



INTERIM SHORT REPORT

For the six months ended
30 September 2016

Henderson
GLOBAL INVESTORS

Henderson UK Strategic Income Unit Trust

Henderson UK Strategic Income Unit Trust

Short Report

For the six months ended 30 September 2016

Investment Fund Manager

Henderson Multi-Asset Team

Investment objective and policy

To achieve a high level of income.

The fund will invest principally in the UK in a managed portfolio of investment trust shares and other closed-ended vehicles. The fund may also invest in exchange traded funds, unregulated collective investment schemes (which include limited partnerships), money market instruments and deposits.

Risk and reward profile

The fund currently has 1 type of unit class in issue: Income units.

The risk and reward profile 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 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:

- The fund invests in a mix of different asset classes.
- Fluctuations in exchange rates may cause the value of your investment to rise or fall.

The following risks apply to investments in the fund. These could be triggered or made worse by unusual market conditions or unpredictable market events.

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.

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

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.

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

There has been no change to the risk rating in the period.

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

Investment review

Global equity markets rose during the period under review (the MSCI World Index increased by 17.2%), buoyed by a recovery in the price of oil and improving economic newsflow. However, there were still some periods of volatility (sharper fluctuations in price), such as the aftermath of the UK's decision to leave the European Union (EU).

Markets quickly regained their composure, but global stocks declined again in early September over disappointment at the European Central Bank's decision to leave its monetary policy unchanged and uncertainty regarding the US Federal Reserve's plan for interest rate hikes.

In the UK, the FTSE All-Share Index rose by 12.9%. Strong economic data was overlooked as investors focused on June's EU referendum, which also negatively affected the value of sterling, although gilts benefited. UK equities dipped sharply upon the result announcement, but overall the FTSE All-Share ended June with a positive return. The appointment of new prime minister Theresa May boosted equities in July. In early August, the Bank of England (BoE) cut interest rates to 0.25% as part of a fiscal stimulus programme. Post-Brexit-vote data confirmed that the decision to leave the EU was not destroying the economy, reducing fears of a recession. But in late September, the BoE signalled towards further fiscal stimulus as early as November.

Against this market backdrop, the fund returned 10.6% during the period under review, outperforming the IA UK Equity Income sector average by 1.6%.

Strong performance contribution was received throughout the portfolio. The allocations to UK and global equities helped drive the outperformance. Key contributions came from the portfolio's closed-end holdings in Murray International Trust, up 23.4%; The Edinburgh Investment Trust, up 6.0%; Alliance Trust, up 15.8%; City of London Investment Trust, up 9.0%; Foreign & Colonial Investment Trust, up 15.8%; and Witan Investment Trust, up 15.3%.

We took the opportunity to close the position in HICL Infrastructure and take profits while the trust was pricing at a significant premium to net asset value. We also reduced a number of other positions that had performed well year to date, taking further profits for the fund and building up a small cash position amid increasing market volatility. We subsequently initiated new closed-end positions in Foresight Solar Fund and Renewables Infrastructure Group, adding higher yielding positions in renewable energy on relatively attractive valuations.

Elsewhere, within open-ended funds, we reduced the Polar Capital Global Financials Fund and added a new position in the RWC Enhanced Income Fund, a large-cap value UK equity income fund, which uses options to reduce volatility and boost its income yield.

Performance summary

Cumulative performance	Six months	One year	Five years	Since launch
	31 Mar 16 - 30 Sep 16	30 Sep 15 - 30 Sep 16	30 Sep 11 - 30 Sep 16	29 Apr 88 - 30 Sep 16
	%	%	%	%
Henderson UK Strategic Income Unit Trust	10.6	12.7	59.1	139.9
FTSE All Share Total Return Index	12.9	16.8	68.9	1,038.9

Discrete performance

	30 Sep 15 - 30 Sep 16	30 Sep 14 - 30 Sep 15	30 Sep 13 - 30 Sep 14	30 Sep 12 - 30 Sep 13	30 Sep 11 - 30 Sep 12
	%	%	%	%	%
Henderson UK Strategic Income Unit Trust	12.7	3.4	3.8	16.8	12.6
FTSE All Share Total Return Index	16.8	(2.3)	6.1	18.9	17.3

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

Unit class	Net asset value* 30/09/16 p	Net asset value* 31/03/16 p	Net asset value % change
Income units	11.34	10.42	8.83

* The net asset value is calculated as at close of business on the last business day of the accounting period. The investments are valued at fair value which is generally deemed to be the bid market price.

Revenue distribution

Unit class	30/09/16 p	30/09/15* p
Income units	0.20	0.18

Total dividend distributions for the six months ended 30 September 2016, comparison is for the same period last year.

Dividend distributions paid to shareholders after 6 April 2016 are paid gross as the government has abolished the dividend tax credit.

* Distribution is shown net of 10% notional tax credit.

Fund facts

Accounting dates

30 September, 31 March

Payment dates

31 August, 30 November, last day of February, 31 May

Ongoing charge figure

	30/09/16 %	31/03/16 %
Income units	1.72	1.71

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 includes a synthetic element of 0.05% (31/03/16 0.04%) to incorporate the OCF of underlying funds.

This calculation is 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.

Performance record

Calendar year	Net revenue (pence per unit)	Highest price (pence per unit)	Lowest price (pence per unit)
Income units			
2011	0.48	10.59	8.48
2012	0.42	10.23	8.70
2013	0.44	10.86	9.40
2014	0.39	10.67	9.68
2015	0.32	11.40	10.16
2016	0.35*	11.51 +	9.65+

* to 30 November

+ to 30 September

Past performance is not a guide to future performance

Major holdings

as at 30/09/16	%
Perpetual Income & Growth Investment Trust	7.51
Troy Income & Growth Trust	7.01
London (City of) Investment Trust	6.35
Temple Bar Investment Trust	6.26
F&C Investment Trust	6.06
Edinburgh Investment Trust	6.00
Witan Investment Trust	5.25
Finsbury Growth & Income Investment Trust	5.14
RIT Capital Partners	5.11
Murray International Trust	5.07

Major holdings

as at 31/03/16	%
Edinburgh Investment Trust	7.70
Fidelity Special Values Investment Trust	6.96
Troy Income & Growth Trust	6.87
Perpetual Income & Growth Investment Trust	6.84
Alliance Trust	6.28
RIT Capital Partners	6.27
F&C Investment Trust	6.00
London (City of) Investment Trust	5.99
Finsbury Growth & Income Investment Trust	5.66
Temple Bar Investment Trust	5.43

Asset allocation

as at 30/09/16	%
UK Equity	52.39
Global Equity	27.06
Specialist Equity	10.14
Alternatives	5.12
Europe ex UK Equity	3.93
Private Equity	0.07
Other net assets	1.29
Total net assets	100.00

Asset allocation

as at 31/03/16	%
UK Equity	52.02
Global Equity	29.83
Specialist Equity	11.64
Europe ex UK Equity	4.64
Property	2.71
Private Equity	0.07
Other net liabilities	(0.91)
Total net assets	100.00

Report and accounts

This document is a short report of the Henderson UK Strategic Income Unit Trust for the six months ended 30 September 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 period it covers and the results of those activities at the end of the period.

Issued by:

Henderson Investment Funds Limited

Registered office:

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Member of The Investment Association and authorised and regulated

by the Financial Conduct Authority.

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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.

Trustee and Depositary

National Westminster Bank Plc

135 Bishopsgate

London

EC2M 3UR

Auditor

PricewaterhouseCoopers LLP

141 Bothwell Street

Glasgow

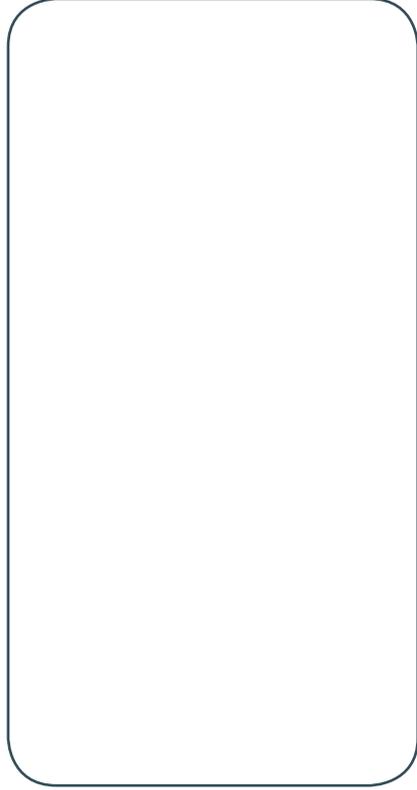
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Contact us

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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 30 September 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 Strategic Income Unit Trust 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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