gross accumulation						
Group 1	0.0686	-	0.0686	-	0.0686	0.0475
Group 2	0.0398	-	0.0398	0.0288	0.0686	0.0475
Institutional class gross accumulation						
Group 1	0.1253	-	0.1253	-	0.1253	0.0985
Group 2	0.1253	-	0.1253	-	0.1253	0.0985
Financial class gross accumulation						
Group 1	0.1606	-	0.1606	-	0.1606	0.1232
Group 2	0.0565	-	0.0565	0.1041	0.1606	0.1232

Distribution table (continued)

Interim interest distribution (accounting date 31 August 2012, paid on 28 September 2012)

Group 1: units purchased prior to 1 August 2012

Group 2: units purchased on or after 1 August 2012

	Gross revenue	Income tax (20%)	Net revenue	Equalisation	Distribution paid 28/09/2012	Distribution paid 28/09/2011
Retail class accumulation						
Group 1	0.1039	0.0208	0.0831	-	0.0831	0.0735
Group 2	0.0541	0.0108	0.0433	0.0398	0.0831	0.0735
Corporate class accumulation						
Group 1	0.0785	0.0157	0.0628	-	0.0628	0.0582
Group 2	0.0449	0.0090	0.0359	0.0269	0.0628	0.0582
Intermediate class accumulation						
Group 1	0.0466	0.0093	0.0373	-	0.0373	0.0316
Group 2	0.0175	0.0035	0.0140	0.0233	0.0373	0.0316
Retail class gross accumulation						
Group 1	0.0693	-	0.0693	-	0.0693	0.0626
Group 2	0.0441	-	0.0441	0.0252	0.0693	0.0626
Corporate class gross accumulation						
Group 1	0.0785	-	0.0785	-	0.0785	0.0729
Group 2	0.0356	-	0.0356	0.0429	0.0785	0.0729
Intermediate class gross accumulation						
Group 1	0.0334	-	0.0334	-	0.0334	0.0359
Group 2	0.0072	-	0.0072	0.0262	0.0334	0.0359
Institutional class gross accumulation						
Group 1	0.1040	-	0.1040	-	0.1040	0.0980
Group 2	0.1040	-	0.1040	-	0.1040	0.0980
Financial class gross accumulation						
Group 1	0.1310	-	0.1310	-	0.1310	0.1215
Group 2	0.0965	-	0.0965	0.0345	0.1310	0.1215

Distribution table (continued)

Interim interest distribution (accounting date 30 September 2012, paid on 26 October 2012)

Group 1: units purchased prior to 1 September 2012

Group 2: units purchased on or after 1 September 2012

	Gross revenue	Income tax (20%)	Net revenue	Equalisation	Distribution paid 26/10/2012	Distribution paid 28/10/2011
Retail class accumulation						
Group 1	0.0834	0.0167	0.0667	-	0.0667	0.0644
Group 2	0.0515	0.0103	0.0412	0.0255	0.0667	0.0644
Corporate class accumulation						
Group 1	0.0641	0.0128	0.0513	-	0.0513	0.0567
Group 2	0.0400	0.0080	0.0320	0.0193	0.0513	0.0567
Intermediate class accumulation						
Group 1	0.0344	0.0069	0.0275	-	0.0275	0.0321
Group 2	0.0178	0.0036	0.0142	0.0133	0.0275	0.0321
Retail class gross accumulation						
Group 1	0.0539	-	0.0539	-	0.0539	0.0609
Group 2	0.0277	-	0.0277	0.0262	0.0539	0.0609
Corporate class gross accumulation						
Group 1	0.0626	-	0.0626	-	0.0626	0.0691
Group 2	0.0369	-	0.0369	0.0257	0.0626	0.0691
Intermediate class gross accumulation						
Group 1	0.0333	-	0.0333	-	0.0333	0.0400
Group 2	0.0140	-	0.0140	0.0193	0.0333	0.0400
Institutional class gross accumulation						
Group 1	0.0878	-	0.0878	-	0.0878	0.0949
Group 2	0.0725	-	0.0725	0.0153	0.0878	0.0949
Financial class gross accumulation						
Group 1	0.1079	-	0.1079	-	0.1079	0.1187
Group 2	-	-	-	0.1079	0.1079	0.1187

Distribution table (continued)

Interim interest distribution (accounting date 31 October 2012, paid on 28 November 2012)

Group 1: units purchased prior to 1 October 2012

Group 2: units purchased on or after 1 October 2012

	Gross revenue	Income tax (20%)	Net revenue	Equalisation	Distribution paid 28/11/2012	Distribution paid 28/11/2011
Retail class accumulation						
Group 1	0.0753	0.0151	0.0602	-	0.0602	0.0793
Group 2	0.0400	0.0080	0.0320	0.0282	0.0602	0.0793
Corporate class accumulation						
Group 1	0.0589	0.0118	0.0471	-	0.0471	0.0538
Group 2	0.0214	0.0043	0.0171	0.0300	0.0471	0.0538
Intermediate class accumulation						
Group 1	0.0281	0.0056	0.0225	-	0.0225	0.0294
Group 2	0.0088	0.0018	0.0070	0.0155	0.0225	0.0294
Retail class gross accumulation						
Group 1	0.0488	-	0.0488	-	0.0488	0.0634
Group 2	0.0164	-	0.0164	0.0324	0.0488	0.0634
Corporate class gross accumulation						
Group 1	0.0596	-	0.0596	-	0.0596	0.0734
Group 2	0.0207	-	0.0207	0.0389	0.0596	0.0734
Intermediate class gross accumulation						
Group 1	0.0274	-	0.0274	-	0.0274	0.0455
Group 2	0.0128	-	0.0128	0.0146	0.0274	0.0455
Institutional class gross accumulation						
Group 1	0.0835	-	0.0835	-	0.0835	0.0991
Group 2	0.0835	-	0.0835	-	0.0835	0.0991
Financial class gross accumulation						
Group 1	0.1022	-	0.1022	-	0.1022	0.1249
Group 2	0.0809	-	0.0809	0.0213	0.1022	0.1249

Distribution table (continued)

Interim interest distribution (accounting date 30 November 2012, paid on 28 December 2012)

Group 1: units purchased prior to 1 November 2012

Group 2: units purchased on or after 1 November 2012

	Gross revenue	Income tax (20%)	Net revenue	Equalisation	Distribution paid 28/12/2012	Distribution paid 28/12/2011
Retail class accumulation						
Group 1	0.0630	0.0126	0.0504	-	0.0504	0.0669
Group 2	0.0250	0.0050	0.0200	0.0304	0.0504	0.0669
Corporate class accumulation						
Group 1	0.0505	0.0101	0.0404	-	0.0404	0.0589
Group 2	0.0086	0.0017	0.0069	0.0335	0.0404	0.0589
Intermediate class accumulation						
Group 1	0.0191	0.0038	0.0153	-	0.0153	0.0359
Group 2	0.0054	0.0011	0.0043	0.0110	0.0153	0.0359
Retail class gross accumulation						
Group 1	0.0407	-	0.0407	-	0.0407	0.0658
Group 2	0.0338	-	0.0338	0.0069	0.0407	0.0658
Corporate class gross accumulation						
Group 1	0.0504	-	0.0504	-	0.0504	0.0755
Group 2	0.0197	-	0.0197	0.0307	0.0504	0.0755
Intermediate class gross accumulation						
Group 1	0.0141	-	0.0141	-	0.0141	0.0456
Group 2	0.0059	-	0.0059	0.0082	0.0141	0.0456
Institutional class gross accumulation						
Group 1	0.0732	-	0.0732	-	0.0732	0.0996
Group 2	0.0732	-	0.0732	-	0.0732	0.0996
Financial class gross accumulation						
Group 1	0.0868	-	0.0868	-	0.0868	0.1254
Group 2	0.0348	-	0.0348	0.0520	0.0868	0.1254

Further information

Unitholder 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 lines are also available:

Client 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.



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