Henderson
GLOBAL INVESTORS

ANNUAL SHORT REPORT

For the year ended
31 October 2013

Henderson International Fund

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Short Report

For the year ended 31 October 2013

Fund Manager

Matthew Beesley

Investment objective and policy

To aim to provide capital growth by investing in companies in any economic sector and any area of the world.

Other Information

With effect from 1 April 2013, the Financial Services Authority (FSA) was replaced by the Financial Conduct Authority (FCA).

With effect from 2 December 2013 the Henderson International Fund changed its name to Henderson World Select Fund, and the Investment objective and policy changed to:

The Fund aims to provide capital growth by investing in a concentrated portfolio of company shares in any economic sector and any area of the world. The Fund will invest in companies of any market capitalisation, and in a portfolio of typically 30-40 holdings.

Risk and reward profile

The Fund currently has 2 types of share in issue; A accumulation and I accumulation. Each type of share has the same risk and reward profile which 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:

- 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 which could amplify everyday risk and trigger other risks such as:

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.

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.

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

Manager's commentary

Improving global economic data and continuing central bank stimulus underpinned the rally in equities over the 12-month review period, raising the US S&P 500 Index to all-time highs. Japanese markets led the rally in early 2013, boosted by the new leadership's plans to reinvigorate the economy and create inflation via aggressive monetary intervention and fiscal policy changes. However, a keynote speech by US Federal Reserve (Fed)

Chairman Ben Bernanke in May led to a sharp reversal in global risk sentiment, as investors began to contemplate the implications of a reduction in the US$85bn monthly stimulus injected by the US central bank. As US bond yields rose (prices fell) in reaction, emerging markets took the brunt of the pain, augmented by weak economic data from China. During the third quarter of 2013 the market resumed its upward trajectory led by European bourses as expectations of economic recovery in the region dominated investor sentiment.

The Fund outperformed its benchmark over the review period, returning 31.7% versus the benchmark's return of 26.8%. Shares in North American and Japanese companies added the most to returns while the Fund's slight overweight allocation to Emerging Markets detracted. By sector outperformance was driven by consumer discretionary and financials positions. This was offset slightly by underperforming positions in information technology and healthcare. At the stock level, leading UK retail bank Lloyds was a standout performer returning close to 90% over the period. Our view has been that investors have underappreciated the bank's earnings power and overemphasised the bank's non-performing loan book. With the strengthening UK economy providing a tailwind, recent quarters have seen Lloyds report solid earnings and lower impairment charges. Similarly, Belgian bank KBC Groep enjoyed a year of consensus-beating earnings thanks to rising revenues, lower costs and falling impairment charges. While the bank is still in debt to the Flemish state over aid provided during the financial crisis, KBC's solid capital adequacy and earnings power means the bank should be well on track to make this repayment ahead of schedule.

Strong relative returns were not confined to European banks alone. Positive relative returns were distributed regionally and by sector. In North America, broadcaster CBS, internet services firm priceline.com, and auto parts manufacturer BorgWarner reported earnings ahead of consensus expectations. In Japan, Makita and Don Quijote outperformed, while in the UK broadcaster ITV successfully reduced the company's indebtedness, finding efficiency savings across the business, and lowering the exposure to advertising revenues by growing its more stable production division.

Underperformance came from US software solutions firm Citrix, which reported lower than expected earnings as weak enterprise spending weighed on revenues. Citrix, however, still appears well-positioned to benefit from structural growth in cloud computing and networking. Underperformance from positions in BG Group and Rio Tinto prompted us to review these positions, ultimately leading to them being sold. Our outlook for earnings growth at both firms was compromised: in BG's case by revised production guidance in late 2012; and at Rio Tinto through its exposure to iron ore prices and by extension to slowing Chinese growth.

During the period we initiated a position in Japanese retailer and operator of Muji stores Ryohin Keikaku. Given its solid pricing power the company appears well-positioned to benefit from renewed consumer confidence and inflation in Japan, an improvement in Japanese home sales, as well as increasing demand from the emerging Chinese consumer. We also added two positions in Italy: Unicredit and Mediaset, The weak economic environment in Italy drove both companies to undertake significant restructuring and cost cutting. We believe Unicredit is now more conservatively provisioned than its discount to book value would imply, while Mediaset should be in a strong position to benefit from operational leverage as revenues recover. During the first and second quarters of 2013 we reduced the Fund's exposure to emerging markets, both directly and indirectly, as tightening Chinese credit conditions and slowing gross domestic product growth along with rising US long-term interest rates made us more cautious towards the region. We sold positions in Indonesian bank Bank Mandiri and Turkish bank Turkiye Halk Bankasi as these had reached our price targets, as well as Citigroup, Standard Chartered, and Las Vegas Sands.

Over the course of the past five years we have witnessed companies restructure and improve efficiency in order to operate and survive in an environment of lower economic growth. With economic data improving globally, along with business and consumer sentiment indicators, there is scope for increased profitability. While we are conscious that political and macroeconomic factors may continue to drive markets and investor sentiment in the short term, our investment philosophy and process remains focused on fundamental bottom-up opportunities within companies undergoing significant change.

Performance summary

	31 Oct 12- 31 Oct 13 %	31 Oct 11- 31 Oct 12 %	31 Oct 10- 31 Oct 11 %	31 Oct 09- 31 Oct 10 %	31 Oct 08- 31 Oct 09 %
Henderson International Fund	31.7	3.1	(0.4)	19.3	21.2
MSCI World Index	26.8	10.3	1.3	16.8	16.9

Source : Morningstar - mid to mid, net income reinvested, net of fees.
Figures in brackets are negative.
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* 2013 p	Net asset value* 2012 p	Net asset value % change
Class A accumulation	746.62	568.98	31.22
Class I accumulation	828.56	625.88	32.38

* 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.

Net revenue distribution

Share class	2013 p	2012 p
Class A accumulation	0.40	-
Class I accumulation	6.12	3.89

Total dividend distributions for the year ended 31 October 2013, comparison is for the same period last year.

Fund facts

Accounting dates	Payment dates
30 April, 31 October	31 December

Ongoing charge figure

	2013 %	2012 %
Class A	1.76*	1.76
Class I	0.87**	0.85†

The ongoing charge figure (OCF) of the Fund is the ratio of the total ongoing charges to the net asset value for twelve months.

It is calculated in accordance with guidelines issued by the Committee of European Securities Regulators (CESR).

† From 1 August 2012, the General Administration Charge (GAC) increased from 0.06 to 0.10%.

From 10 August 2013, the GAC:
* decreased from 0.24% to 0.18%
** decreased from 0.10% to 0.075%

Performance record

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class X accumulation			
2008	-	536.20	325.30
2009	0.94	483.80	328.50
2010 #	-	494.60	476.10
Class A accumulation			
2008	0.45	555.70	338.60
2009	3.06	506.50	342.50
2010	-	590.00	480.30
2011	-	594.30	478.10
2012	-	612.40	541.20
2013	0.40*	750.60+	592.10+
Class I accumulation			
2008	4.48	587.70	359.80
2009	6.57	542.60	364.70
2010	1.69	638.00	514.90
2011	4.48	642.80	520.10
2012	3.89	670.10	592.90
2013	6.12*	833.00+	652.30+

* to 31 December
+ to 31 October
# Class X merged with Class A on 11 January 2010

Past performance is not a guide to future performance.

Major holdings

as at 2013	%
Parker Hannifin	3.44
Praxair	3.29
Google	3.24
Fortune Brands Home	3.19
PVH	3.17
AIA Group	3.15
L Brands	3.15
CBS	3.14
Walgreen	3.14
KBC	3.11

Major holdings

as at 2012	%
Unilever	3.56
Occidental Petroleum	3.47
Pfizer	3.47
Microsoft	3.45
Apple	3.41
Praxair	3.40
Vodafone	3.39
Standard Charter	3.32
Las Vegas Sands	3.30
National Oilwell Varco	3.20

Asset allocation

as at 2013	%
United States	54.83
Japan	9.25
Italy	5.44
United Kingdom	4.85
Hong Kong	3.15
Belgium	3.11
Switzerland	3.03
Germany	2.78
Sweden	2.59
Korea	2.22
Australia	2.05
France	1.43
Net other assets	5.27
Total	**100.00**

Asset allocation

as at 2012	%
United States	59.28
United Kingdom	17.83
Germany	8.19
Japan	5.13
Indonesia	2.00
Hong Kong	1.90
Net other assets	5.67
Total	**100.00**

Report and accounts

This document is a short report of the Henderson International Fund for the year ended 31 October 2013.

Copies of the annual and half yearly long form report and financial statements 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.

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 31 October 2013. 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 International 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.

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