

# Henderson Global Technology Fund

HFGAX, HFGBX, HFGCX, HFGIX

## Quarterly update and outlook

December 31, 2011



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### Overview

The quarter persisted with market volatility due to stress in the banking system and concerns regarding the continuing European sovereign debt crisis. The BRIC's (Brazil, Russia, India, and China) fared little better, however the US began to show promising growth in the back end of 2011. The global economic weakness did not help Technology stocks, particularly in October and November, although performance was better than other more cyclically exposed sectors.

### Fund performance

Over the quarter the Fund underperformed the MSCI World IT sector. At the sector level, Internet Retail and Electronic Equipment were the biggest detractors to performance, with Communications Equipment providing the biggest contribution. At the stock level, **Google** was the best performer as valuations bounced upwards from strong fourth quarter results, and positive search trends and renewed growth in E-Commerce. Also benefitting from these trends was **Mercadolibre**, the leading Latin American online trading site where the secular story remains strong and their long term growth strategy convincing. **Apple**, the Fund's largest holding, also performed well with sales of the iPhone keeping momentum and with the iPad continuing to dominate the tablet market. On the negative side was **Shutterfly**, the photo related E-Commerce business, with recent fourth quarter earnings downgrades due to competitive discounting on its products.

### Investment activity

The Fund initiated a number of positions in the quarter including a return to **Amazon**, the world's largest E-Commerce platform, **Intel**, where 2012 may well see more optimism for the PC market following the launch of Ultrabooks and Windows 8. **Analog Devices** and **Texas Instruments** were also bought as we see more attractive valuations, falling inventory levels and relatively conservative earnings growth assumptions coming through for the Semiconductor industry this year, supported by generally robust economic data in the US.

### Outlook

Near term market direction, including that for Technology, is likely to be dictated by macro economic events. Unfortunately we can add little value here. However the mid to long term backdrop for Technology equities continues to look very attractive given absolute and relative valuation measures close to record lows, high cash levels on balance sheets, high levels of cash generation and demand which is still recovering from well below trend levels. We will continue to invest in some of the opportunities we see across our five favored themes of E-Commerce, Online Advertising, Connectivity, Data Growth and Paperless Payments, as well as in those in other areas of the market.

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.

Technology companies may react similarly to certain market pressures and events. This may be significantly affected by short product cycles, aggressive pricing of products and services, competition from new market entrants and obsolescence of existing technology. As a result the Fund's returns may be considerably more volatile than a fund that does not invest in technology companies.

### 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](http://www.hendersonglobalinvestors.com)**



**Henderson**  
GLOBAL INVESTORS

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Top 5 sub-sectors		
1.	Internet Software & Services	15.6%
2.	Semiconductors	10.4%
3.	Systems Software	9.8%
4.	Computer Hardware	9.7%
5.	Communications Equipment	8.3%

Top 10 holdings		
1.	Apple	8.2%
2.	ASML Holdings	3.5%
3.	Google	3.4%
4.	Analog Devices	3.3%
5.	Microsoft	3.2%
6.	Qualcomm	3.2%
7.	CheckPoint Software	3.1%
8.	MasterCard	3.1%
9.	Oracle	2.9%
10.	Accenture	2.9%

Performance as of December 31, 2011						
	3 months	1 year	3 years	5 years	10 years	Since inception <sup>1</sup>
<b>HFGAX at NAV</b>	<b>3.28%</b>	<b>-8.88%</b>	<b>22.98%</b>	<b>5.33%</b>	<b>5.97%</b>	<b>6.79%</b>
<b>HFGAX w/ sales charge</b>	<b>—</b>	<b>-14.11%</b>	<b>20.57%</b>	<b>4.09%</b>	<b>5.35%</b>	<b>6.18%</b>
MSCI World AC IT Index	6.95%	-4.10%	19.34%	1.46%	1.89%	2.81%
Lipper Global Science & Tech Funds Average	5.05%	-7.99%	20.35%	3.75%	4.03%	4.51%

<sup>1</sup>Inception date 8/31/01

The Lipper Science & Tech 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](http://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 1.64%.*

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 certain periods shown. Absent these waivers, results would have been less favorable for certain periods. Returns are for Class A shares only, other share classes will vary. The MSCI AC World Info Tech Index is a free float-adjusted market capitalization index designed to measure equity market performance in the global developed and emerging markets, the index is comprised of 49 developed and emerging market country indices. You cannot invest directly in an index or average. Benchmark data is for illustrative purposes only.

*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](http://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 as of the date listed 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.