

Henderson Japan Enhanced Equity Fund



Fund manager
Chris Jones

Fund facts at 30 December 2011

Fund aim

The Fund aims to provide consistent capital growth relative to the FTSE World Japan Index (or such other index as may from time to time replace it) through investing primarily in Japanese companies.

Launch date

20 January 2006 (A share class - 12 Aug 2011)

IMA sector

Japan

Fund size

£140.47m

Yields* (%) Historical

Class A 2.6
Class I 1.4

Ratings

Morningstar rating - ★★★★★

Type of shares

Accumulation

XD dates

1 May, 1 Nov

Dividend pay dates

30 Jun, 31 Dec

Minimum investment

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

Charges (%)

	Initial	Annual
Class A	5.00	1.50
Class I	0.75	0.75

SEDOL numbers

B4JTJZ3 (A-Accumulation)
B0LZBB1 (I-Accumulation)

Fund manager comment

Japanese equity markets remained relatively flat over the month, with the Nikkei 225 Index gaining 0.3% in yen terms. Uncertainty surrounding the global economic outlook continued and there was a general lack of conviction within the market.

It was a noteworthy month as the December Tankan survey showed a sharp slowdown in manufacturing production, mainly due to the destruction of the March floods but also because of the shut down of the Fukushima nuclear plant, which has caused many electrical shortages. The corporate tax rate will be cut by 5.0% to 35.0% starting next financial year, although there will be a partial offset with a reconstruction tax to help rebuild the Tohoku area. This is a positive step with regard to shareholder returns. On another footing, Tokio Marine Holdings made a bid for Delphi Financial in the US, reflecting an underlying trend towards overseas merger and acquisition activity to enhance shareholder returns.

Stocks within defensive sectors such as telecoms, retail and land transport all had a performance boost from the announcement of the latest supplementary budget worth ¥2 trillion, which will be aimed at the reconstruction effort in 2012. The stocks are expected to benefit from the increased focus in the area.

Overall, the defensive and retail sectors performed better than cyclical stocks, which suffered as overseas markets fell sharply. Rakuten (e-commerce), Credit Saison (consumer credit), NS Solutions (software) and Yamato Holdings (logistics) fared better than the market. Mitsui OSK (shipping) was strong with a rebound from last month's weak performance, bouncing back from previously weak demand for its container service. There was notable weakness within the technology sector with TDK and Murata both falling sharply on fears of slowing demand, while Nintendo (gaming) slumped on poor prospects for its new gaming device in addition to the year-long struggle of a strengthening currency.

Top 10 holdings

Toyota Motor
Mitsubishi UFJ Financial
Canon
Honda Motor
Sumitomo Mitsui Financial
NTT Docomo
Mizuho Financial
Fanuc
Takeda Pharmaceutical
Mitsubishi

Total number of holdings

(%) Top 10 sectors

3.8 Consumer Goods
2.9 Industrials
2.8 Financials
2.0 Consumer Services
1.9 Basic Materials
1.6 Technology
1.5 Health Care
1.3 Telecommunications
1.2 Utilities
1.2 Oil & Gas

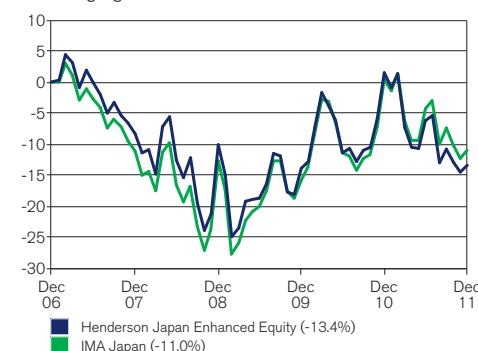
428 Cash

(%)

21.6
21.0
16.6
9.8
7.4
6.5
6.0
4.9
3.4
1.8
0.0

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.

Performance is for the I share Class.

Past performance is not a guide to future performance.

Cumulative performance	I % change	A % change	Sector % change
1 year	-14.6	n/a	-11.3
2 years	0.6	n/a	5.7
3 years	-3.6	n/a	2.0
4 years	-5.5	n/a	0.2
5 years	-13.4	n/a	-11.0

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

Discrete year performance	I % change	A % change
31/12/2010 to 30/12/2011	-14.6	n/a
31/12/2009 to 31/12/2010	17.9	n/a
31/12/2008 to 31/12/2009	-4.2	n/a
31/12/2007 to 31/12/2008	-2.0	n/a
29/12/2006 to 31/12/2007	-8.3	n/a

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 Japan Enhanced Equity 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.
- Derivative transactions may be used from time to time in order to meet the investment objective of a fund. If they are used this may lead to greater volatility in the price of a fund.
- If a fund is a specialist country-specific or geographical region fund, the investment carries greater risk than a fund diversified across more countries.
- Funds investing in smaller companies may carry a higher degree of risk than funds investing in larger companies. The shares of smaller companies may be less liquid and their performance more volatile over shorter time periods.

Important information

Please note: due to rounding the figures in the holdings breakdowns may not add up to 100%. 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. 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. 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. 2606646), (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.

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