



ANNUAL SHORT REPORT

For the year ended
30 June 2017

Janus Henderson
— INVESTORS —

Henderson Institutional Long Dated Credit Fund

Henderson Institutional Long Dated Credit Fund

Short Report

For the year ended 30 June 2017

Investment Fund Manager

Philip Payne

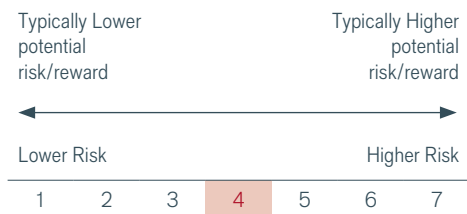
Investment objective and policy

To provide a return by investing primarily in long dated sterling denominated investment grade corporate bonds. In line with the scheme's benchmark index the term corporate bond will include debt instruments issued by any entity other than a Government or local authority. The fund may also invest in other transferable securities, money market instruments, derivatives and forward transactions, deposits and units in collective investment schemes.

Risk and reward profile

The fund currently has 7 types of share class in issue; A income, I accumulation, I income, A income gross, I accumulation gross, I income gross and Z accumulation gross.

Each share class has the same risk and reward profile which is as follows:



The Synthetic Risk and Reward Indicator (SRRRI) 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 SRRRI level. The SRRRI 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 classes appear at 4 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.

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.

Credit risk The value of a bond or money market security may fall if the financial health of the issuer weakens, or the market believes it may weaken. This risk is greater the lower the credit quality of the bond.

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.

Hedging risk Measures designed to reduce the impact of certain risks may not be available or may be ineffective.

Interest rate risk When interest rates rise (or fall), the prices of different securities will be affected differently. In particular, bond values generally fall when interest rates rise. This risk is generally greater the longer the maturity of a bond investment.

Leverage risk Leverage arises from entering into contracts or derivatives whose terms have the effect of magnifying an outcome, meaning profits and losses from investment can be greater.

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 Factors" section of the fund's prospectus.

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

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

Investment review

Sterling corporate bonds saw good returns over the year ending 30 June 2017. The return on the iBoxx Sterling 15+ Non-Gilt index was 7.25%, while credit spreads (the extra yield over an equivalent government security) for the same index declined by 43 basis points to end the year at 113 basis points. The biggest market driver was the Bank of England's (BoE's) response to the referendum on the UK's membership of the European Union (EU), which included a 25 basis point cut in interest rates and £60bn of asset purchases, including £10bn of sterling corporate bonds under the Corporate Bond Purchase Scheme (CBPS). This initially benefited non-financial issuers, particularly utilities, which have accounted for close to a third of the corporate bonds purchased in the CBPS. But over the year, financials saw the best returns, particularly the insurance sector. The financials sector benefited from stronger global growth; a rise in government bond yields from the lows seen in the summer of 2016 (prices move inversely to yields), which also negatively impacted the total returns of corporate bonds; and increased optimism that the policies of US president Donald Trump will drive stronger economic growth and reduce the regulatory burden (although early signs suggest these reforms may be harder than expected to implement).

In the UK, the government's decision to call a snap general election, and the subsequent minority Conservative government, increased the level of political uncertainty, especially in the wake of Article 50 being triggered (which marked the beginning of the UK's EU exit negotiations). While corporate bond markets remained resilient in the final few months of the year, growth in the UK has slowed as uncertainty has risen. Over the year, monetary policy remained accommodative, particularly in the UK and eurozone, where new stimulus policies have been implemented. But, following a 12-month pause, the US raised interest rates three times (by a total of 75 basis points) and began discussing balance sheet

normalisation. The review year ended with raised expectations for tighter monetary policy around the world as central banks' concerns regarding deflationary forces eased. This sent government bond yields sharply higher in late June.

Corporate issuance rose sharply over the year, to its highest levels in the UK since 2009, reflecting the policy actions of the BoE and attractive funding conditions for issuers. Appetite for new issuance has remained strong, benefiting from inflows into the asset class over the year and the attractive valuations compared with US and European corporate bond markets.

The largest sector contributor to the fund's performance over the year came from financials. Within financials, the strongest contributor was Aviva, which benefited from attractive valuations and strong and improving corporate fundamentals. HSBC was also a large contributor to performance, benefiting from the improved global economic outlook and the potential for many of its outstanding sterling bonds, which are issued from its operating company, to be repurchased early due to regulatory requirements. Other key contributors to performance included holdings in Lloyds Bank, which were increased, and French Bank BPCE, a position that was exited.

The most significant contributor to performance was a holding in Tesco, which benefited from the outperformance of lower rated issuers over the year, along with improved trading for UK supermarkets, positive earnings updates and improved sales. Positions in Time Warner Cable and roadside assistance group RAC also contributed, as appetite for higher yielding issuers remained strong.

The position in German utility Innogy (previously RWE) also performed well. The company benefited from a corporate restructuring that has distanced bondholders from nuclear liabilities, positive ratings action and a ruling by the German Federal Constitutional Court that utilities are entitled to compensation, following the shutdown of nuclear plants in 2011. A holding in rival German utility E.ON also performed well and was subsequently reduced following strong performance. Elsewhere in utilities, the fund's holdings in UK utilities such as Western Power, Northern Gas Networks and National Grid all benefited from the BoE's asset purchase programme. A number of these positions were reduced due to their less attractive valuations, while National Grid repurchased some of its outstanding debt prior to the company selling off a majority stake

in its gas networks business, now known as Cadent Finance, in which the fund established a new position. An existing position in French utility EDF was also increased following its underperformance of the broader sector, positive news flow in relation to its nuclear activities and the appointment of a pro-business government following the election of Emmanuel Macron as the new French president.

The position in US telecommunications company Verizon was reduced and replaced by an increased holding in AT&T, as new issuance in relation to its acquisition of Time Warner provided an attractive entry point. The fund also increased an existing holding in Heathrow Airport after its bonds underperformed the broader sterling market following their exclusion from the BoE's

CBPS due to the structure of the issuing entity. The underlying business continues to perform very well and is attractively priced compared with other infrastructure-related issuers. The fund also established new positions in Vodafone and Anheuser-Busch InBev through new issues.

The environment for corporate bonds is becoming increasingly challenged as the strong performance over recent months reduces the appeal of valuations and the recent shift in central bank rhetoric increases the probability of tighter monetary policy in the months ahead. Pockets of value still remain, and the mixed economic outlook combined with less accommodative monetary policy should increase the level of dispersion in credit markets, presenting new opportunities.

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 Institutional Long Dated Credit Fund	7.6	12.4	6.9	7.4	2.8
iBoxx GBP Non-Gilt +15 Years Index	7.3	15.4	8.9	9.3	4.4

Source: Morningstar, bid to bid and net of fees, as at 12 noon valuation point, based on performance of Class A income. 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 December, 30 June

Payment dates

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

Ongoing charge figure

	2017 %	2016 %
Class A	1.05 ¹	1.16
Class I	0.54	0.54
Class Z	0.03	0.04

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).

¹The annual management charge on class A reduced from 1% to 0.75% on 1 February 2017.

Comparative tables for the year ended 30 June 2017

	Class A income			Class I income		
	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in net assets per share						
Opening net asset value per share	188.40	170.41	163.18	193.22	174.75	166.62
Return before operating charges*	15.04	24.26	13.66	15.28	24.65	14.30
Operating charges	(2.10)	(2.02)	(2.05)	(1.11)	(0.97)	(0.99)
Return after operating charges*	12.94	22.24	11.61	14.17	23.68	13.31
Distributions on income shares	(4.41)	(4.25)	(4.38)	(5.45)	(5.21)	(5.18)
Closing net asset value per share	196.93	188.40	170.41	201.94	193.22	174.75
* after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after charges	6.87%	13.05%	7.11%	7.33%	13.55%	7.99%
Other information						
Closing net asset value (£000s)	6,296	4,462	8,709	44,517	21,977	6,967
Closing number of shares	3,196,884	2,368,342	5,110,254	22,044,059	11,374,032	3,986,861
Operating charges	1.05%	1.16%	1.16%	0.54%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price (pence)	217.40	189.20	195.30	223.10	194.20	199.80
Lowest share price (pence)	187.70	168.40	163.10	192.70	172.80	166.50

Comparative tables (continued)

	Class I accumulation		
	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in net assets per share			
Opening net asset value per share	347.03	304.99	280.43
Return before operating charges*	28.55	46.04	28.52
Operating charges	(2.02)	(1.70)	(1.74)
Return after operating charges*	26.53	44.34	26.78
Distributions on accumulation shares	(10.99)	(11.49)	(11.10)
Retained distributions on accumulation shares [^]	9.88	9.19	8.88
Closing net asset value per share	372.45	347.03	304.99
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	7.64%	14.54%	9.55%
Other information			
Closing net asset value (£000s)	1,980	1,053	984
Closing number of shares	531,722	303,305	322,646
Operating charges	0.54%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	400.70	346.60	343.90
Lowest share price (pence)	348.00	302.40	282.50

[^] Retained distributions prior to 6 April 2017 are net of 20% income tax.

Comparative tables (continued)

	Class A income gross			Class I income gross		
	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in net assets per share						
Opening net asset value per share	189.96	171.71	164.43	188.96	170.79	165.11
Return before operating charges*	15.72	25.71	14.88	15.64	25.58	13.27
Operating charges	(2.11)	(2.05)	(2.06)	(1.08)	(0.95)	(0.98)
Return after operating charges*	13.61	23.66	12.82	14.56	24.63	12.29
Distributions on income shares	(4.95)	(5.41)	(5.54)	(5.95)	(6.46)	(6.61)
Closing net asset value per share	198.62	189.96	171.71	197.57	188.96	170.79
* after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after charges	7.16%	13.78%	7.80%	7.71%	14.42%	7.44%
Other information						
Closing net asset value (£000s)	78	74	65	146,282	158,260	177,925
Closing number of shares	39,093	38,811	37,660	74,039,951	83,751,398	104,180,014
Operating charges	1.05%	1.16%	1.16%	0.54%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price (pence)	219.60	191.00	197.00	218.50	190.30	196.00
Lowest share price (pence)	189.50	169.80	164.30	188.70	169.00	163.40

Comparative tables (continued)

	Class I accumulation gross			Class Z accumulation gross		
	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in net assets per share						
Opening net asset value per share	384.52	335.12	309.04	214.84	186.30	171.01
Return before operating charges*	31.81	51.28	27.92	17.78	28.62	15.35
Operating charges	(2.22)	(1.88)	(1.84)	(0.07)	(0.08)	(0.06)
Return after operating charges*	29.59	49.40	26.08	17.71	28.54	15.29
Distributions on accumulation shares	(12.25)	(12.86)	(12.68)	(8.03)	(8.17)	(7.99)
Retained distributions on accumulation shares	12.25	12.86	12.68	8.03	8.17	7.99
Closing net asset value per share	414.11	384.52	335.12	232.55	214.84	186.30
* after direct transaction costs of:	-	-	-	-	-	-

Performance

Return after charges	7.70%	14.74%	8.44%	8.24%	15.32%	8.94%
----------------------	-------	--------	-------	-------	--------	-------

Other information

Closing net asset value (£000s)	273,249	307,244	566,965	2	2	2
Closing number of shares	65,985,256	79,903,014	169,181,691	1,000	1,000	1,000
Operating charges	0.54%	0.54%	0.54%	0.03%	0.04%	0.03%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	444.70	384.00	377.80	248.70	214.60	209.70
Lowest share price (pence)	386.70	332.30	309.00	216.60	184.80	171.00

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.

Share class launches and closures

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

Past performance is not a guide to future performance

Major holdings

as at 2017	%
Network Rail Infrastructure Finance 4.75% 29/11/2035	1.95
Électricité de France 5.50% 17/10/2041	1.77
Lloyds Bank 6.50% 17/09/2040	1.74
Wal-Mart Stores 5.625% 27/03/2034	1.71
innogy Finance 6.125% 06/07/2039	1.58
Enel Finance International 5.75% 14/09/2040	1.46
Wal-Mart Stores 4.875% 19/01/2039	1.43
Aviva 6.875% 20/05/2058	1.39
AT&T 4.875% 01/06/2044	1.38
Électricité de France 6.00% 23/01/2114	1.37

Asset allocation

as at 2017	%
United Kingdom	55.43
United States	18.07
France	9.18
Germany	5.91
Supranational	3.98
Italy	2.25
Belgium	1.30
Sweden	1.18
Australia	0.63
Mexico	0.54
Netherlands	0.38
Switzerland	0.19
Cayman Islands	0.15
Derivatives	0.01
Other net assets	0.80
Total net assets	100.00

Major holdings

as at 2016	%
European Investment Bank 5.625% 07/06/2032	1.83
GlaxoSmithKline Capital 5.25% 10/04/2042	1.57
Heathrow Funding 6.45% 10/12/2031	1.33
UK Treasury 3.75% 07/09/2044	1.33
Électricité de France 6% 23/01/2114	1.31
Wal-Mart Stores 4.875% 19/01/2039	1.22
UK Treasury 4.75% 07/12/2038	1.21
Wal-Mart Stores 5.625% 27/03/2034	1.17
Lloyds Bank 6.5% 17/09/2040	1.15
Enel Finance International 5.75% 14/09/2040	1.10

Asset allocation

as at 2016	%
United Kingdom	56.76
United States	15.83
France	9.13
Germany	6.53
Supranational	5.29
Italy	1.52
Mexico	1.16
Australia	0.72
Denmark	0.64
Sweden	0.36
Japan	0.35
Netherlands	0.23
Switzerland	0.18
Derivatives	(0.07)
Other net assets	1.37
Total net assets	100.00

Report and accounts

This document is a short report of the Henderson Institutional Long Dated Credit 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

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 Institutional Long Dated Credit 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 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.