

Henderson Industries of the Future Fund



Fund manager
Nick Anderson



Fund manager
Tim Dieppe

Fund facts at 30 December 2011

Fund aim

To provide capital growth by investing in companies that meet the ethical criteria applied by the Authorised Corporate Director. The fund may invest in companies in any economic sector and any area of the world.

Launch date

13 February 1995

IMA sector

Global Growth

Fund size

£84.39m

Yields (%)	Distribution	Underlying
Class A	0.0	0.0
Class I	0.0	0.3

Type of shares

Income

XD dates

1 May, 1 Nov (ann)

Dividend pay dates

30 Jun, 31 Dec

Minimum investment

Lump sum	£1,000
Subsequent	£100
Regular saving	£50

Charges (%)

	Initial	Annual
Class A	5.00	1.50
Class I	Nil	1.00

SEDOL numbers

0773120 (A – Income)
0774004 (I – Accumulation)
0773700 (I – Income)

Fund manager comment

Global markets closed up 1% in December marking a month with lower volatility than has been seen for some time. Fifteen Eurozone countries including Germany were put on notice that their credit rating could be cut by the Standard & Poor's rating agency. While Cameron vetoed the euro summit on 9 December, Merkel obtained agreement to limit budget deficits condemning much of Europe to long periods of austerity – assuming the electorate acquiesces to it. Meanwhile evidence emerged that the US economy is in a better state of health with consumer confidence rebounding strongly. The gold price fell 10% in the month to finish 18% below mid-year highs. Mid-cap stocks generally underperformed the major indices in the month.

In December, the Henderson Industries of the Future fund rose 2.8%, which outperformed the MSCI World index which rose 1.2%. This was mainly impacted by the weakness in mid-cap stocks. Water filtration company Pentair was weak as they reduced fourth quarter guidance and put out a weak outlook for 2012. We think end markets should start to improve for this company in 2012. Emerson in our Efficiency theme flagged some component shortages due to the floods in Thailand causing weakness in the shares. In the Health theme, Mednax made an anaesthesiology acquisition, and Intuitive Surgical obtained Food and Drug Administration (FDA) clearance for cholecystectomy procedures causing them to contribute positively to performance. American Public Education rose 14% as US education stocks rallied on signs of improving prospects. We sold out of rail safety equipment manufacturer China Automation (Safety) on news that the Ministry of Rail in China is cutting spending in 2012. We bought into Swiss water systems company Geberit after meeting the management and being encouraged by signs of improvement in their markets.

The market is likely to remain volatile with sentiment shifts on the European sovereign debt crisis. Companies that we hold have strong balance sheets and have emerged from the last recession much leaner than before, having cut costs aggressively. The secular growth drivers of the themes remain very much in place and we expect continued strong demand for solutions to sustainability challenges.

Please note that as of 1 January 2012, Nick Anderson took over management of this fund from Tim Dieppe.

Top 10 holdings

	(%)
Mednax	2.3
Experian	2.2
Union Pacific	2.2
Nuance Communications	2.2
Roper Industries	2.2
Intuitive Surgical	2.1
Danaher	2.1
Quanta Services	2.1
Intertek	2.0
Fresenius SE & Co	2.0

Total number of holdings

83

Top 10 countries

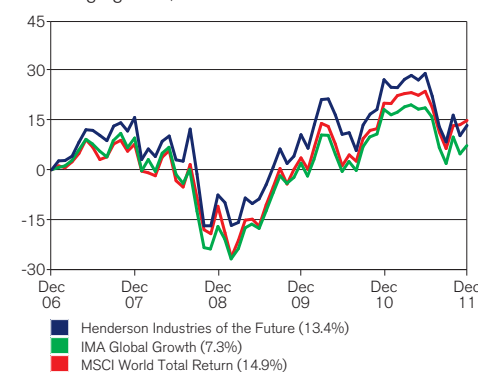
	(%)
United States	55.8
United Kingdom	10.9
Japan	9.5
France	5.1
Switzerland	4.2
Hong Kong	2.6
Germany	2.0
Italy	1.8
Belgium	1.8
Australia	1.5

Top 10 sectors

	(%)
Industrials	46.2
Health Care	19.3
Consumer Goods	9.4
Consumer Services	9.4
Technology	5.0
Basic Materials	4.2
Utilities	1.9
Oil & Gas	1.5
Financials	1.1
Telecommunications	0.9
Cash	1.1

Performance

Percentage growth, 29 Dec 06 to 30 Dec 11.



Source: at 30 Dec 11. © 2012 Morningstar. All Rights Reserved, nav-nav, UK sterling, net income reinvested.

Past performance is not a guide to future performance.

Cumulative performance	A % change	I (Acc) % change	I (Inc) % change	Sector % change	Quartile ranking†
1 year	-10.9	-10.3	-10.3	-9.3	3rd
2 years	2.5	3.9	3.9	5.0	3rd
3 years	22.8	25.0	25.1	29.2	3rd
4 years	-2.1	0.2	0.4	-2.2	2nd
5 years	13.4	16.6	16.9	7.3	2nd

Source: at 30 Dec 11. © 2012 Morningstar. All Rights Reserved, nav-nav, UK sterling, net income reinvested.

Discrete year performance	A % change	I (Acc) % change	I (Inc) % change
31/12/2010 to 30/12/2011	-10.9	-10.3	-10.3
31/12/2009 to 31/12/2010	15.0	15.8	15.8
31/12/2008 to 31/12/2009	19.7	20.3	20.4
31/12/2007 to 31/12/2008	-20.3	-19.9	-19.7
29/12/2006 to 31/12/2007	15.8	16.4	16.4

Source: at 30 Dec 11. © 2012 Morningstar. All Rights Reserved, nav-nav, UK sterling, net income reinvested.

Discrete performance data may change due to final dividend information being received after quarter end. † 1st quartile means the fund is ranked in the top 25% of funds in its sector.

Henderson Industries of the Future Fund (continued)

General risks

- The value of the Funds and the income from them is not guaranteed and may fall as well as rise. You may get back less than you originally invested.
- Past performance is not a guide to future performance.
- You should note that your tax treatment in relation to any investments held outside an ISA will depend on your individual circumstances and may be subject to change in the future. Governments may change the tax rules which affect you or the Funds in which you have invested.

What are the risks specific to this fund?

- Where the Funds invest in assets (including cash) which are denominated in currencies other than the base currency (pounds sterling) then currency exchange rate movements may cause the value of investments to fall as well as rise.
- Funds investing in technology related industries may be susceptible to greater risks and market fluctuations than investment in a broader range of investments covering different economic sectors.
- Funds may be unable to invest in certain sectors and companies due to the ethical screening that they undertake. This may mean that they are more sensitive to price swings than other funds.

Important information

The Company was incorporated in the United Kingdom as an umbrella open ended investment company. Please note: due to rounding the figures in the holdings breakdowns may not add up to 100%. GICS classifications are used for sector data. Yields are shown net except for bond funds which are shown gross. The Historical Yield reflects distributions declared over the past 12 months as a percentage of the mid-market share price, as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions. The fund's annual Authorised Corporate Director's fee is charged to capital. This has the effect of increasing the distribution(s) for the year by 1.50% and constraining the fund's capital performance to an equivalent extent. All credit, country and sector breakdowns relate to end of day trading positions. Fund size at 12pm on last business day of month. Unless otherwise indicated all figures sourced from Morningstar, Henderson Global Investors and BNP Paribas. Please note the views, opinions and forecasts expressed in this document are based on Henderson Global Investors' research, analysis and house views at the time of publication. No recommendations to buy or sell investments are implied. Tax assumptions and reliefs depend upon an investor's particular circumstances and may change if those circumstances or the law change. If you invest through a third party provider you are advised to consult them directly as charges, performance and terms and conditions may differ materially. The Fund's full and simplified Prospectuses, the articles of association as well as annual and semi-annual reports of any funds managed by Henderson Investment Funds Limited registered for sale in Switzerland are available free of charge from the registered office of the Company at IFDS House St Nicholas Lane Basildon Essex SS15 5FS and at the offices of the Distributor at 201 Bishopsgate, London, EC2M 3AE and at the Swiss Representative is BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich, who are also the Swiss Paying Agent. Issued in the UK by Henderson Global Investors. 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), Henderson Alternative Investment Advisor Limited (reg. no. 962757), Henderson Equity Partners Limited (reg. no. 2006646), (each incorporated and registered in England and Wales with registered office at 201 Bishopsgate, London EC2M 3AE), Gartmore Investment Limited (reg. no. 1508030), Gartmore Fund Managers Limited (reg. no. 1137353), (each incorporated and registered in England and Wales with registered office 201 Bishopsgate, London EC2M 3AE) are authorised and regulated by the Financial Services Authority to provide investment products and services. The Swiss Representative is BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich, who are also the Swiss Paying Agent.

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