



ANNUAL SHORT REPORT

For the year ended
31 January 2017

Henderson
GLOBAL INVESTORS

Henderson Multi-Manager Managed Fund

Henderson Multi-Manager Managed Fund

Short Report

For the year ended 31 January 2017

Investment Fund Manager

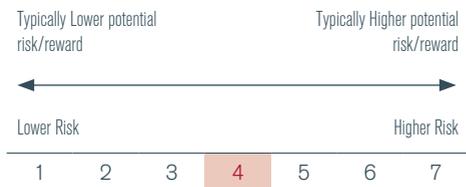
Henderson Multi-Asset Team

Investment objective and policy

To achieve capital growth through exposure to UK and overseas equities and fixed interest securities. The fund may invest in collective investment schemes, exchange traded funds, unregulated collective investment schemes (which include limited partnerships), money-market instruments and deposits. Investment will not be confined to any particular sector.

Risk and reward profile

The fund currently has 6 types of share: A income, A accumulation, B accumulation, B income, Y accumulation and I accumulation. The risk and reward profile of each type of share 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 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 which could amplify everyday risk and trigger other risks such as:

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.

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 year.

Investment review

The fund returned 18.6% over the year under review, outperforming the IA Mixed Investment 40-85% Shares sector average by 0.3%. Longer-term performance is also robust, with the fund outperforming its peer group over all periods in the last five years.

With the global macro economy gathering significant momentum over the year, it is unsurprising that the fund's growth assets contributed most plentifully to investment returns. The best performing regional asset classes within the equity portfolio were the UK and North America, with key contributions from the holdings in the Majedie UK Equity Fund and the Findlay Park American Fund, which delivered returns of 30% and over 35%, respectively, in absolute terms.

Meanwhile, strong returns were received throughout the portfolio, with the Henderson European Growth Fund up 26.5%, the Hermes Asia ex Japan Equity Fund up 39.5% and the Man GLG Japan CoreAlpha Fund up 45.1%. Furthermore, the position in ETFs Physical Gold increased by 22.5%.

Elsewhere, the Henderson UK Property PAIF was down -4.0% over the period. The fund had suffered over the first half of 2016, as it (along with the majority of funds in the sector) saw pricing changes after the UK's decision to leave the EU (Brexit), but then recovered some ground during the second half of the year under review. We began reducing the fund's exposure to commercial property back in 2015 and continued to do so during the first half of 2016 ahead of the Brexit referendum and before pricing changes. Exposure now resides at around 1.6% of the fund, a level we are comfortable with as we believe the characteristics of the asset class and level of income remain attractive within a multi-asset portfolio.

Early in the period, a new UK equity holding in the Jupiter UK Special Situations Fund was added to the portfolio, funded by reducing positions in the Artemis Income Fund and the JO Hambro UK Opportunities Fund. In early March, we also added a new holding in the Invesco Perpetual European Equity Income Fund, which was funded by adjusting the composition of existing European ex UK equity fund holdings.

During the second quarter of 2016, we fully redeemed the holding in the Kames High Yield Bond Fund following an announcement regarding a change to the portfolio manager. Allocations to cyclical regions, including Europe and Japan, were reduced by selling Eurostoxx 50 and by scaling back the holding in the Man GLG Japan CoreAlpha Fund.

In addition, cash in the portfolio was raised towards the end of the quarter as the Brexit referendum result gave rise to wider concerns about risk assets and future economic activity in the UK and Europe. Elsewhere, a new position was initiated in the Henderson Gartmore Emerging Markets Fund – this trade was driven by the improving relative macroeconomic momentum in emerging markets generally, as illustrated by the resilience of GDP and earnings growth forecasts versus their developed peers.

In the third quarter of 2016, we took profits by reducing our position in ETFs Physical Gold after some significant price appreciation over the course of the year to date. With market correlations increasing, we looked for ways to add further diversification to the portfolio and, as such, initiated a position in the Montlake Dunn WMA UCITS Fund, which is a systematic strategy that invests across many liquid asset classes and makes money from identifying trends within markets. Meanwhile, within fixed income, we initiated a new position in CBOT 10-year US Treasury Note futures.

The key changes to the portfolio over the remaining part of the year were broadly concerned with moving away from an environment of ever-greater monetary stimulus and global deflation towards a more reflationary macroeconomic regime. Within the North American equity portfolio, we topped up the Legg Mason Clearbridge US Aggressive Growth Fund, and within Japanese equities we closed out the short futures position in the OSE Nikkei 225 index. Elsewhere, we took a more cyclical stance in our European equity allocation by increasing the weighting in the Invesco Perpetual European Equity Income Fund, which has a greater value style bias.

Our outlook remains optimistic, with a broad reflationary tilt to our portfolios. We are relatively balanced in relation to short-term foreign exchange views, but we continue to hold a negative view of sterling, particularly versus the US dollar, over the medium term. As we look further into 2017, we are monitoring the political situation in Europe and, increasingly, the US. We believe that we will get an opportunity to add to our emerging markets exposure in coming months as fears about a protectionist US and the stronger dollar are currently overshadowing a significant improvement in underlying macro momentum.

Performance summary

	31 Jan 16- 31 Jan 17 %	31 Jan 15- 31 Jan 16 %	31 Jan 14- 31 Jan 15 %	31 Jan 13- 31 Jan 14 %	31 Jan 12- 31 Jan 13 %
Henderson Multi-Manager Managed Fund	18.6	(3.9)	8.1	9.4	11.9
IA Mixed Investment 40-85% Shares sector average	18.3	(3.5)	9.4	7.3	11.8

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

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.

Comparative tables

	Class A accumulation			Class B accumulation		
	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	220.09	229.08	211.93	219.24	228.16	211.08
Return before operating charges*	46.63	(3.54)	22.35	46.45	(3.49)	22.26
Operating charges	(5.73)	(5.45)	(5.20)	(5.71)	(5.43)	(5.18)
Return after operating charges*	40.90	(8.99)	17.15	40.74	(8.92)	17.08
Distributions on accumulation shares	(1.45)	(0.44)	(0.86)	(1.44)	(0.44)	(0.85)
Retained distributions on accumulation shares	1.45	0.44	0.86	1.44	0.44	0.85
Closing net asset value per share	260.99	220.09	229.08	259.98	219.24	228.16
* after direct transaction costs of:	0.01	0.04	0.03	0.01	0.04	0.03

Performance

Return after charges	18.58%	(3.92%)	8.09%	18.58%	(3.91%)	8.09%
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Other information

Closing net asset value (£000s)	258,059	245,767	323,381	35,398	32,905	43,142
Closing number of shares	98,876,187	111,667,237	14,165,320	13,615,438	15,008,783	18,908,574
Operating charges	2.36%	2.36%	2.37%	2.36%	2.36%	2.37%
Direct transaction costs	0.00%	0.02%	0.01%	0.00%	0.02%	0.01%

Prices

Highest share price (pence)	264.00	245.10	230.40	263.00	244.10	229.50
Lowest share price (pence)	210.70	214.30	209.70	209.90	213.40	208.90

Comparative tables (continued)

	Class A income			Class B 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	215.68	224.96	208.88	215.54	224.80	208.76
Return before operating charges*	45.69	(3.51)	22.03	45.66	(3.52)	22.02
Operating charges	(5.60)	(5.35)	(5.12)	(5.60)	(5.34)	(5.12)
Return after operating charges*	40.09	(8.86)	16.91	40.06	(8.86)	16.90
Distributions on income shares	(1.44)	(0.42)	(0.83)	(1.41)	(0.40)	(0.86)
Closing net asset value per share	254.33	215.68	224.96	254.19	215.54	224.80
* after direct transaction costs of:	0.01	0.04	0.03	0.01	0.04	0.03
Performance						
Return after charges	18.59%	(3.94%)	8.10%	18.59%	(3.94%)	8.10%
Other information						
Closing net asset value (£000s)	5,267	6,144	7,200	4,751	4,788	5,616
Closing number of shares	2,070,931	2,848,575	3,200,372	1,869,112	2,221,347	2,498,087
Operating charges	2.36%	2.36%	2.37%	2.36%	2.36%	2.37%
Direct transaction costs	0.00%	0.02%	0.01%	0.00%	0.02%	0.01%
Prices						
Highest share price (pence)	258.80	240.60	227.10	258.60	240.40	227.00
Lowest share price (pence)	206.60	210.40	206.70	206.40	210.20	206.60

Comparative tables (continued)

	Class I accumulation			Class Y accumulation		
	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	112.29	115.94	106.38	584.26	605.06	556.95
Return before operating charges*	23.87	(1.84)	11.29	124.06	(9.43)	58.91
Operating charges	(1.92)	(1.81)	(1.73)	(12.01)	(11.37)	(10.80)
Return after operating charges*	21.95	(3.65)	9.56	112.05	(20.80)	48.11
Distributions on accumulation shares	(1.80)	(0.57)	(0.82)	(7.25)	(4.61)	(5.36)
Retained distributions on accumulation shares	1.80	0.57	0.82	7.25	4.61	5.36
Closing net asset value per share	134.24	112.29	115.94	696.31	584.26	605.06
* after direct transaction costs of:	-	0.02	0.01	0.02	0.10	0.08

Performance

Return after charges	19.55%	(3.15%)	8.99%	19.18%	(3.44%)	8.64%
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Other information

Closing net asset value (£000s)	77,871	60,643	12,944	20,707	20,217	26,042
Closing number of shares	58,007,469	54,006,796	11,164,921	2,973,866	3,460,299	4,304,122
Operating charges	1.54%	1.56%	1.56%	1.86%	1.86%	1.87%
Direct transaction costs	0.00%	0.02%	0.01%	0.00%	0.02%	0.01%

Prices

Highest share price (pence)	135.80	124.20	116.60	704.30	647.90	608.60
Lowest share price (pence)	107.60	109.30	105.70	559.50	568.70	553.10

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.

Fund facts

Accounting dates

31 July, 31 January

Payment dates

31 May

Ongoing charge figure

	2017 %	2016 %
Class A	2.36	2.36
Class B	2.36	2.36
Class I	1.54	1.56
Class Y	1.86	1.86

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 0.70% (2016: 0.71%) to incorporate the OCF of underlying funds.

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

This fund is a non-UCITS retail fund and we have used this disclosure to enable comparison across our fund range.

Major holdings

as at 2017	%
JO Hambro UK Opportunities Fund B Accumulation	6.27
Findlay Park American Fund	5.37
Majedie UK Equity Fund	5.30
BlackRock European Dynamic Fund A Accumulation	4.78
Henderson European Growth Fund I Accumulation+	4.78
Old Mutual UK Alpha Fund Accumulation	4.27
Capita Lindsell Train UK Equity Income Fund	3.53
Polar Capital Global Insurance Fund	3.43
Fidelity American Special Situations	3.43
Man GLG Japan CoreAlpha	3.37

+ Related party to the fund

Asset allocation

as at 2017	%
UK Equity	24.70
Europe ex UK Equity	13.89
North America Equity	11.87
Asia Ex Japan Equity	7.24
Japan Equity	5.91
Global Emerging Market Equity	5.60
Government Bonds	4.99
Global Equity	3.72
Alternatives	3.53
Specialist Equity	3.43
Commodities	2.93
Property	1.62
Derivatives	0.32
Other net assets	10.25
Total net assets	100.00

Major holdings

as at 2016	%
Findlay Park American Fund	8.72
Henderson European Growth Institutional Fund Class I Accumulation+	6.74
JO Hambro UK Opportunities Fund B Accumulation	6.64
Majedie UK Equity Fund	6.63
BlackRock European Dynamic Fund A Accumulation	6.56
Old Mutual UK Alpha Fund Accumulation	6.39
Man GLG Japan CoreAlpha	5.93
Artemis European Growth Fund I Accumulation	4.75
Artemis Income Fund	4.27
ETFS Physical Gold	3.95

Asset allocation

as at 2016	%
UK Equity	26.75
Europe ex UK Equity	18.05
North America Equity	11.38
Japan Equity	7.99
Asia Ex Japan Equity	6.11
Global Equity	5.52
Global Emerging Market Equity	4.52
Commodities	3.95
Government Bonds	3.66
Specialist Equity	2.73
Property	2.62
Alternatives	1.55
High Yield Bonds	1.40
Derivatives	(0.58)
Other net assets	4.35
Total net assets	100.00

Report and accounts

This document is a short report of the Henderson Multi-Manager Managed Fund for the year ended 31 January 2017.

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

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Basildon 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@henderson.com**

We may record telephone calls for our mutual protection and to improve customer service.

Online valuations

You can value your Henderson Multi-Manager Managed Fund at any time by logging on to **www.henderson.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

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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