Henderson
GLOBAL INVESTORS

Henderson

Investment Funds Series III

Interim Report & Accounts
For the six months ended 30 April 2012

Who are Henderson Global Investors?

Established in 1934 to administer the estates of Alexander Henderson, the first Lord Faringdon, Henderson Global Investors (Henderson) is a leading independent global asset management firm. The company provides its institutional, retail and high net-worth clients with access to skilled investment professionals representing a broad range of asset classes, including equities, fixed income, property and private equity. With its principal place of business in London, Henderson is one of Europe's largest investment managers, with £66.7† billion assets under management (as at 31 March 2012) and employs around 1,000 people worldwide.

In Europe, Henderson has offices in Amsterdam, Dublin, Edinburgh, Frankfurt, Luxembourg, Madrid, Milan, Paris, Vienna, Zurich and London. Henderson has had a presence in North America since 1999, when it acquired US real estate investment manager Phoenix Realty Advisers, and has offices in Chicago and Hartford. In Asia, Henderson has offices in New Delhi, Singapore (Asia headquarters), Hong Kong, Tokyo and Beijing as well as Sydney. In April 2009 New Star Asset Management Group PLC was acquired by Henderson Group plc, and in April 2011 Gartmore Group Limited was also acquired by Henderson Group plc.

With investment expertise across every asset class, Henderson's skillful investment managers invest in every major market around the globe. They are supported by a global team of researchers and economists who have a keen understanding of the economic forces driving the security markets and who undertake rigorous sector and theme analysis. Underpinning this process is a comprehensive risk-control framework to ensure that investment views are translated into portfolios managed in line with investors risk and return requirements.

What do we do?

At Henderson Global Investors we do one thing and we do it really well – investment management. As a company, we are totally focused on this core activity and it underpins everything we do.

We do this by providing a range of investment products and services including:

- Open ended funds – offshore funds, unit trusts, OEICs
- Investment trusts
- Individual Savings Accounts
- Pension fund management
- Management of portfolios for UK and international institutional clients

† Source: Henderson Global Investors.

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Authorised Corporate Director's (ACD) report

We are pleased to present the Interim report and Financial Statements for Henderson Investment Funds Series III (previously Gartmore Investment Funds Series III) for the six months ended 30 April 2012.

Authorised status

Henderson Investment Funds Series III (the "Company") is an open ended investment company ("OEIC") with variable capital authorised, under regulation 12 (Authorisation) of the OEIC regulations, by the Financial Services Authority on 14 March 2003. It is an umbrella company, comprising various sub-funds. The Company is a UCITS scheme. The investment objective for each sub-fund and the policy for achieving that objective is given in the 'Investment Objective' section of each sub-fund's report. The investment activities of each sub-fund are given in the Manager's Report section of each sub-fund's report. The portfolio of investments of each sub-fund are given in the 'Portfolio Statement' of each sub-fund's report. Shareholders are not liable for the debts of the Company.

Fund liabilities

As a sub-fund is not a legal entity, if the assets attributable to any sub-fund were insufficient to meet the liabilities attributable to that Fund, the shortfall might have to be met out of the assets attributable to one or more other sub-funds of the Company.

Advisers

	Name	Address	Regulator
Authorised Corporate Director	**Henderson Investment Funds Limited** Member of IMA The ultimate controlling party is Henderson Group plc.	Registered Office: 201 Bishopsgate, London EC2M 3AE Registered in England No 2678531 Telephone – 020 7818 1818 Dealing – 0845 608 8703 Enquiries – 0800 832 832	Authorised and regulated by the Financial Services Authority.
Investment Manager	**State Street Global Advisors**	20 Churchill Place, Canary Wharf, London E14 5HJ	
Registrar	**International Financial Data Services (UK) Limited**	IFDS House, St Nicholas Lane, Basildon SS15 5FS	Authorised and regulated by the Financial Services Authority.
Depositary	**HSBC Bank plc**	8 Canada Square, Canary Wharf, London E14 5HQ	Authorised and regulated by the Financial Services Authority
Independent auditors	**PricewaterhouseCoopers LLP**	141 Bothwell Street, Glasgow G2 7EQ	Institute of Chartered Accountants in England and Wales.
Legal Adviser	**Eversheds LLP**	One Wood Street, London EC2V 7WS	The Law Society.

Market review for the six months ended 30 April 2012

All returns are sterling total returns unless otherwise stated.

Global equities, as measured by the MSCI World Total Return Index gained 7.2% over the six months to 30 April 2012 (7.9% in US dollars). Investors became increasingly optimistic on the prospects for global growth; the action by the authorities in Europe appeared to avert, or at least postpone, a worst case scenario in the Eurozone banking crisis. During this period risk assets found favour with growth sensitive sectors (such as consumer discretionary, materials, industrials and information technology) delivering some of the strongest returns. Financials also participated in the rally; buoyed by the increased liquidity from the European Central Bank (ECB) via its Longer-Term Refinancing Operations (LTROs) in December and February, as well as positive earnings and banking stress test results in the US.

By region, North America performed the strongest supported by strong company results and positive economic data including retail sales, confidence measures, and unemployment, which began to reassure investors that US economic growth would continue into 2012. The positive momentum in the US market was maintained by Congress announcing an extension of payroll tax cuts to the end of 2012 in February and the US Federal Reserve stating it was committed to low interest rates until at least 2014.

In Europe although the European bailout facility was expanded and voluntary 'haircuts' (loss of value of the bonds) were agreed, the positive mood faded as authorities appeared to lose control of events. The incumbent prime ministers in Italy and Greece were replaced by technocrats, whilst weak economic data for the Eurozone coincided with fears of wider debt contagion, threatening to potentially trigger a new banking crisis. Ultimately, the ECB's two LTROs mitigated a short-term liquidity crisis, enabling markets to move higher into 2012. A bifurcation between the strength of the core versus the peripheral economies became more apparent over the period: although the German economy remained robust, Southern European economies struggled to cope with the austerity regimes.

Over in emerging markets; Thailand was the strongest performing market as the country recovered from last year's devastating flooding. Conversely, Argentina was the weakest market as investors took fright at some of the actions of the government, most notably the expropriation of the Argentinean oil assets of Spain's Repsol. In Japan equities ended the period higher, propelled by a more accommodative and somewhat unexpected stance by the Bank of Japan to add more liquidity to asset markets.

Sentiment did, however, wane towards the end of the reporting period paring back some of the earlier gains. Undermining investor confidence, economic data revealed that the UK entered its first double-dip recession since the 1970s. In addition, Europe continued to be plagued by political and economic misery, unemployment in Spain hit a new record with almost one in four adults now out of work. Greece continued to dominate the headlines, the absence of a clear majority in the elections or a workable coalition government increasingly raised uncertainty over its membership of the European Union.

Aggregated statement of total return for the six months ended 30 April 2012 (unaudited)

	30/04/12		30/04/11	
	£000	£000	£000	£000
Income				
Net capital gains		13,784		28,262
Revenue	6,988		5,756	
Expenses	(1,517)		(1,514)	
Net revenue before taxation	5,471		4,242	
Taxation	(2)		(10)	
Net revenue after taxation		5,469		4,232
Total return before distributions		19,253		32,494
Finance costs: Distributions		(4,541)		(3,515)
Change in net assets attributable to shareholders from investment activities		**14,712**		**28,979**

Aggregated statement of change in net assets attributable to shareholders

for the six months ended 30 April 2012 (unaudited)

	30/04/12		30/04/11	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		**346,320**		**394,575**
Amounts receivable on issue of shares	3,913		3,223	
Amounts payable on cancellation of shares	(16,950)		(33,018)	
		(13,037)		(29,795)
Stamp duty reserve tax		(48)		(38)
Change in net assets attributable to shareholders from investment activities (see above)		14,712		28,979
Retained distribution on accumulation shares		4,164		3,205
Unclaimed distributions over six years old		5		–
Closing net assets attributable to shareholders		**352,116**		**396,926**

Aggregated balance sheet as at 30 April 2012 (unaudited)

	30/04/12		31/10/11	
	£000	£000	£000	£000
Assets				
Investment assets		346,472		340,899
Debtors	3,247		805	
Cash and bank balances	3,545		5,589	
Total other assets		6,792		6,394
Total assets		353,264		347,293
Liabilities				
Investment liabilities		(25)		–
Creditors	(842)		(747)	
Distribution payable on income shares	(281)		(226)	
Total other liabilities		(1,123)		(973)
Total liabilities		(1,148)		(973)
Net assets attributable to shareholders		**352,116**		**346,320**

Certification of financial statements by Directors of the ACD

In accordance with the requirements of the Financial Services Authority's Collective Investment Schemes Sourcebook, we hereby certify the investment report and financial statements on behalf of the Directors of Henderson Investment Funds Limited.

Andrew Formica
(Chief Executive)

David Jacob
(Chief Investment Officer)

15 June 2012

Aggregated notes to the financial statements for the six months ended 30 April 2012

1 Accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP) issued by the Investment Management Association (IMA) in October 2010.

(b) Basis of valuation of investments

The valuation of the Company's listed investments, for the purposes of preparing this report, has been based at market value, excluding any accrued interest in the case of fixed interest and floating rate securities, at the close of business valuation point of the last day of the accounting period in accordance with the provisions of the Prospectus.

Market value is defined by the SORP as fair value which is generally the bid value of each stock.

Future contracts are shown at market value representing the gain or loss that would be made on the contract if it were to be closed out at 30 April 2012.

Unquoted securities are shown at a valuation determined by the ACD based upon, where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

Non-eligible securities indicate investments held or traded on non-eligible stock markets. Information about eligible stock markets is available in the Prospectus.

(c) Revenue recognition

Dividends receivable from quoted equity and non equity shares are credited to revenue, net of attributable tax credits, when the security is quoted ex-dividend. Dividends on unquoted stocks are credited to revenue when the dividend is announced.

Overseas dividends are grossed up at the appropriate rate of withholding tax and these consequences are shown within the tax charge.

Bank interest, interest on margin and revenue earned on other securities is recognised on an accruals basis.

If any revenue receivable at the balance sheet date is not considered recoverable, provision is made for the relevant amount.

(d) Treatment of stock dividends

The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Company. Any enhancement above the cash dividend is treated as capital and included in net capital gains.

(e) Treatment of special dividends

Special dividends are treated as repayments of capital or revenue depending on the nature and circumstances of the dividend receivable.

(f) Treatment of expenses (including ACD expenses)

All expenses (other than those relating to the purchase and sales of investments and stamp duty reserve tax arising on sales and repurchase of shares in the Fund) are charged against revenue on an accruals basis.

The ACD's annual management charge is calculated daily on the total net assets by Henderson Investment Funds Limited.

1 Accounting policies (continued)

(f) Treatment of expenses (including ACD expenses) (continued)

General Administration Charge

All fees with the exception of the ACD's annual management charge, Depositary and Safe Custody fees, have been replaced by a single ad valorem charge, the General Administration Charge (GAC). The ACD believes that the GAC creates more efficiency around the charging process than more traditional methods.

For further details please refer to the Prospectus.

(g) Allocation of revenue and expenses to multiple unit classes

With the exception of the ACD's annual management charge and GAC, which are directly attributable to individual share classes, all revenue and expenses are allocated to share classes pro rata to the value of the net assets of the relevant share class on the day that the revenue or expense is incurred.

(h) Distribution policy

The distribution policy of each Fund is to distribute/accumulate all available revenue, after deduction of expenses properly chargeable against revenue, subject to any of the ACD's annual management charge or other expense which may currently be transferred to capital.

Gains and losses on investments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution.

Stock dividends are not taken into account when determining the amount available for distribution.

Revenue attributed to accumulation shareholders is retained at the end of each distribution period and represents a reinvestment of revenue.

If one share class is in profit and another share class in deficit, the share class in deficit will transfer a portion of its ACD fees to capital in order to allow the profit making share class to make a distribution. This policy has not been required during this accounting period.

For all the Funds, the policy of the Company is to make dividend distributions on a half yearly basis with an interim and a final distribution being made for each financial year. The ACD reserves the right not to make interim distributions from low yielding Funds.

(i) Exchange rates

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at close of business on the last business day of the accounting period.

Revenue and expenditure transactions are translated at the rates of exchange ruling on the dates of the transactions.

Exchange differences on such transactions follow the same treatment as the principal amounts.

(j) Taxation

Provision for corporation tax is based, as appropriate, on the excess of taxable revenue over allowable expenses.

Deferred tax is provided for at a rate which taxation is likely to become payable in respect of all timing differences that have originated but not reversed by the balance sheet date other than those differences regarded as permanent. Any liability to deferred tax is provided at the average rate of tax expected to apply. Deferred tax assets are only recognised to the extent that they are regarded as recoverable. Deferred tax assets are not discounted to reflect the time value of money.

Stamp Duty Reserve Tax, if any, suffered on surrender of shares is deducted from capital.

1 Accounting policies (continued)

(k) Aggregation

The aggregated accounts represent the sum of individual Funds within the umbrella company. Further analysis of the distribution and the net asset position can be found within the financial statement of the individual Funds.

(l) Treatment of derivatives

Future contracts

The unrealised gain/(loss) on open future contracts is disclosed in the portfolio statement. The margins paid on these contracts are included in the amounts held at derivative clearing houses and brokers.

2 Risk

In pursuing its investment objective each Fund holds a number of financial instruments. These financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from the Funds' operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for redemptions and debtors for accrued revenue. The Fund may also enter into derivative transactions. The purpose of these financial instruments is efficient portfolio management and for meeting the Funds investment objectives. The main risks arising from financial instruments are market price, liquidity and credit risks.

(a) Market Risk

Market risk is the risk that the value of the Fund's investments or the benefits arising thereon will fluctuate because of changes in market prices. Market risk comprises three types of risks: foreign currency risk, interest rate risk and other price risk.

Foreign currency risk

Foreign currency risk is the risk that the value of the Fund's investments will fluctuate as a result of changes in foreign currency exchange rates.

For those Funds where a proportion of the net assets of the Funds are denominated in currencies other than sterling, the balance sheet can be affected by movements in exchange rates. The ACD may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies.

Interest rate risk

The Fund may invest in debt securities. The revenue of the Fund may be affected by changes to interest rates relevant to particular securities or as a result of the Fund Manager being unable to secure similar returns on the expiry of contracts or sale of securities. The value of debt securities may be affected by interest rate movements or the expectation of such movements in the future.

The majority of the sub-funds financial assets are equity shares and other investments which neither pay interest nor have a maturity date. Therefore, the Funds' exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

Interest earned and paid on bank balances during the year was at a variable rate. The interest rates on sterling bank accounts at the end of the year were 0.10% on credit balances (2011: 0.10%) and 1.50% on overdraft balances (2011: 1.50%).

Other price risk

Other price risk is the risk that the value of the Funds' investments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Other price risk arises mainly from uncertainty about future prices of financial instruments the Funds might hold. It represents the potential loss the Funds might suffer through holding market positions in the face of price movements. The Funds' investment portfolios are exposed to market price fluctuations, which are monitored by the ACD in pursuance of their investment objectives and policies as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Financial Services Authorities Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

2 Risk (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Funds cannot raise sufficient cash to meet their liabilities when due. One of the key factors influencing this will be the ability to sell investments at, or close to, the fair value without a significant loss being realised.

Under normal circumstances, the Funds will remain close to fully invested. However, where circumstances require: for example because of illiquid securities markets or high levels of redemptions in the Funds, the Funds may hold cash and/or more liquid assets. Temporary higher liquidity levels may also arise during the carrying out of a change in asset allocation policy, or following a large issue of units.

The ACD manages the Funds' cash to ensure they can meet their liabilities. The ACD receives daily reports of subscriptions and redemptions enabling the ACD to raise cash from the Funds portfolio in order to meet redemption requests. Funds cash balances are monitored daily by the ACD and Administrator. Where investments cannot be realised in time to meet any potential liability, the Funds may borrow up to 10% of their value to ensure settlement. All of the Funds' financial liabilities are payable on demand or in less than one year.

(c) Credit and counterparty risk

Credit risk arises from three main sources. Firstly, the possibility that the issuer of a security will be unable to pay interest and principal in a timely manner. Secondly, for asset backed investments (including FRNs) there is the possibility of default of the issuer and default in the underlying assets meaning the Funds may not receive back the full principal originally invested. Thirdly, there is counterparty risk, which is the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Funds have fulfilled their responsibilities, which could result in the Funds suffering a loss.

In order to manage credit risk the Funds are subject to investment limits for issuers of securities. Issuer credit ratings are evaluated periodically and an approved issuer list is maintained and monitored. In addition the Funds only buy and sell investments through brokers which have been approved by the ACD as an acceptable counterparty and limits are set and monitored to cover the exposure to any individual broker. Changes in broker's financial ratings are periodically reviewed by the Henderson Credit Risk Committee along with set limits and new counterparty approval.

A counterparty to a transaction in derivatives is approved only if the counterparty is an Eligible Institution or an Approved Bank; or a person whose permission (including any requirements or limitations), as published in the Financial Services Authority (FSA) Register or whose Home State authorisation, permits it to enter into the transaction as a principal off-exchange.

3 Portfolio transaction costs

	30/04/12 £000	30/04/11 £000
Purchases in period before transaction costs	5,276	2,495
Taxes	23	5
Total purchase transaction costs*	23	5
Purchases including transaction costs	**5,299**	**2,500**
Sales in period before transaction costs	12,367	29,034
Commissions	(4)	(8)
Taxes	–	(1)
Total sales transaction costs*	(4)	(9)
Sales net of transaction costs	**12,363**	**29,025**
Transaction handling charges*	**2**	**5**

* These amounts have been deducted in determining net capital gains.

Henderson UK Index Fund
Manager's report

Fund Manager

Chris Handley

Investment objective and policy

This Fund is designed to track the capital performance of the FTSE All-Share Index and to maintain a gross income yield equal to that of the Index. The Fund is managed on a fully invested basis and has a portfolio of, typically, over 600 stocks comprising the FTSE All-Share Index although, occasionally, the Fund may invest in stocks outside the Index. The emphasis is on maintaining tracking precision. Stocks are screened to minimise deviation from the Index. The portfolio also maintains a balance between large and small capitalisation stocks.

The Fund may also invest at the Manager's discretion in other transferable securities, money market instruments, cash and near cash, derivative instruments and forward transactions, deposits and units in collective investment schemes (use may be made of stocklending, borrowing, cash holdings, hedging and other investment techniques permitted in applicable FSA Rules).

Performance summary

	1 May 11- 30 Apr 12 %	1 May 10- 30 Apr 11 %	1 May 09- 30 Apr 10 %	1 May 08- 30 Apr 09 %	1 May 07- 30 Apr 08 %
Henderson UK Index Fund	(2.2)	12.3	35.5	(26.2)	(5.8)
FTSE All-Share Index	(2.0)	13.7	36.6	(26.9)	(4.3)

Source: Morningstar – mid to mid (excluding initial charge) with net revenue reinvested for a basic rate taxpayer, net of fees, GBP. 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.

Significant portfolio changes for the six months ended 30 April 2012

Purchases	£000	Sales	£000
CRH	1,260	Vodafone	583
Polymetal International	452	Rio Tinto	503
HSBC Holdings (London listed)	394	AstraZeneca	396
Glencore International	312	HSBC Holdings (London listed)	389
Royal Dutch Shell 'A'	295	BP	306
Evraz	223	British American Tobacco	282
BP	144	Charter International	253
BUMI	127	Royal Dutch Shell 'A'	249
Petra Diamonds	98	GlaxoSmithKline	191
Smith (DS)	76	SABMiller	181

Performance

Over the six-month period ending 30 April 2012 the Henderson UK Index Fund accumulation share class rose by 4.4%, compared to a rise in the FTSE All-Share Total Return Index of 6.3%.

Market review

UK equities advanced for most of the period, buoyed at the outset by the Bank of England announcing an extension of its asset purchase programmes (quantitative easing) and news that growth for the UK economy in the third quarter of 2011 had been revised up to 0.6%.

The economy contracted by 0.3% in the final quarter of 2011, which together with falling inflation, eased the way for an announcement of further QE in February. Despite the downbeat economic data, equities took encouragement from robust earning reports and rising dividends, making February the FTSE All-Share's strongest month over the reporting period.

Equity markets globally slipped back over April as anxieties over Eurozone debt came to the fore once again, and as signs of political change swept across the Continent. UK markets finished marginally lower, with economic data presenting a mixed picture: first quarter Gross Domestic Product (GDP) was reported as -0.2%, confirming that the UK was in a technical recession; however, the manufacturing purchasing managers' index and retail sales data were stronger than expected.

Overall, over the period smaller-sized firms (FTSE Small Cap ex-Investment Trusts +13.7%) performed better than both medium-sized companies (FTSE 250 +10.4%) and larger companies (FTSE 100 +5.5%).

The best performing sector in the FTSE All-Share was industrials, followed by consumer goods and utilities, while health care, basic materials and oil & gas were the main laggards. The biggest contributors to index points were tobacco giant British American Tobacco, drinks group Diageo, brewer SABMiller and oil giant Royal Dutch Shell. Conversely, the main index detractors included supermarket giant Tesco, which sounded a profit warning and admitted it needed to invest "hundreds of millions" to improve its customer experience. Pharmaceutical Astrazeneca also fell, after announcing a fall in pre-tax profits for the three months to the end of December as well as thousands of job cuts.

Market outlook

Markets are likely to remain volatile as concerns about the impact of fiscal austerity and deleveraging in developed markets persist. The forthcoming earnings season, and the provision of any guidance for the remainder of the year, will again prove to be crucial for continuing the improvement in earnings estimates. If this occurs then equity markets could remain buoyant in the second quarter. However, if the earnings season does not confirm a positive outlook then investors' bullish view of stocks, like earnings, could fade.

Comparative tables as at 30 April 2012

Net asset value per share

	Net asset value of Fund (£)	Net asset value of shares (£)	Number of shares in issue	Net asset value per share (pence)
Class A income				
31/10/2009	278,930,654	22,277,916	8,514,485	261.65
31/10/2010	296,337,659	24,422,795	8,176,625	298.69
31/10/2011	260,668,250	20,984,312	7,163,707	292.93
30/04/2012	265,485,650	21,464,291	7,011,874	306.11
Class A accumulation				
31/10/2009	278,930,654	219,595,420	70,673,291	310.72
31/10/2010	296,337,659	232,259,221	64,054,362	362.60
31/10/2011	260,668,250	210,877,542	58,129,717	362.77
30/04/2012	265,485,650	214,398,807	55,834,964	383.99
Class I accumulation				
31/10/2009	278,930,654	37,057,318	11,773,877	314.74
31/10/2010	296,337,659	39,655,643	10,775,164	368.03
31/10/2011	260,668,250	28,806,396	7,803,519	369.15
30/04/2012	265,485,650	29,622,552	7,566,895	391.48

Comparative tables (continued)

Performance record

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class A income			
2007	8.41	352.42	308.38
2008	9.05	334.91	192.82
2009	7.44	282.15	180.40
2010	6.57	316.44	255.16
2011	6.12	324.83	264.19
2012	4.01+	321.61*	296.97*
Class A accumulation			
2007	9.22	387.10	338.73
2008	10.15	372.28	217.72
2009	8.66	334.99	207.65
2010	7.86	384.16	306.96
2011	7.49	395.43	323.69
2012	4.95+	398.22*	367.70*
Class I accumulation			
2007	10.04	390.52	341.60
2008	10.93	375.74	220.11
2009	9.30	339.43	210.07
2010	8.66	390.04	311.35
2011	8.57	401.90	329.29
2012	5.77+	405.79*	374.42*

* to 30 April

\+ to 29 June

Total expense ratio

The annualised total expense ratio (TER) of the Fund, based on the total expenses included within the financial statements for the period as indicated below:

	30/04/12 %	31/10/11 %
Class A	0.76	0.70
Class I	0.38	0.44

The TER of the Fund is the ratio of the Fund's total operating costs to its average net assets for twelve months.

Ongoing charge figure*

The annualised ongoing charge figure (OCF) of the Fund, calculated as the ratio of the total ongoing charges to the average net asset value for twelve months. Ongoing charges are all expenses deducted from the assets of the Fund during the period, except for expenses that are explicitly excluded by regulation.

	30/04/12 %
Class A	0.76
Class I	0.38

* The OCF replaces the TER. It is calculated in accordance with guidelines issued by the Committee of European Securities Regulators with the aim of ensuring a harmonised approach to the calculation of the OCF by all UCITS.

Portfolio statement as at 30 April 2012

Holding	Investment	Market value £000	Percentage of total net assets %
	UNITED KINGDOM – 98.38% (31/10/11: 98.24%)		
	Warrants – 0.00% (31/10/11: 0.00%)		
1,109	Eastern European**	–	–
	Oil & Gas – 17.51% (31/10/11: 17.94%)		
	Alternative Energy – 0.00% (31/10/11: 0.00%)		
21,257	Crystalox Solar	1	–
	Oil & Gas Producers – 16.72% (31/10/11: 17.21%)		
161,927	Afren	218	0.08
503,332	BG	7,301	2.75
2,831,333	BP	12,598	4.75
83,305	Cairn Energy	286	0.11
102,315	Enquest	129	0.05
298,024	Fortune Oil	32	0.01
12,630	Hardy Oil & Gas	19	0.01
33,847	Heritage Oil	50	0.02
24,472	JKX Oil & Gas	34	0.01
7,860	Melrose Resources	9	–
24,928	Ophir Energy	143	0.05
73,496	Premier Oil	275	0.10
548,600	Royal Dutch Shell 'A'	12,031	4.53
401,473	Royal Dutch Shell 'B'	9,019	3.40
20,188	Salamander Energy	50	0.02
42,033	Soco International	126	0.05
134,512	Tullow Oil	2,063	0.78
		44,383	16.72
	Oil Equipment & Services – 0.79% (31/10/11: 0.73%)		
50,058	AMEC	568	0.21
18,300	CAPE	69	0.03
38,973	Essar Energy	57	0.02
20,751	Hunting	197	0.08
48,213	John Wood	377	0.14
13,526	Kentz Corporation	57	0.02
28,927	Lamprell	101	0.04
38,324	Petrofac	665	0.25
		2,091	0.79

Holding	Investment	Market value £000	Percentage of total net assets %
	UNITED KINGDOM – continued		
	Basic Materials – 11.18% (31/10/11: 11.18%)		
	Chemicals – 0.68% (31/10/11: 0.54%)		
57,447	AZ Electronic Materials	182	0.07
19,761	Croda International	440	0.17
63,701	Elementis	132	0.05
31,831	Johnson Matthey	737	0.28
12,051	Victrex	175	0.07
42,333	Yule Catto	99	0.04
		1,765	0.68
	Forestry & Paper – 0.11% (31/10/11: 0.10%)		
53,019	Mondi	303	0.11
	Industrial Metals – 0.12% (31/10/11: 0.07%)		
50,598	Evraz	187	0.07
28,522	Ferrexpo	83	0.03
76,743	International Ferro Metals	12	–
30,447	Talvivaara Mining	55	0.02
		337	0.12
	Mining – 10.27% (31/10/11: 10.47%)		
21,599	African Barrick Gold	78	0.03
30,957	Allied Gold Mining	37	0.01
198,916	Anglo American	4,710	1.77
18,445	Anglo Pacific	59	0.02
54,245	Antofagasta	641	0.24
73,490	Aquarius Platinum	96	0.04
29,879	Avocet Mining	52	0.02
315,452	BHP Billiton	6,227	2.35
45,024	BlackRock New Energy Technology	13	0.01
13,612	Bumi	71	0.03
158,908	Centamin Egypt	109	0.04
52,331	Eurasian Natural Resources	293	0.11
29,582	Fresnillo	461	0.17
20,442	Gem Diamonds Mining	53	0.02
208,807	Glencore International	889	0.33
25,254	Hochschild Mining	127	0.05
32,953	Kazakhmys	284	0.11
375,185	Kenmare Resources	189	0.07
26,203	Lonmin	273	0.10
16,430	New World Resources	67	0.03

Holding	Investment	Market value £000	Percentage of total net assets %
	UNITED KINGDOM – continued		
	Basic Materials – continued		
	Mining – continued		
28,129	Peter Hambro Mining	134	0.05
56,302	Petra Diamonds	87	0.03
38,628	Polymetal International	353	0.13
13,740	Randgold Resources	745	0.28
208,971	Rio Tinto	7,172	2.70
39,528	UK Coal	8	–
17,603	Vedanta Resources	214	0.08
326,749	Xstrata	3,847	1.45
		27,289	10.27
	Industrials – 8.48% (31/10/11: 7.36%)		
	Aerospace & Defence – 1.93% (31/10/11: 1.81%)		
466,718	BAE Systems	1,377	0.52
27,670	Chemring	90	0.03
166,306	Cobham	377	0.14
112,836	Meggitt	461	0.17
106,312	Qinetiq	163	0.06
281,481	Rolls-Royce	2,318	0.87
29,836,986	Rolls-Royce 'C' Shares#	–	–
60,218	Senior	128	0.05
11,064	Ultra Electronics Holding	186	0.07
7,191	Umeco	41	0.02
		5,141	1.93
	Construction & Materials – 0.70% (31/10/11: 0.21%)		
98,943	Balfour Beatty	258	0.10
5,791	Costain	13	–
106,753	CRH	1,329	0.50
12,180	Galliford Try	79	0.03
12,187	Keller	51	0.02
5,567	Kier	65	0.02
32,413	Low & Bonar	19	0.01
29,826	Marshalls	27	0.01
4,826	Morgan Sindall	32	0.01
21,975	Rok*	–	–
		1,873	0.70

Holding	Investment	Market value £000	Percentage of total net assets %
	UNITED KINGDOM – continued		
	Industrials – continued		
	General Industrials – 0.69% (31/10/11: 0.59%)		
5,194	British Polythene	17	0.01
42,295	Cookson	307	0.12
128,337	Rexam	552	0.21
26,017	RPC	96	0.04
131,266	Smith (DS)	220	0.08
58,021	Smiths	621	0.23
		1,813	0.69
	Electronic & Electrical Equipment – 0.44% (31/10/11: 0.34%)		
18,506	Domino Printing	111	0.04
23,003	E2V Holdings	33	0.01
59,597	Halma	241	0.09
44,877	Laird	97	0.04
42,749	Morgan Crucible	139	0.05
8,048	Oxford Instruments	98	0.04
5,512	Renishaw	80	0.03
17,027	Spectris	320	0.12
21,727	TT Electronics	41	0.02
		1,160	0.44
	Industrial Engineering – 0.79% (31/10/11: 0.85%)		
31,916	Bodycote International	136	0.05
28,169	Fenner	127	0.05
129	Goodwin	2	–
11,473	Hill & Smith Holdings	38	0.01
46,725	IMI	462	0.17
55,658	Melrose	243	0.09
13,195	Rotork	290	0.11
15,964	Severfield-Rowen	30	0.01
12,062	Spirax-Sarco	278	0.10
31,167	Weir	531	0.20
		2,137	0.79

Holding	Investment	Market value £000	Percentage of total net assets %
	UNITED KINGDOM – continued		
	Industrials – continued		
	Industrial Transportation – 0.11% (31/10/11: 0.11%)		
77,751	BBA	153	0.06
5,223	Braemar Shipping Services	20	0.01
2,464	Clarkson	33	0.01
7,373	Fisher (James)	42	0.02
7,108	Goldenport	6	–
27,500	Stobart	35	0.01
4,716	UK Mail	11	–
25,506	Wincanton	12	–
		312	0.11
	Support Services – 3.82% (31/10/11: 3.45%)		
38,102	Aggreko	857	0.32
76,001	Ashtead	189	0.07
15,565	Atkins (WS)	113	0.04
53,733	Babcock International	447	0.17
25,805	Berendsen	133	0.05
15,640	Brammer	57	0.02
49,500	Bunzl	506	0.19
92,834	Capita	615	0.23
65,540	Carillion	191	0.07
23,180	Connaught*	–	–
14,960	CPP	8	–
14,906	De La Rue	145	0.06
19,733	Diploma	90	0.03
60,773	Electrocomp	138	0.05
148,456	Experian	1,444	0.54
32,422	Filtrona	151	0.06
209,749	G4S	586	0.22
221,080	Hays	197	0.08
49,816	Homeserve	126	0.05
98,365	Howden Joinery	120	0.05
7,595	Hyder Consulting	29	0.01
22,816	Interserve	65	0.02
23,243	Intertek	585	0.22
21,328	Lavendon	26	0.01
53,869	Management Consulting	21	0.01
14,275	Mears	37	0.01
6,374	Menzies (John)	41	0.02
45,087	Michael Page International	187	0.07
54,452	Mitie	158	0.06

Holding	Investment	Market value £000	Percentage of total net assets %
	UNITED KINGDOM – continued		
	Industrials – continued		
	Support Services – continued		
16,942	North	34	0.01
9,160	Paypoint	59	0.02
50,088	Premier Farnell	108	0.04
109,641	Regus	117	0.05
280,701	Rentokil Initial	243	0.09
10,716	Ricardo	37	0.01
9,685	Robert Walters	25	0.01
36,405	RPS	86	0.03
28,594	Safestore Holdings	32	0.01
75,228	Serco	408	0.15
70,730	Shanks	65	0.02
93,068	SIG	98	0.04
38,193	Smiths News	36	0.01
99,250	Speedy Hire	27	0.01
22,242	St Ives	17	0.01
15,929	Sthree	55	0.02
36,879	Travis Perkins	387	0.15
5,764	VP	15	0.01
42,639	Wolseley	998	0.38
13,412	WSP	34	0.01
32,600	Xchanging	33	0.01
		10,176	3.82
	Consumer Goods – 13.56% (31/10/11: 12.77%)		
	Automobiles & Parts – 0.18% (31/10/11: 0.17%)		
232,500	GKN	474	0.18
	Beverages – 3.98% (31/10/11: 3.55%)		
6,342	BARR (AG)	74	0.03
32,984	Britvic	126	0.05
377,860	Diageo	5,861	2.21
173,809	SABMiller	4,498	1.69
		10,559	3.98

Holding	Investment	Market value £000	Percentage of total net assets %
	UNITED KINGDOM – continued		
	Consumer Goods – continued		
	Food Producers – 2.10% (31/10/11: 2.14%)		
2,690	Anglo-Eastern Plantations	21	0.01
55,837	Associated British Foods	680	0.26
8,550	Cranswick	69	0.03
23,017	Dairy Crest	69	0.03
28,374	Devro	87	0.03
4,711	Hilton Food	13	–
389,334	Premier Foods	63	0.02
1,780	REA Holdings	12	–
70,375	Tate & Lyle	486	0.18
194,363	Unilever	4,087	1.54
		5,587	2.10
	Household Goods – 1.95% (31/10/11: 1.80%)		
15,009	AGA Foodservice	11	–
150,488	Barratt Developments	201	0.08
18,780	Bellway	148	0.06
18,489	Berkeley Group Holdings	237	0.09
20,013	Bovis Homes	93	0.03
14,326	Headlam	43	0.02
32,953	McBride	42	0.02
659,060	McBride Non Cumulative Preference	1	–
44,738	Persimmon	281	0.11
105,606	Reckitt Benckiser	3,788	1.43
46,786	Redrow	58	0.02
7,017	Redrow Nil Paid*	–	–
476,697	Taylor Wimpey	240	0.09
		5,143	1.95
	Leisure Goods – 0.03% (31/10/11: 0.03%)		
8,035	Hornby	7	–
59,430	Photo-Me International	26	0.01
6,462	Vitec	43	0.02
		76	0.03
	Personal Goods – 0.41% (31/10/11: 0.39%)		
65,790	Burberry	977	0.37
35,010	PZ Cussons	116	0.04
		1,093	0.41

Holding	Investment	Market value £000	Percentage of total net assets %
	UNITED KINGDOM – continued		
	Consumer Goods – continued		
	Tobacco – 4.91% (31/10/11: 4.69%)		
294,315	British American Tobacco	9,297	3.50
151,664	Imperial Tobacco	3,737	1.41
		13,034	4.91
	Healthcare – 7.24% (31/10/11: 7.68%)		
	Healthcare Equipment & Services – 0.37% (31/10/11: 0.36%)		
6,071	Consort Medical	40	0.02
7,169	Optos	18	0.01
134,084	Smith & Nephew	813	0.31
8,383	Synergy Healthcare	70	0.03
		941	0.37
	Pharmaceuticals & Biotechnology – 6.87% (31/10/11: 7.32%)		
191,844	AstraZeneca	5,179	1.95
45,152	BTG	171	0.06
10,859	Dechra Pharmaceuticals	50	0.02
3,257	Dechra Pharmaceuticals Nil Paid	5	–
8,945	Genus	126	0.05
759,481	GlaxoSmithKline	10,819	4.08
23,437	Hikma Pharmaceuticals	147	0.06
118,935	Oxford Biomedica	5	–
83,982	Shire	1,688	0.64
32,084	Vectura	23	0.01
		18,213	6.87
	Consumer Services – 8.97% (31/10/11: 9.38%)		
	Food & Drug Retailers – 2.24% (31/10/11: 2.76%)		
241,968	Booker	191	0.07
15,545	Greggs	78	0.03
356,596	Morrison (Wm) Supermarkets	1,001	0.38
64,964	Ocado	84	0.03
258,136	Sainsbury (J)	795	0.30
1,192,807	Tesco	3,784	1.43
		5,933	2.24

Holding	Investment	Market value £000	Percentage of total net assets %
	UNITED KINGDOM – continued		
	Consumer Services – continued		
	General Retailers – 1.51% (31/10/11: 1.47%)		
43,232	Ashley (Laura)	10	–
8,605	Carpetright	52	0.02
192,239	Debenhams	159	0.06
8,180	Dignity	69	0.03
577,280	DSG International	103	0.04
13,529	Dunelm	69	0.03
220,290	Findel	7	–
30,194	Halfords	83	0.03
132,443	Home Retail	141	0.05
67,934	Inchcape	249	0.09
1,676	John David	14	0.01
81,535	Kesa Electricals	44	0.02
349,065	Kingfisher	1,014	0.38
53,535	Lookers	33	0.01
237,566	Marks & Spencer	847	0.32
16,195	Mothercare	27	0.01
29,599	N Brown	68	0.03
24,690	Next	723	0.27
259,477	Pendragon	38	0.01
29,420	Sports Direct International	89	0.03
5,548	Supergroup	19	0.01
4,505	Ted Baker	40	0.02
27,665	Topps Tiles	11	–
20,211	WH Smith	106	0.04
		4,015	1.51
	Media – 2.72% (31/10/11: 2.66%)		
152,765	Aegis	271	0.10
15,819	Bloomsbury Publishing	16	0.01
183,455	BSB	1,243	0.47
32,078	Centaur Holdings	10	–
8,145	Chime Communications	15	0.01
43,187	Daily Mail & General Trust	180	0.07
5,596	Euromoney Institutional Money	44	0.02
41,896	Huntsworth	20	0.01
92,399	Informa	383	0.14
37,036	ITE	83	0.03
547,734	ITV	458	0.17
6,828	Mecom	10	–
25,341	Moneysupermarket	34	0.01

Holding	Investment	Market value £000	Percentage of total net assets %
	UNITED KINGDOM – continued		
	Consumer Services – continued		
	Media – continued		
122,150	Pearson	1,417	0.53
13,129	PERFORM	39	0.01
184,442	Reed Elsevier (London Listed)	941	0.35
15,559	Rightmove	240	0.09
46,457	Trinity Mirror	15	0.01
36,490	United Business Media	215	0.08
20,925	UTV Media	31	0.01
12,471	Wilmington	11	–
189,194	WPP	1,577	0.59
429,834	Yell	17	0.01
		7,270	2.72
	Travel & Leisure – 2.50% (31/10/11: 2.49%)		
8,119	888 Holdings	7	–
8,891	Betfair	70	0.03
56,086	Bwin.party Digital Entertainment	86	0.03
30,013	Carnival (London listed)	601	0.23
14,440	Cineworld	29	0.01
282,166	Compass	1,816	0.68
19,676	Domino's Pizza	86	0.03
37,623	easyJet	186	0.07
90,950	Enterprise Inns	56	0.02
74,258	FirstGroup	144	0.05
4,810	Fuller Smith & Turner 'A'	34	0.01
6,929	Go-Ahead	79	0.03
29,518	Greene King	151	0.06
43,081	Intercontinental Hotels	632	0.24
272,824	International Consolidated Airlines	481	0.18
132,798	Ladbrokes	238	0.09
98,834	Marstons	96	0.04
23,126	Millennium & Copthorne Hotels	112	0.04
49,035	Mitchells & Butlers	129	0.05
75,891	National Express	164	0.06
91,759	Punch Taverns	9	–
14,833	Rank	17	0.01
34,246	Restaurant	96	0.04
26,847	SFI Holdings Litigation Entitlement*	–	–
91,759	Spirit Pub	51	0.02
100,461	Sportingbet	33	0.01
70,747	Stagecoach	175	0.07

Holding	Investment	Market value £000	Percentage of total net assets %
	UNITED KINGDOM – continued		
	Consumer Services – continued		
	Travel & Leisure – continued		
139,373	Thomas Cook	31	0.01
81,283	TUI Travel	155	0.06
9,693	Wembley*	–	–
19,728	Wetherspoon (JD)	80	0.03
25,624	Whitbread	494	0.19
106,774	William Hill	300	0.11
		6,638	2.50
	Telecommunications – 6.00% (31/10/11: 6.32%)		
	Fixed Line Telecommunications – 1.10% (31/10/11: 1.03%)		
1,151,839	British Telecom	2,427	0.91
821,758	Cable & Wireless	282	0.11
58,885	Colt Telecom	63	0.02
83,322	Kcom	59	0.02
65,904	TalkTalk Telecom	84	0.03
5,040	Telecom Plus	34	0.01
		2,949	1.10
	Mobile Telecommunications – 4.90% (31/10/11: 5.29%)		
64,441	Inmarsat	283	0.11
7,463,950	Vodafone	12,726	4.79
		13,009	4.90
	Utilities – 4.01% (31/10/11: 3.92%)		
	Electricity – 0.81% (31/10/11: 0.85%)		
56,590	Drax	307	0.12
138,523	Scottish & Southern Energy	1,828	0.69
		2,135	0.81
	Gas, Water & Multiutilities – 3.20% (31/10/11: 3.07%)		
773,441	Centrica	2,374	0.89
229,320	International Power	956	0.36
530,786	National Grid	3,530	1.33
55,806	Pennon	411	0.16
34,833	Severn Trent	588	0.22
104,106	United Utilities	644	0.24
		8,503	3.20

Holding	Investment	Market value £000	Percentage of total net assets %
	UNITED KINGDOM – continued		
	Financials – 20.05% (31/10/11: 20.16%)		
	Banks – 10.10% (31/10/11: 10.08%)		
1,826,758	Barclays	3,986	1.50
284,656	Bradford & Bingley*	–	–
2,707,065	HSBC Holdings (London listed)	15,027	5.66
6,048,931	Lloyds Banking Group	1,876	0.71
2,695,027	Royal Bank Of Scotland	654	0.25
349,777	Standard Chartered	5,266	1.98
		26,809	10.10
	Non-Life Insurance – 0.82% (31/10/11: 0.83%)		
30,117	Admiral	364	0.14
72,752	Amlin	240	0.09
80,488	Beazley	114	0.04
56,694	Catlin	239	0.09
11,225	Hardy Underwriting	31	0.01
61,004	Hiscox	243	0.09
21,686	Jardine Lloyd Thompson	152	0.06
24,865	Lancashire Holdings	200	0.08
9,703	Novae	36	0.01
526,690	RSA Insurance	552	0.21
		2,171	0.82
	Life Insurance – 2.93% (31/10/11: 2.86%)		
434,789	Aviva	1,340	0.50
18,213	Chesnara	31	0.01
867,188	Legal & General	1,020	0.38
731,207	Old Mutual	1,080	0.41
21,334	Phoenix Group Holdings	113	0.04
378,972	Prudential	2,859	1.08
200,071	Resolution	448	0.17
29,904	St James's Place	99	0.04
352,680	Standard Life	789	0.30
		7,779	2.93
	Real Estate – 1.53% (31/10/11: 1.62%)		
5,090	A & J Mucklow Group Real Estate Investment Trust	16	0.01
18,362	Big Yellow	54	0.02
131,196	British Land	642	0.24
84,560	Capital Shopping Centres	274	0.10
102,174	Capital & Counties Properties	203	0.08

Holding	Investment	Market value £000	Percentage of total net assets %
	UNITED KINGDOM – continued		
	Financials – continued		
	Real Estate – continued		
46,140	Capital & Regional	15	0.01
3,235	CLS Holdings	20	0.01
1,049	Daejan Holdings	34	0.01
14,122	Derwent London	246	0.09
12,787	Development Securities	21	0.01
61,371	Grainger	61	0.02
45,870	Great Portland Estates	165	0.06
106,783	Hammerson	446	0.17
102,340	Hansteen Holdings	75	0.03
20,009	Helical Bar	38	0.01
118,131	Land Securities	859	0.32
90,535	London & Stamford Property	100	0.04
7,357	McKay Securities	9	–
33,358	Metric Property Investments	30	0.01
6,534	Primary Health Properties Real Estate Investment Trust	22	0.01
81,581	Quintain Estates & Development	31	0.01
19,664	Savills	70	0.03
116,561	Segro Real Estate Investment Trust	258	0.10
38,878	Shaftesbury	199	0.07
30,148	St Modwen Properties	50	0.02
9,010	Town Centre Securities	17	0.01
24,105	Unite	47	0.02
26,622	Workspace Group Real Estate Investment Trust	59	0.02
		4,061	1.53
	Financial Services – 1.58% (31/10/11: 1.66%)		
155,868	Aberdeen Asset Management	441	0.17
46,454	Ashmore	178	0.07
42,920	Brewin Dolphin	70	0.03
308	Camellia	30	0.01
6,448	Charles Taylor Consulting	9	–
23,015	Close Brothers	170	0.06
75,044	F&C Asset Management	51	0.02
35,515	Hargreaves Lansdown	187	0.07
161,331	Henderson Global Investors+	195	0.07
89,707	ICAP	340	0.13
53,960	IG Group Holdings	249	0.09
64,507	Intermediate Capital	165	0.06
43,499	International Personal Finance	116	0.04
67,226	International Public Partnerships	79	0.03
86,065	Investec	305	0.11

Holding	Investment	Market value £000	Percentage of total net assets %
	UNITED KINGDOM – continued		
	Financials – continued		
	Financial Services – continued		
49,998	IP2IPO	72	0.03
30,510	London Stock Exchange	332	0.12
272,282	Man	281	0.11
38,875	Paragon Group of Companies	70	0.03
19,467	Provident Financial	225	0.08
6,045	Rathbone Brothers	79	0.03
27,302	Schroder Oriental Income Fund	44	0.02
23,261	Schroders	330	0.12
8,581	Schroders non voting	96	0.04
32,510	Tullett Prebon	112	0.04
		4,226	1.58
	Equity Investment Instruments – 2.83% (31/10/11: 2.83%)		
15,758	3i Bioscience Investment Trust*	–	–
148,710	3i	284	0.11
96,022	3i Infrastructure	121	0.05
23,601	Aberdeen Asian Income	44	0.02
4,761	Aberdeen New Dawn Investment Trust	38	0.01
15,565	Aberforth Smaller Companies	97	0.04
7,042	Advance Developing Markets Investment Trust	31	0.01
5,946	Artemis Alpha Trust	17	0.01
13,498	Baillie Gifford Japan Investment Trust	27	0.01
15,576	Bankers Investment Trust	65	0.02
2,867	Baring Emerging Europe	20	0.01
3,515	BH Global USD Shares	25	0.01
4,557	BH Macro	93	0.03
2,231	BH Macro (euro)	35	0.01
4,468	BH Macro USD Shares	53	0.02
7,782	BlackRock Smaller Companies	40	0.02
28,352	BlackRock World Mining Investment Trust	189	0.07
39,162	BlueCrest AllBlue Fund	63	0.02
53,879	British Assets	67	0.03
25,856	British Empire Securities	106	0.04
7,936	Brunner	33	0.01
7,152	Caledonia Investments	101	0.04
3,952	Candover Investment Trust	16	0.01
8,504	City Natural Resources High Yield Trust	21	0.01
30,904	City Of London Investment Trust	91	0.03
19,700	Dexion Equity Alternative	24	0.01
23,621	Dexion Trading	28	0.01
6,369	Dunedin Enterprise	22	0.01

Holding	Investment	Market value £000	Percentage of total net assets %
	UNITED KINGDOM – continued		
	Financials – continued		
	Equity Investment Instruments – continued		
25,998	Dunedin Income Growth Investment Trust	56	0.02
33,870	Edinburgh Dragon Investment Trust	81	0.03
29,063	Edinburgh Investment Trust	143	0.05
16,986	Edinburgh UK Tracker Trust	43	0.02
5,346	Edinburgh US Tracker Trust	37	0.01
10,621	Edinburgh Worldwide Investment Trust	30	0.01
4,876	Electra Private Equity	81	0.03
6,530	F&C Global Smaller Companies	38	0.01
11,409	F&C PEP & ISA Investment Trust	25	0.01
7,332	F&C Private Equity	12	–
3,943	F&C US Smaller Companies	18	0.01
7,542	Fidelity European Values Investment Trust	82	0.03
10,101	Fidelity Special Values Investment Trust	52	0.02
10,575	Finsbury Growth & Income Investment Trust	37	0.01
7,375	Finsbury Worldwide Pharmaceutical Trust	58	0.02
93,346	Foreign & Colonial Investment Trust	283	0.11
7,275	Framlington Innovative Growth Investment Trust*	–	–
688	Gartmore Irish Growth Investment Trust+*	–	–
24,705	Glasgow Income Trust	14	0.01
51,618	Govett Strategic Investment Trust*	–	–
10,929	Graphite Enterprise Investment Trust	44	0.02
2,145	Hansa Trust A Investment Trust	18	0.01
4,542	Henderson European Focus Trust+	25	0.01
5,431	Henderson Eurotrust+	27	0.01
16,673	Henderson Far East Income+	50	0.02
4,725	Henderson Fledgling Trust+	17	0.01
4,815	Henderson Global Trust+	15	0.01
13,760	Henderson High Income Trust+	18	0.01
13,617	Henderson Smaller Companies Investment Trust+	43	0.02
27,392	Henderson TR Pacific Investment Trust+	47	0.02
10,251	Herald Investment Trust	52	0.02
5,842	HG Capital Trust	56	0.02
95,173	HSBC Infrastructure	114	0.04
24,942	Impax Environmental Markets	25	0.01
21,456	ING Global Real Estate	19	0.01
13,369	Invesco Asia Trust Investment Trust	20	0.01
11,974	Invesco Income Growth Investment Trust	26	0.01
7,991	Invesco Perpetual UK Smaller Companies Investment Trust	16	0.01
5,199	JPM American Investment Trust	47	0.02
24,608	JPM Asian	47	0.02

Holding	Investment	Market value £000	Percentage of total net assets %
	UNITED KINGDOM – continued		
	Financials – continued		
	Equity Investment Instruments – continued		
9,660	JPM Chinese Investment Trust	13	–
9,881	JPM Claverhouse Investment Trust	42	0.02
16,982	JPM Emerging Markets Investment Trust	92	0.03
4,821	JPM European Fledgling Investment Trust	32	0.01
15,189	JPM European Investment Trust	23	0.01
20,385	JPM Indian Investment Trust	67	0.03
23,616	JPM Japanese Investment Trust	40	0.02
9,271	JPM Japanese Smaller Companies Investment Trust	13	–
15,692	JPM Mercantile Investment Trust	158	0.06
6,613	JPM Mid Capital Investment Trust	28	0.01
4,473	JPM Overseas Investment Trust	33	0.01
8,940	JPM Russian Securities Investment Trust	49	0.02
5,032	JPM Smaller Companies Investment Trust	24	0.01
11,924	Jupiter European Opportunities Investment Trust	34	0.01
4,547	JZ Capital Partners	16	0.01
2,925	Keystone Investment Trust	36	0.01
21,061	Law Debenture Corp	80	0.03
5,260	Lowland Investment Trust	48	0.02
5,711	Majedie Investment Trust	9	–
9,598	Martin Currie Pacific Investment Trust	26	0.01
7,616	Martin Currie Portfolio Investment Trust	10	–
38,660	MedicX Fund	30	0.01
18,742	Merchants Trust	70	0.03
38,576	Monks Investment Trust	130	0.05
7,640	Montanaro UK Smaller Companies Investment Trust	26	0.01
10,957	Murray Income Trust	71	0.03
17,383	Murray International Trust	166	0.06
2,743	North Atlantic Smaller Companies Investment Trust	28	0.01
26,454	Pacific Assets Investment Trusts	32	0.01
10,542	Pacific Horizon Investment Trust	17	0.01
6,922	Pantheon International	53	0.02
27,851	Perpetual Income & Growth Investment Trust	74	0.03
161	Personal Assets Investment Trust	55	0.02
18,993	Polar Capital Technology Trust	73	0.03
19,960	RIT Capital Partners	229	0.09
20,233	Schroder Asia Pacific Investment Trust	48	0.02
15,755	Schroder Income Growth Investment Trust	31	0.01
27,094	Schroder Japan Growth Investment Trust	25	0.01
24,425	Schroder UK Growth Investment Trust	31	0.01
6,789	Schroder UK Mid & Small Cap	18	0.01
22,935	Scottish American Investment Trust	51	0.02
17,456	Scottish Investment Trust	83	0.03

Holding	Investment	Market value £000	Percentage of total net assets %
	UNITED KINGDOM – continued		
	Financials – continued		
	Equity Investment Instruments – continued		
39,620	Scottish Mortgage Investment Trust	274	0.10
42	Scottish Oriental Smaller Companies Investment Trust**	–	–
11,920	Scottish Value Investment Trust	34	0.01
22,102	Securities Trust of Scotland	26	0.01
6,451	Shires Income Investment Trust	12	–
8,627	Standard Life Equity Income Investment Trust	24	0.01
19,014	Standard Life European Private Equity	27	0.01
45,765	SVG Capital	126	0.05
10,167	Temple Bar Investment Trust	94	0.04
49,682	Templeton Emerging Markets Investment Trust	279	0.10
91,959	The Alliance Trust	332	0.12
7,234	The European Investment Trust	35	0.01
14	Throgmorton Investment Trust**	–	–
8,094	TR European Growth Trust	26	0.01
46,069	TR Property Investment Trust	68	0.03
34,114	UK Commercial Property Trust	25	0.01
24,407	Utilico Emerging Markets	40	0.02
9,862	Value & Income Investment Trust	18	0.01
32,010	Witan Investment Trust	152	0.06
11,758	Witan Pacific Investment Trust	23	0.01
		7,396	2.83
	Non-equity Investment Instruments – 0.26% (31/10/11: 0.28%)		
4,378	Aberdeen Asian Smaller Companies Investment Trust	32	0.01
34,190	Absolute Return Trust	37	0.01
23,649	Alternative Investment Strategies	26	0.01
4,861	BH Global	58	0.02
9,415	Blackrock Commodities Income Investment Trust	12	–
7,029	BlackRock Latin American Investment Trust	40	0.02
44,832	Dexion Absolute	62	0.02
5,545	Eastern European	14	0.01
39,147	Ecofin Water & Power Opportunities	47	0.02
51,962	FCPT	54	0.02
75,856	Fidelity China Special	59	0.02
21,799	Genesis Emerging Markets Fund	108	0.04
76,635	Invista Foundation Property Trust	26	0.01
39,810	Jupiter Fund Management	91	0.03
66,109	Picton Property Income	25	0.01
20,437	Thames River Multi Hedge Fund	24	0.01
		715	0.26

Holding	Investment	Market value £000	Percentage of total net assets %
	UNITED KINGDOM – continued		
	Technology – 1.39% (31/10/11: 1.41%)		
	Software & Computer Services – 0.80% (31/10/11: 0.78%)		
45,148	Anite	56	0.02
10,568	Aveva	176	0.07
13,929	Cofax	40	0.02
12,050	Computacenter	50	0.02
5,553	Fidessa	86	0.03
116,927	Invensys	259	0.10
252,335	Logica	196	0.07
23,939	Micro Focus International	111	0.04
48,894	Misys	170	0.06
4,534	NCC	40	0.02
8,726	Phoenix IT	17	0.01
19,787	RM	16	0.01
201,679	Sage	577	0.22
12,455	SDL	89	0.03
26,930	Telecity	217	0.08
		2,100	0.80
	Technology Hardware & Equipment – 0.59% (31/10/11: 0.63%)		
199,279	Arm Holdings	1,044	0.39
62,620	BATM Advanced Communications	10	–
26,796	CSR	62	0.02
33,691	Imagination Technologies	231	0.09
50,056	Pace	36	0.01
17,557	Promethean World	8	–
33,313	Psion	18	0.01
5,812	Sepura	3	–
98,905	Spirent Communications	168	0.06
16,724	Wolfson Microelectronics	29	0.01
		1,609	0.59

Holding	Investment	Market value £000	Percentage of total net assets %
	UNITED KINGDOM – continued		
	Futures – (0.01)% (31/10/11: 0.12%)		
67	LIFFE FTSE 100 Index June 2012	(22)	(0.01)
	Investments assets	**261,197**	**98.38**
	Net other assets	4,289	1.62
	Net assets	**265,486**	**100.00**

* Suspended, delisted or unquoted securities

** Market value less than £500

Redeemable preference shares

+ Related party

Statement of total return for the six months ended 30 April 2012 (unaudited)

	30/04/12		30/04/11	
	£000	£000	£000	£000
Income				
Net capital gains		10,910		21,529
Revenue	5,192		4,291	
Expenses	(961)		(934)	
Net revenue before taxation	4,231		3,357	
Taxation	(2)		(7)	
Net revenue after taxation		4,229		3,350
Total return before distributions		15,139		24,879
Finance costs: Distributions		(3,557)		(2,832)
Change in net assets attributable to shareholders from investment activities		**11,582**		**22,047**

Statement of change in net assets attributable to shareholders

for the six months ended 30 April 2012 (unaudited)

	30/04/12		30/04/11	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		**260,668**		**296,338**
Amounts receivable on issue of shares	3,020		3,016	
Amounts payable on cancellation of shares	(12,953)		(25,857)	
		(9,933)		(22,841)
Stamp duty reserve tax		(37)		(31)
Change in net assets attributable to shareholders from investment activities (see above)		11,582		22,047
Retained distribution on accumulation shares		3,201		2,536
Unclaimed distributions over six years old		5		–
Closing net assets attributable to shareholders		**265,486**		**298,049**

Balance sheet as at 30 April 2012 (unaudited)

	30/04/12		31/10/11	
	£000	£000	£000	£000
Assets				
Investment assets		261,219		256,093
Debtors	2,591		669	
Cash and bank balances	2,675		4,597	
Total other assets		5,266		5,266
Total assets		266,485		261,359
Liabilities				
Investment liabilities		(22)		–
Creditors	(696)		(465)	
Distribution payable on income shares	(281)		(226)	
Total other liabilities		(977)		(691)
Total liabilities		(999)		(691)
Net assets attributable to shareholders		**265,486**		**260,668**

1 Accounting policies

The accounting policies are set out in note 1 of the aggregated financial statements on pages 5 to 7.

2 Portfolio transaction costs

	30/04/12 £000	30/04/11 £000
Purchases in period before transaction costs	3,694	1,445
Expenses	16	2
Total purchase transaction costs*	16	2
Purchases including transaction costs	**3,710**	**1,447**
Sales in period before transaction costs	8,625	21,740
Commissions	(3)	(6)
Expenses	–	(1)
Total sales transaction costs*	(3)	(7)
Sales net of transaction costs	**8,622**	**21,733**
Transaction handling charges*	**1**	**3**

* These amounts have been deducted in determining net capital gains.

Distribution table for the six months ended 30 April 2012 (in pence per share)

Interim dividend distribution (accounting date 30 April 2012, payable on 29 June 2012)

Group 1: shares purchased prior to 1 November 2011

Group 2: shares purchased on or after 1 November 2011

	Net revenue	Equalisation	Distribution payable 29/06/12	Distribution paid 30/06/11
Class A income				
Group 1	4.005	–	4.005	2.959
Group 2	1.838	2.167	4.005	2.959
Class A accumulation				
Group 1	4.952	–	4.952	3.603
Group 2	2.347	2.605	4.952	3.603
Class I accumulation				
Group 1	5.766	–	5.766	4.042
Group 2	2.994	2.772	5.766	4.042

Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Henderson UK Tracker Fund
Manager's report

Fund Manager

Chris Handley

Investment objective and policy

To track the capital performance of the FTSE 100 Index and to maintain a gross income yield equal to that of the Index. The Fund will be managed on a fully invested basis and have a portfolio comprising the companies which constitute the FTSE 100 Index. Occasionally, the Fund may invest in stocks outside of the Index.

The Fund may also invest at the Manager's discretion in other transferable securities, money market instruments, cash and near cash, derivative instruments and forward transactions, deposits and units in collective investment schemes (use may be made of stocklending, borrowing, cash holdings, hedging and other investment techniques permitted in applicable FSA Rules).

Performance summary

	1 May 11-30 Apr 12 %	1 May 10-30 Apr 11 %	1 May 09-30 Apr 10 %	1 May 08-30 Apr 09 %	1 May 07-30 Apr 08 %
Henderson UK Tracker Fund	(2.7)	10.9	33.9	(27.0)	(3.9)
FTSE 100 Index	(2.0)	12.9	35.9	(27.2)	(2.1)

Source: Morningstar – mid to mid (excluding initial charge) with net revenue reinvested for a basic rate taxpayer, net of fees, GBP. 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.

Significant portfolio changes for the six months ended 30 April 2012

Purchases	£000	Sales	£000
CRH	491	Vodafone	275
Polymetal International	176	Rio Tinto	226
Croda International	175	HSBC Holdings (London listed)	207
Aberdeen Asset Management	169	AstraZeneca	172
HSBC Holdings (London listed)	153	BP	167
Glencore International	120	British American Tobacco	127
Royal Dutch Shell 'A'	114	Cairn Energy	120
Evraz	87	Lonmin	117
BP	55	GlaxoSmithKline	116
Aviva	17	Royal Dutch Shell 'A'	113

Performance

Over the six-month period ending 30 April 2012 the Henderson UK Tracker Fund accumulation share class rose by 3.3%, compared to a rise in the FTSE 100 Total Return Index of 5.5%.

Market review

UK equities advanced for most of the period, buoyed at the outset by the Bank of England announcing an extension of its asset purchase programmes (quantitative easing) and news that growth for the UK economy in the third quarter of 2011 had been revised up to 0.6%.

The economy contracted by 0.3% in the final quarter of 2011, which together with falling inflation, eased the way for an announcement of further QE in February. Despite the downbeat economic data, equities took encouragement from robust earning reports and rising dividends, making February the FTSE All-Share's strongest month over the reporting period.

Equity markets globally slipped back over April as anxieties over Eurozone debt came to the fore once again, and as signs of political change swept across the Continent. UK markets finished marginally lower, with economic data presenting a mixed picture: first quarter Gross Domestic Product (GDP) was reported as -0.2%, confirming that the UK was in a technical recession; however, the manufacturing purchasing managers' index and retail sales data were stronger than expected.

Overall, over the period smaller-sized firms (FTSE Small Cap ex-Investment Trusts +13.7%) performed better than both medium-sized companies (FTSE 250 +10.4%) and larger companies (FTSE 100 +5.5%).

The best performing sector in the FTSE 100 was industrials, followed by consumer goods and utilities, while health care, consumer services and oil & gas were the main laggards. The biggest contributors to index points were tobacco giant British American Tobacco, drinks group Diageo, brewer SABMiller and oil giant Royal Dutch Shell. Conversely, the main index detractors included supermarket giant Tesco, which sounded a profit warning and admitted it needed to invest "hundreds of millions" to improve its customer experience. Pharmaceutical Astrazeneca also fell, after announcing a fall in pre-tax profits for the three months to the end of December as well as thousands of job cuts.

Market outlook

Markets are likely to remain volatile as concerns about the impact of fiscal austerity and deleveraging in developed markets persist. The forthcoming earnings season, and the provision of any guidance for the remainder of the year, will again prove to be crucial for continuing the improvement in earnings estimates. If this occurs then equity markets could remain buoyant in the second quarter. However, if the earnings season does not confirm a positive outlook then investors' bullish view of stocks, like earnings, could fade.

Comparative tables as at 30 April 2012

Net asset value per share

	Net asset value of Fund (£)	Number of shares in issue	Net asset value per share (pence)
Class A accumulation			
31/10/2009	91,648,390	60,365,689	151.82
31/10/2010	98,237,186	56,225,943	174.72
31/10/2011	85,651,868	49,119,093	174.38
30/04/2012	86,629,875	47,394,242	182.79

Performance record

Calendar year	Net revenue (pence per share)	Highest price (pence per share)	Lowest price (pence per share)
Class A accumulation			
2007	3.83	190.42	165.45
2008	4.44	185.13	109.06
2009	3.69	164.40	102.90
2010	3.08	184.73	148.04
2011	2.62	189.04	155.09
2012	2.03+	189.94*	177.74*

* to 30 April

\+ to 29 June

Total expense ratio

The annualised total expense ratio (TER) of the Fund, based on the total expenses included within the financial statements for the period as indicated below:

	30/04/12 %	31/10/11 %
Class A	1.27	1.22

The TER of the Fund is the ratio of the Fund's total operating costs to its average net assets for twelve months.

Ongoing charge figure*

The annualised ongoing charge figure (OCF) of the Fund, calculated as the ratio of the total ongoing charges to the average net asset value for twelve months. Ongoing charges are all expenses deducted from the assets of the Fund during the period, except for expenses that are explicitly excluded by regulation.

	30/04/12 %
Class A	1.27

* The OCF replaces the TER. It is calculated in accordance with guidelines issued by the Committee of European Securities Regulators with the aim of ensuring a harmonised approach to the calculation of the OCF by all UCITS.

Portfolio statement as at 30 April 2012 (unaudited)

Holding	Investment	Market value £000	Percentage of total net assets %
	UNITED KINGDOM – 98.41% (31/10/11: 99.01%)		
	Oil & Gas – 19.75% (31/10/11: 20.47%)		
	Oil & Gas Producers – 19.19% (31/10/11: 19.91%)		
196,069	BG	2,844	3.28
1,091,459	BP	4,856	5.61
212,252	Royal Dutch Shell 'A'	4,655	5.37
154,788	Royal Dutch Shell 'B'	3,477	4.01
51,941	Tullow Oil	797	0.92
		16,629	19.19
	Oil Equipment & Services – 0.56% (31/10/11: 0.56%)		
18,835	AMEC	214	0.25
15,452	Petrofac	268	0.31
		482	0.56
	Basic Materials – 12.01% (31/10/11: 12.12%)		
	Chemicals – 0.53% (31/10/11: 0.28%)		
7,780	Croda International	173	0.20
12,259	Johnson Matthey	284	0.33
		457	0.53
	Industrial Metal – 0.08% (31/10/11: 0.00%)		
19,755	Evraz	73	0.08
	Mining – 11.40% (31/10/11: 11.84%)		
76,353	Anglo American	1,808	2.09
20,667	Antofagasta	244	0.28
121,645	BHP Billiton	2,401	2.77
17,256	Eurasian Natural Resources	97	0.11
10,569	Fresnillo	165	0.19
81,405	Glencore International	346	0.40
11,852	Kazakhmys	102	0.12
13,475	Polymetal International	123	0.14
5,201	Randgold Resources	282	0.32
80,427	Rio Tinto	2,760	3.19
5,557	Vedanta Resources	68	0.08
125,681	Xstrata	1,480	1.71
		9,876	11.40

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	UNITED KINGDOM – continued		
	Industrials – 6.11% (31/10/11: 5.06%)		
	Aerospace & Defence – 1.87% (31/10/11: 1.75%)		
178,604	BAE Systems	527	0.61
45,768	Meggitt	187	0.22
109,343	Rolls Royce	900	1.04
11,590,358	Rolls Royce 'C' share class#	–	–
		1,614	1.87
	Construction & Materials – 0.59% (31/10/11: 0.00%)		
41,186	CRH	513	0.59
	General Industrials – 0.53% (31/10/11: 0.47%)		
49,775	Rexam	214	0.25
22,318	Smiths	239	0.28
		453	0.53
	Industrial Engineering – 0.44% (31/10/11: 0.47%)		
18,235	IMI	180	0.21
11,958	Weir	204	0.23
		384	0.44
	Support Services – 2.68% (31/10/11: 2.37%)		
14,746	Aggreko	332	0.38
19,610	Bunzl	200	0.23
35,634	Capita	236	0.27
57,480	Experian	559	0.65
84,103	G4S	235	0.27
8,858	Intertek	223	0.26
29,395	Serco	160	0.18
16,162	Wolseley	378	0.44
		2,323	2.68

Holding	Investment	Market value £000	Percentage of total net assets %
	UNITED KINGDOM – continued		
	Consumer Goods – 15.08% (31/10/11: 14.23%)		
	Automobiles & Parts – 0.22% (31/10/11: 0.21%)		
92,278	GKN	188	0.22
	Beverages – 4.64% (31/10/11: 4.10%)		
146,575	Diageo	2,273	2.62
67,496	SABMiller	1,747	2.02
		4,020	4.64
	Food Producers – 2.32% (31/10/11: 2.41%)		
20,530	Associated British Foods	250	0.29
26,026	Tate & Lyle	180	0.21
74,833	Unilever	1,574	1.82
		2,004	2.32
	Household Goods – 1.68% (31/10/11: 1.60%)		
40,683	Reckitt Benckiser	1,459	1.68
	Personal Goods – 0.43% (31/10/11: 0.39%)		
25,131	Burberry	373	0.43
	Tobacco – 5.79% (31/10/11: 5.52%)		
113,476	British American Tobacco	3,585	4.14
58,165	Imperial Tobacco	1,433	1.65
		5,018	5.79
	Healthcare – 8.22% (31/10/11: 8.77%)		
	Healthcare Equipment & Services – 0.36% (31/10/11: 0.34%)		
51,719	Smith & Nephew	314	0.36
	Pharmaceuticals & Biotechnology – 7.86% (31/10/11: 8.43%)		
73,699	AstraZeneca	1,990	2.30
292,807	GlaxoSmithKline	4,171	4.81
32,141	Shire	646	0.75
		6,807	7.86

Holding	Investment	Market value £000	Percentage of total net assets %
	UNITED KINGDOM – continued		
	Consumer Services – 7.94% (31/10/11: 8.36%)		
	Food & Drug Retailers – 2.49% (31/10/11: 3.12%)		
140,667	Morrison (Wm) Supermarkets	395	0.46
97,606	Sainsbury (J)	301	0.35
458,376	Tesco	1,454	1.68
		2,150	2.49
	General Retailers – 1.16% (31/10/11: 1.08%)		
134,084	Kingfisher	389	0.45
93,979	Marks & Spencer	335	0.39
9,517	Next	279	0.32
		1,003	1.16
	Media – 2.51% (31/10/11: 2.47%)		
69,763	British Sky Broadcasting	473	0.55
215,076	ITV	180	0.21
47,604	Pearson	552	0.64
71,438	Reed Elsevier (London listed)	364	0.42
72,223	WPP	602	0.69
		2,171	2.51
	Travel & Leisure – 1.78% (31/10/11: 1.69%)		
10,857	Carnival (London listed)	218	0.25
108,040	Compass	695	0.80
16,472	Intercontinental Hotels	242	0.28
111,005	International Consolidated Airlines	196	0.23
10,047	Whitbread	194	0.22
		1,545	1.78
	Telecommunications – 6.74% (31/10/11: 7.26%)		
	Fixed Line Telecommunications – 1.08% (31/10/11: 0.99%)		
444,909	British Telecom	937	1.08
	Mobile Telecommunications – 5.66% (31/10/11: 6.27%)		
2,876,980	Vodafone	4,905	5.66

Holding	Investment	Market value £000	Percentage of total net assets %
	UNITED KINGDOM – continued		
	Utilities – 4.43% (31/10/11: 4.32%)		
	Electricity – 0.82% (31/10/11: 0.87%)		
54,107	Scottish & Southern Energy	714	0.82
	Gas, Water & Multiutilities – 3.61% (31/10/11: 3.45%)		
297,014	Centrica	912	1.05
86,767	International Power	362	0.42
207,124	National Grid	1,377	1.59
14,041	Severn Trent	237	0.27
38,735	United Utilities	240	0.28
		3,128	3.61
	Financials – 17.41% (31/10/11: 17.54%)		
	Banks – 11.91% (31/10/11: 11.93%)		
701,144	Barclays	1,530	1.77
1,043,394	HSBC Holdings (London listed)	5,792	6.69
2,347,089	Lloyds Banking Group	728	0.84
1,015,021	Royal Bank of Scotland	246	0.28
134,306	Standard Chartered	2,022	2.33
		10,318	11.91
	Non-Life Insurance – 0.42% (31/10/11: 0.43%)		
11,818	Admiral	143	0.17
208,967	RSA Insurance	219	0.25
		362	0.42
	Life Insurance – 3.32% (31/10/11: 3.26%)		
167,061	Aviva	515	0.59
340,255	Legal & General	400	0.46
277,878	Old Mutual	410	0.47
145,139	Prudential	1,095	1.26
77,025	Resolution	172	0.20
133,211	Standard Life	298	0.34
		2,890	3.32

Holding	Investment	Market value £000	Percentage of total net assets %
	UNITED KINGDOM – continued		
	Financials – continued		
	Real Estate – 1.00% (31/10/11: 1.01%)		
51,006	British Land	250	0.29
33,434	Capital Shopping Centres	108	0.12
42,704	Hammerson	178	0.21
44,886	Land Securities	326	0.38
		862	1.00
	General Financials – 0.76% (31/10/11: 0.91%)		
54,915	Aberdeen Asset Management	155	0.18
21,184	Ashmore	81	0.09
12,202	Hargreaves Lansdown	64	0.07
31,151	ICAP	118	0.14
95,162	Man	98	0.11
7,777	Schroders	110	0.13
3,339	Schroders non voting	38	0.04
		664	0.76
	Technology – 0.72% (31/10/11: 0.81%)		
	Software & Computer Services – 0.25% (31/10/11: 0.26%)		
74,370	Sage	213	0.25
	Technology Hardware & Equipment – 0.47% (31/10/11: 0.55%)		
77,069	ARM Holdings	404	0.47
	Futures – 0.00% (31/10/11: 0.07%)		
17	LIFFE FTSE 100 Index June 2012	(3)	–
	Investments assets	**85,250**	**98.41**
	Net other assets	1,380	1.59
	Net assets	**86,630**	**100.00**

Redeemable preference shares

Statement of total return for the six months ended 30 April 2012 (unaudited)

	30/04/12		30/04/11	
	£000	£000	£000	£000
Income				
Net capital gains		2,874		6,733
Revenue	1,796		1,465	
Expenses	(556)		(580)	
Net revenue before taxation	1,240		885	
Taxation	–		(3)	
Net revenue after taxation		1,240		882
Total return before distributions		4,114		7,615
Finance costs: Distributions		(984)		(683)
Change in net assets attributable to shareholders from investment activities		**3,130**		**6,932**

Statement of change in net assets attributable to shareholders

for the six months ended 30 April 2012 (unaudited)

	30/04/12		30/04/11	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		**85,652**		**98,237**
Amounts receivable on issue of shares	893		207	
Amounts payable on cancellation of shares	(3,997)		(7,161)	
		(3,104)		(6,954)
Stamp duty reserve tax		(11)		(7)
Change in net assets attributable to shareholders from investment activities (see above)		3,130		6,932
Retained distribution on accumulation shares		963		669
Closing net assets attributable to shareholders		**86,630**		**98,877**

Balance sheet as at 30 April 2012 (unaudited)

	30/04/12		31/10/11	
	£000	£000	£000	£000
Assets				
Investment assets		85,253		84,806
Debtors	656		136	
Cash and bank balances	870		992	
Total other assets		1,526		1,128
Total assets		86,779		85,934
Liabilities				
Investment liabilities		(3)		–
Creditors	(146)		(282)	
Total other liabilities		(146)		(282)
Total liabilities		(149)		(282)
Net assets attributable to shareholders		**86,630**		**85,652**

1 Accounting policies

The accounting policies are set out in note 1 of the aggregated financial statements on pages 5 to 7.

2 Portfolio transaction costs

	30/04/12 £000	30/04/11 £000
Purchases in period before transaction costs	1,582	1,050
Expenses	7	3
Total purchase transaction costs*	7	3
Purchases including transaction costs	**1,589**	**1,053**
Sales in period before transaction costs	3,742	7,294
Commissions	(1)	(2)
Total sales transaction costs*	(1)	(2)
Sales net of transaction costs	**3,741**	**7,292**
Transaction handling charges*	**1**	**2**

* These amounts have been deducted in determining net capital gains.

Distribution table for the six months ended 30 April 2012 (in pence per share)

Interim dividend distribution (accounting date 30 April 2012, payable on 29 June 2012)

Group 1: shares purchased prior to 1 November 2011

Group 2: shares purchased on or after 1 November 2011

	Net revenue	Equalisation	Distribution payable 29/06/12	Distribution paid 30/06/11
Class A accumulation				
Group 1	2.032	–	2.032	1.276
Group 2	0.992	1.040	2.032	1.276

Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

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 units please telephone at local rate: **0845 608 8703**

The following line is also available:

Investor 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.

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Unless otherwise stated, all data is sourced by Henderson Global Investors.

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