



ANNUAL SHORT REPORT

For the year ended
30 June 2017

Janus Henderson
— INVESTORS —

Henderson Multi-Manager Global Select Fund

Henderson Multi-Manager Global Select Fund

Short Report

For the year ended 30 June 2017

Investment Fund Manager

Henderson Multi-Asset Team

Investment objective and policy

To achieve capital growth.

The fund will invest worldwide in a combination of Collective Investment Schemes (including Exchange Traded Funds) and investment trust shares and other closed-ended vehicles. The fund may also invest in money-market instruments, cash and near cash and deposits.

Risk and reward profile

The fund currently has 2 types of unit class in issue; Accumulation and Class I accumulation. The risk and reward profile of these share classes 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 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.

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.

Collective investment scheme risk The fund may invest in other types of collective investment schemes which can involve different risks to investing directly in the underlying assets. Such schemes may increase risk due to investment in risky assets such as property or commodities, restrictions on withdrawals, less strict regulation and use of derivatives. The value of your investment may fall as a result.

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.

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.

Investment review

Global equity markets rose strongly during the year under review, with the MSCI World Index up +32.0%, despite a number of significant changes brought on by political events around the world.

In the UK, the FTSE All-Share Index rose by +18.1%. When the European Union (EU) referendum (commonly referred to as the Brexit vote) result was announced, UK equities dipped sharply, but the decline was short-lived. The true victim of the Brexit upheaval was the UK currency: sterling plummeted and remained weak against both the US dollar and the euro. The Bank of England (BoE) moved to ease both the economy and investors' minds, and in August, cut the benchmark interest rate to 0.25%. Economic data was mixed, with gross domestic product (GDP) growth slipping from 0.7% in the fourth quarter of 2016 to 0.2% in the first three months of 2017, but inflation moved steadily higher (reaching 2.7% by period-end). In the final days of March, the government triggered Article 50, marking the official commencement of Brexit. In April, Prime Minister May announced a snap general election, which took place on 8 June. Theresa May returned as Prime Minister but only with the support of the Democratic Unionist Party, which contributed to an uncertain outlook amid the ongoing Brexit negotiations.

European equities moved higher during the 12 months (FTSE World Europe ex UK +28.7% in sterling). Italy voted 'no' to Prime Minister Renzi's calls for constitutional reforms, paving the way for a more euro-sceptic party to rise to power, but more euro- and eurozone-friendly results in other countries comforted markets. Still, given the uncertainty, the European Central Bank (ECB) extended the end date of its bond-buying programme to December 2017 (albeit at a lower monthly purchase rate of €60bn). However, Europe recorded some generally positive economic data over the 12 months: unemployment decreased steadily, and inflation gathered pace at the turn of the year. In March, the eurozone beat expectations to record an all-time high trade surplus of €30.9bn. The region ended the 12 months on a high note, when the election of Emmanuel Macron as French president lifted investor sentiment and sent the euro higher.

US equities were also strong over the year, with the S&P 500 Index rising +21.3% in sterling terms. By the third quarter, GDP growth had reached 3.5%. November's presidential-election result in favour of Donald Trump pushed the stock market higher. Equity markets were supported by the pro-growth rhetoric of the new administration. Inflation increased, and both economic data and the US dollar were markedly strong in the winter months. As such, the Fed Reserve saw fit to raise interest rates by 25 basis points at both its December and March meetings, and maintained its guidance for three rate hikes in 2017. However, data

began to slump somewhat as 2017 wore on: the dollar lost ground against its developed-market counterparts, annualised inflation for April slipped and missed expectations, and the first-quarter GDP growth rate was the slowest seen in a year.

Japanese equities, as measured by the TOPIX Index, rose by +24.2% in sterling. The Bank of Japan (BoJ) extended its stimulus package, and a sharper focus on maintaining the 10-year government bond yield at zero was initiated in September. Inflation levels and the strength of the yen were much in focus during a largely healthy twelve months for Japanese equities. In April, the BoJ raised its 2017 growth forecast, and the International Monetary Fund followed suit, upwardly revising its estimate for 2017 GDP expansion to 1.2%. Asian equity markets advanced strongly over the 12 months (MSCI AC Asia Pacific ex Japan +44.8% in sterling). Emerging Market equities also rose over the period, buoyed by a strong US dollar and political uncertainty in the UK and Europe that sent investors searching for opportunity in other regions.

Within fixed income, core government bonds found favour with cautious investors following the UK's decision to leave the EU. The IA Global Bond sector gained +5.3%. Gilt yields slid following the Brexit vote, and yields on some short-dated gilts briefly turned negative in August upon the announcement of the BoE's stimulus package, which included the purchase of £10bn worth of corporate bonds. Ten-year US Treasury yields moved notably higher following the election of Donald Trump as investors grew more confident about riskier equity investments. Elsewhere, corporate debt started 2017 with record-high issuance in the first days of the year. The asset class benefited from inclusion in both the BoE's and ECB's bond-buying programmes.

The fund returned +25.2% over the year, outperforming the IMA Global sector, which returned +23.5%.

Positive absolute performance was delivered across a broad and diversified range of investments throughout the portfolio. Within equities, the strongest contributions over the year were received from underlying positions in the MAN GLG Japan Core Alpha Fund (up 42.1%), the Invesco Perpetual European Equity Income Fund (up 34.9%), the Hermes Asia ex Japan Equity Fund (up +37.4%) and the Henderson Global Growth Fund (up 32.2%). Asset allocation tilts also contributed positively to absolute and relative performance. The fund's underweight exposure to US equities on sentiment and valuation grounds provided opportunities to allocate to more compelling regions that delivered stronger returns,

areas such as Emerging Markets and Asian Equities. Alongside the exposure to equity markets, the contribution from Private Equity Trusts was very constructive, as returns continued to be realised and discounts narrowed. The Pantheon International Trust was up +40.9% and the Riverstone Energy Trust was up +40.2%.

In terms of key changes to the overall asset allocation of the portfolio and trading activity over the course of the full year, the main change was the allocation from cash into equities. The portfolio entered the year with a modest underweight to equities, which was closed by directing capital into European, Asian and US equities. Within the Private Equity holdings, there was no change in the aggregate weight. However EIH PLC was trimmed, while Pantheon International and Riverstone Energy saw their positions within the portfolio grow as their respective strategies offered more compelling upside. A new position was opened in commodities to provide some diversification given

the strength of the returns from a range of asset classes and some apparently stretched valuations. The ETFS Physical Gold ETF was added for its differentiated return characteristics and hedging potential for both surprise deflationary and inflationary environments.

Looking forwards, we continue to be more positive than many on the outlook for the US economy, which we believe is experiencing a temporary soft patch. Elsewhere, we maintain our view that the economic cycle is advancing across developed economies and that we are likely to continue to see a retreat from extraordinary monetary policy as a result. In this environment we continue to prefer risk assets, with equities our ultimate preference. However, we are cautioned by the mid-cycle dampening of volatility, which may begin to prompt complacency in some asset classes. Credit is the area that we feel most concerned about, as spreads continue to challenge all-time highs.

Performance summary

	30 Jun 16- 30 Jun 17 %	30 Jun 15- 30 Jun 16 %	30 Jun 14- 30 Jun 15 %	30 Jun 13- 30 Jun 14 %	30 Jun 12- 30 Jun 13 %
Henderson Multi-Manager Global Select Fund	25.2	1.1	(1.5)	16.4	15.7
IA Global Sector	23.5	7.4	8.0	8.9	21.6

Source: Morningstar - bid to bid, net of fees, as at 12 noon valuation point, GBP, based on Accumulation units.

From 29 September 2014 the funds benchmark changed from IMA flexible Investment sector to IA Global Sector in line with the new strategy

Benchmark values are 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 December, 30 June

Payment dates

31 August

Ongoing charge figure

	2017 %	2016 %
Accumulation units	1.95	1.86
Class I accumulation	1.22	1.13

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 0.50% (2016: 0.40%) to incorporate the OCF of underlying funds.

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

Comparative tables for the year ended 30 June 2017

	Accumulation units		
	2017 (pence per unit)	2016 (pence per unit)	2015 (pence per unit)
Change in net assets per unit			
Opening net asset value per unit	186.59	181.69	181.85
Return before operating charges*	48.00	8.19	2.94
Operating charges	(4.21)	(3.29)	(3.10)
Return after operating charges*	43.79	4.90	(0.16)
Distributions on accumulation units	(0.73)	(0.02)	-
Retained distributions on accumulation units	0.73	0.02	-
Closing net asset value per unit	230.38	186.59	181.69
* after direct transaction costs of:	0.05	0.03	0.48
Performance			
Return after charges	23.47%	2.70%	(0.09%)
Other information			
Closing net asset value (£000s)	52,809	47,397	60,813
Closing number of units	22,922,435	25,400,300	33,470,730
Operating charges	1.95%	1.86%	1.70%
Direct transaction costs	0.02%	0.02%	0.26%
Prices			
Highest unit price (pence)	236.50	188.00	195.97
Lowest unit price (pence)	188.80	161.70	170.71

Comparative tables (continued)

	Class I accumulation		
	2017 (pence per unit)	2016 (pence per unit)	2015 (pence per unit)
Change in net assets per unit			
Opening net asset value per unit	130.44	126.08	125.27
Return before operating charges*	33.70	5.75	2.04
Operating charges	(1.85)	(1.39)	(1.23)
Return after operating charges*	31.85	4.36	0.81
Distributions on accumulation units	(1.72)	(0.66)	(0.47)
Retained distributions on accumulation units	1.72	0.66	0.47
Closing net asset value per unit	162.29	130.44	126.08
* after direct transaction costs of:	0.03	0.02	0.33
Performance			
Return after charges	24.42%	3.46%	0.65%
Other information			
Closing net asset value (£000s)	12,906	11,722	4,839
Closing number of units	7,952,354	8,988,605	3,838,088
Operating charges	1.22%	1.13%	0.97%
Direct transaction costs	0.02%	0.02%	0.26%
Prices			
Highest unit price (pence)	166.60	130.50	135.50
Lowest unit price (pence)	132.10	112.80	117.40

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 unit class.

Unit class launches and closures

There were no unit classes launched or closed in the year.

Past performance is not a guide to future performance.

Major holdings

as at 2017	%
Findlay Park American Fund	8.45
Vanguard S&P 500 ETF	6.73
Henderson European Growth Fund I Accumulation+	5.91
BlackRock European Dynamic Fund A Accumulation	5.64
Fidelity American Special Situations	5.36
LeggMason ClearBridge US Aggressive Growth Fund	3.86
Montanaro European Smaller Companies Trust	3.78
Invesco Perpetual European Equity Income	3.34
Baillie Gifford Japan Investment Trust	3.33
MAN GLG Japan Core Alpha	3.21

+ Related party to the Fund

Asset allocation

as at 2017	%
North America Equity	25.36
Europe ex UK Equity	21.20
Asia Ex Japan Equity	10.23
UK Equity	10.05
Japan Equity	9.12
Private Equity	8.55
Global Emerging Market Equity	7.28
Specialist Equity	3.00
Global Equity	2.28
High Yield Bonds	1.45
Commodities	1.43
Property	0.06
Alternatives	-
Derivatives	0.09
Other net liabilities	(0.10)
Total net assets	100.00

Major holdings

as at 2016	%
Findlay Park American Fund	8.67
Vanguard S&P 500 ETF	8.07
Henderson European Growth Fund I Accumulation +	6.10
BlackRock European Dynamic Fund A Accumulation	5.89
Stewart Investors Asia Pacific Leaders Fund	5.63
Baillie Gifford Japan Investment Trust	3.94
Majedie UK Equity Fund	3.79
Genesis Emerging Markets Fund	3.65
Polar Capital Global Insurance Fund	3.38
Old Mutual UK Alpha Fund Accumulation	3.12

Asset allocation

as at 2016	%
North America Equity	19.90
Europe ex UK Equity	17.88
UK Equity	11.52
Asia Ex Japan Equity	9.92
Japan Equity	9.48
Private Equity	8.68
Global Emerging Market Equity	7.71
Global Equity	5.34
Specialist Equity	3.38
Property	0.12
Derivatives	0.45
Other net assets	5.62
Total net assets	100.00

Report and accounts

This document is a short report of the Henderson Multi-Manager Global Select Fund for the year ended 30 June 2017.

Copies of the annual and half yearly long form reports 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

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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National Westminster Bank Plc
135 Bishopsgate
London EC2M 3UR

Auditor

PricewaterhouseCoopers LLP
141 Bothwell Street
Glasgow
G2 7EQ

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 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 Multi-Manager Global Select Fund at any time by logging on to www.janushenderson.com. Select 'Personal Investor' and then access 'Valuations' from the Tools Menu. Simply select the fund you hold and enter the appropriate number of units.

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.