



INTERIM SHORT REPORT

For the six months ended
31 March 2017

Janus Henderson
— INVESTORS —

Henderson Global Financials Fund

Henderson Global Financials Fund

Short Report

For the six months ended 31 March 2017

Investment Fund Manager

Henderson Global Equities Team

Other information

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

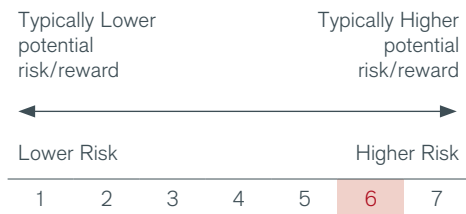
Investment objective and policy

To achieve long term capital growth.

The fund will invest principally in the securities of financial services companies both in the UK and internationally. In addition to ordinary shares, the fund may also invest in fixed interest securities, preference shares, debt securities convertible into ordinary stock, money market instruments and deposits.

Risk and reward profile

The fund currently has 5 types of share class in issue; A accumulation, A income, A Euro accumulation, I accumulation and A US Dollar accumulation. The risk and reward profile is the same for each type of share and 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 class appears at 6 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.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events. Under normal market conditions the following risks may apply:

Active management risk Active management techniques that have worked well in normal market conditions could prove ineffective or detrimental at other times.

Concentration risk The fund's value may fall where it has concentrated exposure to an industry that is heavily affected by an adverse event.

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.

Exchange rate risk Changes in currency exchange rates may cause the value of your investment and any income from it to rise or fall.

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 Warnings" section of the fund's prospectus.

There have been no changes to the risk rating in the period.

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

Investment review

The global financials sector benefited from expectations for improving economic growth and higher interest rates following the surprise election of Donald Trump as US president. The FTSE World Financials Index returned 20.4% during the six-month period. Trump's reflationary (pro-growth) rhetoric, echoing his personal mantra of 'borrow and build', led to increasing expectations for rising US interest rates: this was reflected in the largest one-day move in the yield curve for 40 years during the fourth quarter of 2016. The prospect of rising interest rates and steepening yield curves should improve bank profitability; this led bank stocks, particularly in the US, to rally sharply over the final quarter of 2016, with the moves large enough that positioning within the sector broadly dictated the relative performance of fund managers over the period. While US banks digested some of this performance during the first quarter of 2017, other regions remained strong, benefiting from improving economic data in Europe and China. Until the election of Trump, the financials sector had been one of the weakest performers, as globally low or negative interest rates depressed net interest margins and profitability, and investors questioned investing in a business model that increasingly fails to offer return above its cost of capital. The last six months saw a partial reversal of this thinking.

In absolute terms, the period was a strong quarter for the fund, which returned 15.4% (A share class, in sterling terms, midday priced). However, the fund underperformed its benchmark due to weak relative performance in the fourth quarter of 2016. Trump's reflationary rhetoric, promising tax cuts and fiscal spending, led to increasing expectations of an interest rate rise underpinning a strong rally in bank stocks. Consequently, the main detractor from performance was our cautious stance towards European and US banks.

The fund invested in higher quality US banks, including Citizens Financial, Goldman Sachs and State Street, but was underweight the largest bank in the sector, the scandal-hit Wells Fargo, which rallied nearly 33% during the period. Relative performance was also hampered by not owning Morgan Stanley (+40%), Citigroup (+33%) and Société Générale (+53%).

Real estate holdings also detracted from relative performance. The sector is traditionally a yield-producing 'bond proxy', and like bonds, yields are inversely related to prices. The steepening of the yield curve meant that investors took profits in expectation of falling prices. Vonovia, a German owner of apartment buildings, and US real estate investment trusts American Tower and Regency Centers were the largest detractors from relative performance in the sector.

Insurance companies offered mixed fortunes, although on balance detracted. Fairfax Financial, which had been a strong performer for much of 2016, saw the value of its shares fall sharply during the period. The firm's investment portfolio was positioned for a continuation of the deflationary environment. This negative performance was partly offset by strong performance from European insurer Allianz. Allianz reported strong earnings, which allowed the company to announce a €3bn share buyback scheme and increase its dividend by 4% to €7.60 per share.

Financials have generally benefited from the rotation to value and a more benign trading environment. Earnings growth is improving, with net interest margins likely to expand with rising interest rates and steepening yield curves. There is also the potential for the credit environment to continue improving – as long as interest rates do not rise too quickly. From a top-down perspective, there also appears to be some traction to economic growth in Europe, Japan and China, regardless of US growth showing signs of plateauing. While the Trump administration's proposals for tax cuts and fiscal spending should help growth and potentially spur loan demand, there is little sign of this so far: there is increasing uncertainty about where these policies are on the agenda and when or even whether they will make it through to actual policy. Rising geopolitical risk is not only an added uncertainty, but it is also a distraction for the administration from its target of putting the US on course to deliver 3% GDP growth. This is key, as financials in other regions are likely to continue to take their lead from US policy.

Performance summary

Cumulative performance	Six months	One year	Five years	Since launch
	30 Sep 16-31 Mar 17 %	31 Mar 16-31 Mar 17 %	31 Mar 12-31 Mar 17 %	28 Dec 01-31 Mar 17 %
Henderson Global Financials Fund	15.4	32.4	84.0	340.2
FTSE World Financials Total Return Index	20.4	40.3	105.2	123.4

Discrete year performance	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 Financials Fund	32.4	(9.1)	11.0	13.1

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

31 March, 30 September

Payment dates

31 May*, 30 November*, 31 January**

* Only applies to A income classes

** All classes except A income

Ongoing charge figure

	31/03/17 %	30/09/16 %
Class A	1.71	1.72
Class I	1.08	1.09
Class A Euro	1.71	1.72
Class A US Dollar	1.71	1.72

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

		Class A accumulation		
	31/03/17 (pence per share)	30/09/16 (pence per share)	30/09/15 (pence per share)	30/09/14 (pence per share)
Change in net assets per share				
Opening net asset value per share	334.42	289.32	294.16	269.14
Return before operating charges*	53.40	50.28	0.43	29.92
Operating charges	(6.30)	(5.18)	(5.27)	(4.90)
Return after operating charges*	47.10	45.10	(4.84)	25.02
Distributions on accumulation shares	-	(2.66)	(2.49)	(2.85)
Retained distributions on accumulation shares	-	2.66	2.49	2.85
Closing net asset value per share	381.52	334.42	289.32	294.16
* after direct transaction costs of:	0.31	0.82	0.16	0.19
Performance				
Return after charges	14.08%	15.59%	(1.65%)	9.30%
Other information				
Closing net asset value (£000s)	41,868	37,866	46,017	56,602
Closing number of shares	10,974,090	11,322,900	15,905,404	19,241,684
Operating charges	1.71%	1.72%	1.71%	1.71%
Direct transaction costs	0.08%	0.27%	0.05%	0.07%
Prices				
Highest share price (pence)	398.50	340.10	330.60	304.50
Lowest share price (pence)	338.00	256.40	276.10	270.00

Past performance is not a guide to future performance

Comparative tables (continued)

	Class I accumulation			
	31/03/17 (pence per share)	30/09/16 (pence per share)	30/09/15 (pence per share)	30/09/14 (pence per share)
Change in net assets per share				
Opening net asset value per share	380.29	326.87	330.21	300.20
Return before operating charges*	59.47	57.14	0.42	33.49
Operating charges	(4.54)	(3.72)	(3.76)	(3.48)
Return after operating charges*	54.93	53.42	(3.34)	30.01
Distributions on accumulation shares	-	(5.00)	(4.17)	(3.72)
Retained distributions on accumulation shares	-	5.00	4.17	3.72
Closing net asset value per share	435.22	380.29	326.87	330.21
* after direct transaction costs of:	0.35	0.93	0.18	0.21
Performance				
Return after charges	14.44%	16.34%	(1.01%)	10.00%
Other information				
Closing net asset value (£000s)	20,478	16,659	8,502	6,509
Closing number of shares	4,705,277	4,380,714	2,600,961	1,971,220
Operating charges	1.08%	1.09%	1.08%	1.08%
Direct transaction costs	0.08%	0.27%	0.05%	0.07%
Prices				
Highest share price (pence)	454.40	386.70	372.40	341.70
Lowest share price (pence)	384.30	290.40	310.00	301.20

Comparative tables (continued)

	Class A Euro accumulation			
	31/03/17 (pence per share)	30/09/16 (pence per share)	30/09/15 (pence per share)	30/09/14 (pence per share)
Change in net assets per share				
Opening net asset value per share	475.57	411.40	418.24	382.60
Return before operating charges*	75.97	71.54	0.50	42.58
Operating charges	(9.00)	(7.37)	(7.34)	(6.94)
Return after operating charges*	66.97	64.17	(6.84)	35.64
Distributions on accumulation shares	-	(3.83)	-	(4.83)
Retained distributions on accumulation shares	-	3.83	-	4.83
Closing net asset value per share	542.54	475.57	411.40	418.24
* after direct transaction costs of:	0.44	1.17	0.22	0.27
Performance				
Return after charges	14.08%	15.60%	(1.64%)	9.32%
Other information				
Closing net asset value (£000s)	168	75	69	589
Closing number of shares	30,892	15,808	16,888	140,760
Operating charges	1.71%	1.72%	1.71%	1.71%
Direct transaction costs	0.08%	0.27%	0.05%	0.07%
Prices				
Highest share price (Euro cents)	655.89	631.12	660.64	546.24
Lowest share price (Euro cents)	547.80	465.88	492.41	458.36

Past performance is not a guide to future performance

Comparative tables (continued)

	Class A US Dollar accumulation			
	31/03/17	30/09/16	30/09/15	30/09/14
	(pence per share)	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share				
Opening net asset value per share	379.84	328.59	334.09	305.70
Return before operating charges*	60.44	57.14	0.50	33.97
Operating charges	(6.99)	(5.89)	(6.00)	(5.58)
Return after operating charges*	53.45	51.25	(5.50)	28.39
Distributions on accumulation shares	-	(3.01)	(2.75)	(3.06)
Retained distributions on accumulation shares	-	3.01	2.75	3.06
Closing net asset value per share	433.29	379.84	328.59	334.09
* after direct transaction costs of:	0.34	0.94	0.18	0.22
Performance				
Return after charges	14.07%	15.60%	(1.65%)	9.29%
Other information				
Closing net asset value (£000s)	91	1,852	1,597	1,734
Closing number of shares	21,037	487,436	485,911	519,106
Operating charges	1.71%	1.72%	1.71%	1.71%
Direct transaction costs	0.08%	0.27%	0.05%	0.07%
Prices				
Highest share price (USD cents)	554.82	535.42	577.81	562.99
Lowest share price (USD cents)	485.80	421.92	488.80	495.12

Comparative tables (continued)

	Class A income			
	31/03/17 (pence per share)	30/09/16 (pence per share)	30/09/15 (pence per share)	30/09/14 (pence per share)
Change in net assets per share				
Opening net asset value per share	60.07	53.16	55.37	51.89
Return before operating charges*	9.58	9.11	0.10	5.77
Operating charges	(1.13)	(0.95)	(0.99)	(0.94)
Return after operating charges*	8.45	8.16	(0.89)	4.83
Distributions on income shares	(0.60)	(1.25)	(1.32)	(1.35)
Closing net asset value per share	67.92	60.07	53.16	55.37
* after direct transaction costs of:	0.05	0.15	0.03	0.04
Performance				
Return after charges	14.07%	15.35%	(1.61%)	9.31%
Other information				
Closing net asset value (£000s)	497	486	555	667
Closing number of shares	731,529	809,290	1,044,466	1,204,576
Operating charges	1.71%	1.72%	1.71%	1.71%
Direct transaction costs	0.08%	0.27%	0.05%	0.07%
Prices				
Highest share price (pence)	71.58	61.90	61.74	58.22
Lowest share price (pence)	60.71	47.12	51.97	52.08

Performance values are at close of business and may differ from 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 31/03/17	%
JP Morgan Chase Bank	4.61
Bank of America	4.40
Berkshire Hathaway 'B'	3.89
State Street	3.81
Goldman Sachs	3.17
ABN AMRO	3.16
Citizens Financial	3.07
AON	2.95
Wells Fargo	2.93
Charles Schwab	2.92

Asset allocation

as at 31/03/17	%
United States	55.04
Canada	4.57
Japan	4.34
Germany	3.76
Netherlands	3.16
Austria	2.77
United Kingdom	2.74
Belgium	2.53
Italy	2.48
Brazil	2.39
Spain	2.29
Indonesia	2.01
India	2.00
Australia	1.60
France	1.50
Peru	1.24
Malaysia	1.09
South Korea	1.01
Poland	0.85
Sweden	0.62
Hong Kong	0.10
Other net assets	1.91
Total net assets	100.00

Major holdings

as at 30/09/16	%
American Tower	4.04
Citizens Financial	3.73
Standard Chartered	3.49
Market Axess	3.40
Fairfax Financial	3.19
First Republic Bank	3.17
AON	3.07
Vonovia	3.05
JP Morgan Chase Bank	3.04
Regency Centres	3.02

Asset allocation

as at 30/09/16	%
United States	49.98
Brazil	8.00
Canada	5.88
Germany	5.42
United Kingdom	4.85
Japan	4.29
Australia	3.68
Austria	2.42
Indonesia	2.12
India	2.00
France	1.35
Peru	1.27
Malaysia	1.26
Russian Federation	1.06
South Korea	0.97
Spain	0.76
Poland	0.68
Sweden	0.59
Belgium	0.50
Hong Kong	0.12
Other net assets	2.80
Total net assets	100.00

Report and accounts

This document is a short report of the Henderson Global Financials Fund for the six months ended 31 March 2017.

Copies of the annual and half yearly long and short form report 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 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

Shareholder 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.

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 Financials 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.