

Henderson European Focus Fund

HFEAX, HFEBX, HFECEX, HFEIX

Quarterly update and outlook

December 31, 2011



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Overview

The quarter remained a volatile one for risk assets. Europe's politicians tried hard to resolve the ongoing sovereign debt crisis, announcing a raft of measures in October including hair-cuts to Greek bonds, recapitalization of the banks, and a plan to leverage the European Financial Stability Facility (EFSF). Contagion worries continued however and the ensuing political change saw new technocratic leaders emerge from Greece and Italy. December saw further steps towards fiscal integration in the Eurozone, with a notable absence of support from the UK Prime Minister Cameron, but this was widely viewed as insufficient by the markets. After initial growth downgrades in the third quarter, US economic data did show improvements towards the back end of the fourth quarter, bolstering hopes for the macroeconomic outlook for 2012.

Fund performance

Over the quarter the Fund outperformed the MSCI Europe index. At the sector level, overweight positions in Energy contributed the most to Fund performance, whereas positions in Consumer Discretionary were the biggest drag. At the stock level, **European Goldfields** had a good quarter, at first due to positive news flow surrounding a financing deal from a Qatari sovereign wealth fund but later as a friendly approach emerged from the Canadian miner, **Eldorado Gold**. **BP** also performed well as it began to fall back in favor with investors as Macondo uncertainties unwind and dividends look set to grow. **Gulf Keystone**, a Kurdistan regional oil play, was trimmed as valuations benefitted from news that "Big Oil", **ExxonMobil**, was moving into the region although the political situation remains tense. **Alcatel Lucent** was the biggest detractor against Fund performance as an effective turnaround strategy is proving elusive for CEO Ben Verwaayen amidst the market turmoil.

Investment activity

We trimmed the position in **European Goldfields** following the friendly takeover approach from Eldorado Gold. This has been a very good position for the Fund and we are pleased that the value that we saw in the company has now been recognized by an industry peer. **Carphone Warehouse**, the UK based cell phone retailer, was introduced to the Fund during the period. We see the company as offering good value given the global growth prospects for their retail format.

Outlook

Significant levels of sovereign and bank debt will need refinancing in the first quarter of 2012 and recession seems likely in Europe as growth slows and austerity bites. In this event, the European Central Bank may take a more aggressive stance, stepping up its sovereign purchases and relieving some tension in the system. For equities, in the right stocks, valuations are very cheap (with a lot of negative news priced in) and balance sheets are strong creating what we believe to be good opportunities for the Fund.

International investing involves certain risks and increased volatility not associated with investing solely in the US. These risks included currency fluctuations, economic or financial instability, lack of timely or reliable financial information or unfavorable political or legal developments. The Fund may invest in securities issued by smaller companies which typically involves greater risk than investing in larger companies. Also, the Fund may invest in limited geographic areas and/or sectors which may result in greater market volatility. In addition, the fund may invest in derivatives, derivatives involve special risks different from, and potentially greater than, the risks associated with investing directly in securities and may result in greater losses.

For more information

For additional information on any of the Henderson Global Funds or to obtain a prospectus, please call **1.866.443.6337** or visit our website at www.hendersonglobalinvestors.com



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Top 5 sectors

1. Energy	23.6%
2. Materials	23.5%
3. Consumer Discretionary	18.7%
4. Industrials	8.2%
5. Health Care	8.1%

Top 10 holdings

1. BP	6.6%
2. European Goldfields	6.3%
3. African Minerals	4.6%
4. Zhaikmunai	3.9%
5. Gulf Keystone Petroleum	3.8%
6. Tesco	3.6%
7. Kalahari Minerals	3.6%
8. TUI	3.3%
9. Smith & Nephew	3.1%
10. Amadeus IT Holding	2.9%

Performance as of December 31, 2011

	3 months	1 year	3 years	5 years	10 years	Since inception ¹
HFEAX at NAV	6.26%	-18.88%	26.02%	-0.24%	13.71%	15.48%
HFEAX w/ sales charge	—	-23.54%	23.54%	-1.42%	13.04%	14.82%
MSCI Europe Index	5.45%	-10.50%	8.56%	-4.62%	4.89%	4.64%
Lipper European Region Funds Average	5.22%	-12.81%	8.55%	-5.14%	5.64%	5.37%

¹Inception date 8/31/01

The Lipper European Funds Average is compiled by Lipper, Inc., which is an independent mutual fund rating service. Lipper returns do not take into effect sales charges.

Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. For the most recent month-end performance, please call 1.866.443.6337 or visit the Fund's website at www.hendersonglobalinvestors.com. Performance results with sales charges reflect the deduction of the maximum front-end sales charge of 5.75%. Performance presented at Net Asset Value (NAV) which does not include these sales charges would be lower if these charges were reflected. As stated in the current prospectus, the Fund's annual operating expense ratio is 1.61%.

Returns greater than 1-year are annualized and all returns include the reinvestment of dividends and capital gains. Performance results reflect expense subsidies and waivers in effect during the periods shown. Absent these waivers, results would have been less favorable. The MSCI Europe Index is a market-capitalization weighted index of approximately 500 stocks traded in 15 European markets. You cannot invest directly in an index or average.

One should consider the investment objectives, risks, fees and expenses of any mutual fund carefully before investing. This and other important information is available in the Fund's prospectus and summary prospectus which are available at www.hendersonglobalinvestors.com, by calling 1.866.443.6337 or by contacting your financial adviser. Please read the prospectus or summary prospectus carefully before investing.

The views in the summary were those of the Fund manager the listed date and may not reflect the views of the manager on the date the material is first published or anytime thereafter. The views are intended to assist readers in understanding the Fund's investment methodology and do not constitute investment advice. This should not be considered as an offer to sell or a solicitation of an offer to buy securities mentioned herein. Portfolio holdings and allocation may change at any time. Not FDIC insured, Not bank guaranteed, May lose money.