INTERIM SHORT REPORT

Henderson
GLOBAL INVESTORS

For the six months ended
30 April 2015

Henderson US Equity Long/Short Fund

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Short Report

For the six months ended 30 April 2015

Fund Managers

Dan Schiff and Patrick Dunn

Investment objective and policy

The fund aims to generate positive capital returns by investing primarily in a concentrated portfolio (typically 20-50 holdings) of long and short positions that give exposure to securities listed on US stock exchanges. Exposure may be achieved both through direct physical holdings (typically long positions) and through the use of financial derivatives and forward transactions (typically short positions). The fund may also invest in other transferable securities not listed on US stock exchanges, money market instruments, derivatives and forward transactions, cash and near cash.

The fund may also make use of derivatives and forward transactions for the purposes of efficient portfolio management, including the use of hedging techniques and stock lending.

Risk and reward profile

The fund currently has 1 type of share class in issue; Y USD accumulation. The risk and reward profile is as follows:

Typically Lower potential risk/reward — Typically Higher potential risk/reward

Lower Risk — Higher Risk

1	2	3	4	5	6	7

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 lowest category does not mean risk free.

The fund's risk level reflects the following:

- The fund focuses on a single region
- As a category, shares are more volatile than either bonds or money market instruments
- 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. Under normal market conditions the following risks may apply:

Counterparty risk The fund could lose money if an entity with which it interacts becomes unwilling or unable to meet its obligations to the Fund.

Derivatives risk Using derivatives can involve a higher level of risk. A small movement in the price of an underlying investment may result in a disproportionately large movement in the price of the derivative instrument.

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 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.

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

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

Fund Managers' commentary

During the six months to 30 April 2015, US stocks rose in general with the S&P up 3.3%. The period started with the market ticking higher following the historic October correction, before culminating in a precipitous rotation out of energy stocks. This was in response to OPEC's decision to abstain from price cuts and initiate a price war with North American shale-based oil and gas producers. The market then rallied and edged higher through to year end, before suffering a rocky start to 2015, with the major US indices all down around 3% in January. The principal driver was disappointing earnings from several bellwethers including Caterpillar, Chevron, Citigroup, JP Morgan and Proctor & Gamble. Generally speaking the shortfalls came from the collapse in energy markets, lower-than-expected interest rates and a rising dollar.

In the second half of the period, the market moved back into positive territory. In spite of a chequered earnings season tainted by a rising US dollar and continued distress in energy markets, investors embraced the still accommodative Federal Reserve, and in particular stronger language that the timing and pace of tightening will be measured and sensitive to real-time economic data. March and April saw the market experience resurgent volatility as investors struggled to digest continued improvement in US economic data, particularly in the labour market. The first decline in the dollar after a relentless 15% rise since last autumn presented some relief for energy, materials, telecommunications and technology stocks.

The fund returned 2.4% during the six months to 30 April 2015.

On the long side of the book, the largest positive contributor to performance was Axalta, a leading automotive coatings company, which added 1.7% to performance (gross). We have recognised several 'ways-to-win' in the name, including earnings beats and debt paydown, alongside corresponding equity expansion and raw materials relief. Furthermore, the company has the highest margins and fastest growth profile among its peers, with the cheapest valuation because of their leverage. We also observed a call option in the form of the company getting acquired by one of its larger brethren, all of whom trade at higher valuations in spite of slower cash flow growth and lower margins. During April the stock spiked by 14% after Warren Buffet disclosed that he purchased 10% of the common shares from the company's financial sponsor, The Carlyle Group, with no preferential terms.

Another satisfying positive contributor was Activision Blizzard, the gaming company we have held since the inception of the fund, which added 0.8% to the fund (gross). Although the company's 2015 guidance came in below expectations, principally due to currency pressures, their allusions to new introductions in 2016 and 2017 and resultant higher earnings drove a 25% spike in the stock. We also realised healthly returns in our long book in Lululemon Athletica, Berry Plastics Group, and E*TRADE Financial.

On the short side of the book, a theme emerged where we made money and generated alpha with a diversified metals and mining corporation, an oil and gas offshore driller, an oilfield services company and a chemical producer.

The greatest setbacks in our long book came from two semiconductor manufacturers, Micron Technology and SanDisk, where we overstayed our welcome following good returns in 2014. In the former, a combination of slower-than-expected bit (volume) growth and weakness in PC DRAM pricing reduced the company's chances of meeting analyst expectations in the first quarter. More importantly, the weakening fundamentals pointed to lower forecasts for Q2 as well. The result was a 15% correction in the stock even before the company could report earnings and guidance.

SanDisk had begun the year with a big miss and lower guidance. From our perspective it appeared as though analysts had reduced forecasts enough such that numbers were in fact beatable. In March some production issues unique to SanDisk as well as still weak pricing led the company to preannounce disappointing numbers for the second time in 90 days, destroying management's credibility, particularly after touting an improving outlook in previous weeks at conferences. The result was an 18% correction in the stock. With hindsight, in both instances we made the mistake of overlooking disappointing near-term fundamentals given our attraction to a longer-dated thesis of our typical 12 to 18 month investment horizon.

Our investment philosophy is focused on bottom-up due diligence toward a select few names that have the potential to unlock value. At the same time, we typically manage our net exposure in a conservative 30% to 65% range. Though the strategy lagged in 2014, we have a record of compounding returns in an uncorrelated fashion, while at the same time outperforming the industry.

Fund Managers' commentary (continued)

Although we strive to deliver a more significant return on capital every quarter, we believe we have constructed a portfolio set up for good performance in 2015 thanks to our attention to sourcing positions with multiple clearly identified near-term catalysts. We are also excited about the differentiated nature of our internally generated short ideas, which not only enable us to increase our alpha generation in healthy markets but also furnish capital protection in higher volatility environments. In spite of recent historic volatility in the market and strength in equities over the past two years, our bottom-up orientation leads us to maintain our net long positioning.

This stance is supported by historically clean corporate and consumer balance sheets that should ultimately lead to increased spending and earnings growth, as well as mergers and acquisitions and shareholder compensation activity; all of which are constructive for equities. In addition, the still-accommodative Federal Reserve has been clear that the timing and pace of tightening will be subject to continued economic improvement, particularly in labour markets. From a sentiment standpoint, institutional investors ended the quarter defensively positioned in the US, which historically has been a leading contrarian indicator for market strength.

Performance summary

	Six months 31 Oct 14 - 30 Apr 15 %	One year 30 Apr 14 - 30 Apr 15 %	Since launch 4 Dec 13† - 30 Apr 15 %
Henderson US Equity Long/Short Fund*	2.4	0.1	1.1
3M Libor	0.1	0.2	0.3

Source: Henderson Global Investors & Russell/Mellon CAPS
* Fund returns calculated using close of business prices on a net asset value basis in USD, on class Y USD accumulation.

Please remember that past performance is not a guide to future performance. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

Summary of fund performance

Share class	Net asset value* 30/04/15 USD cents	Net asset value* 30/10/14 USD cents	Net asset value % change
Class Y USD accumulation	10,111.99	9,872.49	2.43

* 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.

Fund facts

Accounting dates	Payment dates
30 April, 31 October	30 June, 31 December

Ongoing charge figure

	OCF* 30/04/15 %	Performance fee 30/04/15 %	OCF* 30/10/14 %	Performance fee† 30/10/14 %
Class Y	1.95	1.21	1.98	0.08

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.

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

* The OCF excludes performance fees

† Launched 4 December 2013

Performance record

Calendar year	Net revenue (USD cents per share)	Highest price (USD cents per share)	Lowest price (USD cents per share)
Class Y USD accumulation			
2013 ~	-	10,070	9,930
2014	-	10,300	9,264
2015	-*	10,490+	10,112+

+ to 30 April
* to 30 June
~ Fund launched 4 December 2013

Past performance is not a guide to future performance.

Major holdings

as at 30/04/15	%
Axalta Coating Systems	7.16
Deutsche Global Liquidity Platinum Managed	6.92
Zayo	5.94
Transdigm	5.25
Activision Blizzard	5.14
Hanesbrands	5.10
American Tower	5.01
Tableau Software	4.53
CF Industries	4.32
United Rentals	4.26

Major holdings

as at 31/10/14	%
Activision Blizzard	6.93
Block (H & R)	6.82
Transdigm	6.55
American International	6.52
Monsanto	5.53
Berry Plastics	5.04
Hess	4.91
SanDisk	4.81
Lululemon Athletica	4.77
Microsoft	4.71

Asset allocation

as at 30/04/15	%
Financials	16.80
Consumer Goods	14.26
Industrials	12.61
Basic Materials	11.48
Telecommunications	5.94
Oil & Gas	5.48
Technology	4.53
Consumer Services	3.40
Collective Investment Schemes	6.92
Derivatives	0.28
Other net assets	18.30
Total net assets	**100.00**

Asset allocation

as at 31/10/14	%
Consumer Goods	17.23
Industrials	14.54
Technology	13.74
Financials	10.58
Consumer Services	10.34
Oil & Gas	4.91
Basic Materials	4.64
Utilities	3.81
Derivatives	(0.40)
Other net assets	20.61
Total net assets	**100.00**

Report and accounts

This document is a short report of the Henderson US Equity Long/Short Fund for the six months ended 30 April 2015.

Copies of the annual and half year;y long reports 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.

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.

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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 April 2015. 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 US Equity Long/Short Fund 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
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Unless otherwise stated, all data is sourced by Henderson Global Investors.

H016265/0515