



# INTERIM SHORT REPORT

For the six months ended  
30 April 2017

Janus Henderson  
— INVESTORS —

**Henderson Institutional Japan Index Opportunities Fund  
(formerly Henderson Institutional Japan Enhanced Equity Fund)**

# Henderson Institutional Japan Index Opportunities Fund (formerly Henderson Institutional Japan Enhanced Equity Fund)

## Short Report

For the six months ended 30 April 2017

### Investment Fund Manager

Janus Henderson Multi Strategy Equities Team

### Other information

On 1 November 2016 Henderson Institutional Japan Enhanced Equity Fund changed its name to Henderson Institutional Japan Index Opportunities Fund. The fund's investment objectives and policies have also been revised with effect from 1 November 2016.

Henderson Group plc and Janus Capital Group merged on 30 May 2017 to form Janus Henderson Group plc.

### Investment objective and policy

The fund aims to deliver a return in excess of the FTSE customised Japan Index, the "reference index", (or such other index as may from time to time replace it) before management fees, while carefully controlling deviation from the reference index.

The fund will invest primarily in shares of Japanese companies included in the reference index. The fund's holdings are principally selected to replicate the components of the reference index. The index will not be identically replicated and this can lead to differences in performance. There are no restrictions on the size of the companies in which the fund may invest.

In addition to seeking to reflect the index, the fund manager will make use of investment strategies aimed at enhancing returns. These seek to generate returns based on differences in the prices of securities issued by, or associated with, companies that form part of the reference index. They can include, but are not limited to, liquidity strategies (investing in 'blocks of stock' at discounted prices), and relative value strategies (taking advantage of differences between the prices of securities related to the same company).

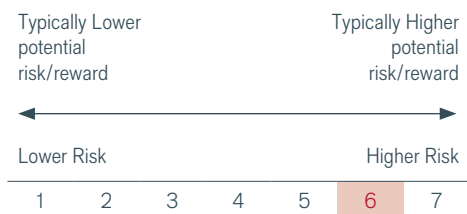
Further details explaining the investment strategies are available on the funds' pages on our website ([www.janushenderson.com](http://www.janushenderson.com)).

The fund may invest the Scheme Property in transferable securities, money market instruments, derivatives and forward transactions, deposits and units in collective investment schemes.

Derivatives and forward transactions may be used by the fund for investment purposes, in achieving the enhancements to the index return and for the purposes of efficient portfolio management.

### Risk and reward profile

The fund currently has 5 types of share class in issue; A accumulation, C accumulation, I accumulation Y accumulation and Z accumulation. Each type of share class has the same risk and reward profile which is as follows:



The Synthetic Risk and Reward Indicator (SRRi) is calculated based on historical volatility over a rolling 5 year period, it is reviewed monthly and updated if volatility has changed materially to cause a movement in the SRRi level. The SRRi is an indicator and may not accurately reflect future volatility and market conditions.

The value of an investment in the fund can go up or down. When you sell your shares they may be worth less than you paid for them. The risk/reward rating above is based on medium-term volatility. In the future, the fund's actual volatility could be higher or lower and its rated risk/reward level could change.

The share classes appear at 6 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in share price in the past 5 years than those in lower categories. The lowest category does not mean risk free.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events. Under normal market conditions the following risks may apply:

**Counterparty risk** The fund could lose money if a counterparty with which it trades becomes unwilling or unable to meet its obligations to the fund.

**Derivatives risk** Derivatives use exposes the fund to risks different from, and potentially greater than, the risks associated with investing directly in securities and may therefore result in additional loss, which could be significantly greater than the cost of the derivative.

**Equities risk** Shares can lose value rapidly, and typically involve higher risks than bonds or money market instruments. The value of your investment may fall as a result.

**Exchange rate risk** Changes in currency exchange rates may cause the value of your investment and any income from it to rise or fall.

**Hedging risk** Measures designed to reduce the impact of certain risks may not be available or may be ineffective.

**Index Opportunities risk** Returns from investing in index enhancing opportunities may vary over time relative to the reference index. The managers do not, however, seek to take high levels of risk and investors should therefore expect the typical level of enhancement of returns to be low. The deduction of ongoing charges and transaction costs means the fund can be expected to underperform the reference index. Strategies aimed at enhancing returns depend on the manager skill and decision-making; this therefore carries the risk of underperformance if unsuccessful decisions are made.

**Leverage risk** Leverage arises from entering into contracts or derivatives whose terms have the effect of magnifying an outcome, meaning profits and losses from investment can be greater.

**Liquidity risk** Any security could become hard to value or to sell at a desired time and price, increasing the risk of investment losses.

There have been no changes to the risk rating in the period.

The full list of the fund's risks are contained in the "Risk Factors" section of the fund's prospectus.

## Investment review

The FTSE World Japan Index fell by 1.4% in sterling terms over the six-month period to 30 April 2017. However, currency movements meant that equities rose by 10.9% in local currency terms. Financial stocks, specifically life insurance and banks, were the market leaders in yen terms, while defensive stocks such as tobacco and utilities were the laggards.

The Japanese market was largely up throughout the period, barring a pronounced dip in April as tensions between the US and North Korea rose. Macroeconomic data was generally bright; by the start of the six months under review, the stubbornly strong yen had started to ease somewhat, improving the prospects for Japanese exporters, and consumer price inflation turned positive, remaining so throughout the rest of the period. As for other economic indicators, joblessness remained at 2.8% in March, the lowest level seen since 1994. Exports rose 12.0% over the year to March, far exceeding expectations of a 6.7% rise. The figure, the fastest increase in two years, was helped by a weaker currency. Tempering this, however, was the fact that imports also increased in the period.

The Bank of Japan held interest rates steady and kept up the pace of its liquidity measures, which was unsurprising given that inflation, while promising, did not near its 2% target. However, the central bank exhibited a vote of confidence in the economy when it raised its 2017 growth forecast in January and again in April. The International Monetary Fund followed suit, upwardly revising its estimate for 2017 GDP expansion to 1.2%.

## Performance summary

Cumulative performance	Six months	One year	Five years	Since launch	
	31 Oct 16-30 Apr 17	30 Apr 16-30 Apr 17	30 Apr 12-30 Apr 17	08 Mar 06-30 Apr 17	
	%	%	%	%	
Henderson Institutional Japan Index Opportunities Fund (formerly Henderson Institutional Japan Enhanced Equity Fund)*	(1.3)	26.7	87.5	64.1	
FTSE All World Developed Japan Index**	(1.4)	26.3	87.0	63.0	
Discrete performance	30 Apr 16-30 Apr 17	30 Apr 15-30 Apr 16	30 Apr 14-30 Apr 15	30 Apr 13-30 Apr 14	30 Apr 12-30 Apr 13
	%	%	%	%	%
Henderson Institutional Japan Index Opportunities Fund (formerly Henderson Institutional Japan Enhanced Equity Fund)*	26.7	(0.8)	31.7	(10.9)	27.2

Source: Janus Henderson Investors and FTSE.

\* Fund returns calculated using close of business prices on a gross asset value basis in GBP, on class Z accumulation.

\*\* Customised net dividends reinvested (Market capitalisation weighted index of Australia, New Zealand, Hong Kong, Singapore, Taiwan and Korea).

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.

## Fund facts

### Accounting dates

30 April, 31 October

### Payment dates

30 June, 31 December

### Ongoing charge figure

	30/04/17	31/10/16
	%	%
Class A	0.70	1.54 <sup>1</sup>
Class C	0.56	0.57
Class I	0.34	0.71 <sup>2</sup>
Class Y	0.79	0.79
Class Z	0.04	0.04

The annualised ongoing charge figure (OCF) of the fund is calculated as the ratio of the total ongoing charges to the average net asset value for twelve months.

The OCF is calculated in accordance with guidelines issued by the European Securities and Markets Authority (ESMA).

<sup>1</sup> The annual management charge reduced from 1.50% to 0.50% on 1 September 2016

<sup>2</sup> The annual management charge reduced from 0.75% to 0.30% on 1 September 2016

**Comparative tables** for the six months ended 30 April 2017

	Class A accumulation			
	30/04/17 (pence per share)	31/10/16 (pence per share)	31/10/15 (pence per share)	31/10/14 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	186.71	144.22	128.06	130.45
Return before operating charges*	(2.49)	44.83	18.57	(0.26)
Operating charges	(0.65)	(2.34)	(2.41)	(2.13)
Return after operating charges*	(3.14)	42.49	16.16	(2.39)
Distributions on accumulation shares	(1.09)	(0.86)	-	-
Retained distributions on accumulation shares	1.09	0.86	-	-
Closing net asset value per share	183.57	186.71	144.22	128.06
* after direct transaction costs of:	-	-	-	0.01
<b>Performance</b>				
Return after charges	(1.68%)	29.46%	12.62%	(1.83%)
<b>Other information</b>				
Closing net asset value (£000s)	9,178	9,718	10,254	10,623
Closing number of shares	4,999,624	5,204,951	7,109,768	8,295,573
Operating charges (annualised)	0.70%	1.54%	1.70%	1.71%
Direct transaction costs	0.00%	0.00%	0.00%	0.01%
<b>Prices</b>				
Highest share price (pence)	193.61	187.27	157.52	132.79
Lowest share price (pence)	173.52	124.71	126.40	114.65

## Comparative tables (continued)

	Class C accumulation			
	30/04/17 (pence per share)	31/10/16 (pence per share)	31/10/15 (pence per share)	31/10/14 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	215.69	165.00	144.85	145.83
Return before operating charges*	(2.91)	51.69	21.07	(0.17)
Operating charges	(0.60)	(1.00)	(0.92)	(0.81)
Return after operating charges*	(3.51)	50.69	20.15	(0.98)
Distributions on accumulation shares	(1.38)	(2.75)	(1.69)	(1.56)
Retained distributions on accumulation shares	1.38	2.75	1.69	1.56
Closing net asset value per share	212.18	215.69	165.00	144.85
* after direct transaction costs of:	-	-	-	0.01
<b>Performance</b>				
Return after charges	(1.63%)	30.72%	13.91%	(0.67%)
<b>Other information</b>				
Closing net asset value (£000s)	236	1,602	1,401	1,312
Closing number of shares	111,256	742,762	848,976	905,739
Operating charges (annualised)	0.56%	0.57%	0.57%	0.58%
Direct transaction costs	0.00%	0.00%	0.00%	0.01%
<b>Prices</b>				
Highest share price (pence)	223.78	216.33	179.10	149.18
Lowest share price (pence)	200.48	143.14	143.18	128.84

**Comparative tables** (continued)

	Class I accumulation			
	30/04/17 (pence per share)	31/10/16 (pence per share)	31/10/15 (pence per share)	31/10/14 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	161.10	123.42	108.60	109.58
Return before operating charges*	(2.16)	38.61	15.77	(0.14)
Operating charges	(0.27)	(0.93)	(0.95)	(0.84)
Return after operating charges*	(2.43)	37.68	14.82	(0.98)
Distributions on accumulation shares	(1.24)	(1.89)	(0.99)	(0.93)
Retained distributions on accumulation shares	1.24	1.89	0.99	0.93
Closing net asset value per share	158.67	161.10	123.42	108.60
* after direct transaction costs of:	-	-	-	0.01
<b>Performance</b>				
Return after charges	(1.51%)	30.53%	13.65%	(0.89%)
<b>Other information</b>				
Closing net asset value (£000s)	22,389	22,293	15,898	15,989
Closing number of shares	14,110,042	13,837,597	12,881,132	14,722,989
Operating charges (annualised)	0.34%	0.71%	0.79%	0.80%
Direct transaction costs	0.00%	0.00%	0.00%	0.01%
<b>Prices</b>				
Highest share price (pence)	167.28	161.58	134.14	111.84
Lowest share price (pence)	149.77	107.00	107.31	96.72

## Comparative tables (continued)

	Class Y accumulation			
	30/04/17 (pence per share)	31/10/16 (pence per share)	31/10/15 (pence per share)	31/10/14 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	161.23	123.61	108.77	109.75
Return before operating charges*	(2.15)	38.66	15.80	(0.14)
Operating charges	(0.64)	(1.04)	(0.96)	(0.84)
Return after operating charges*	(2.79)	37.62	14.84	(0.98)
Distributions on accumulation shares	(0.87)	(1.76)	(1.00)	(0.93)
Retained distributions on accumulation shares	0.87	1.76	1.00	0.93
Closing net asset value per share	158.44	161.23	123.61	108.77
* after direct transaction costs of:	-	-	-	0.01
<b>Performance</b>				
Return after charges	(1.73%)	30.43%	13.64%	(0.89%)
<b>Other information</b>				
Closing net asset value (£000s)	28,732	28,208	21,627	18,968
Closing number of shares	18,133,900	17,495,904	17,495,904	17,439,971
Operating charges (annualised)	0.79%	0.79%	0.79%	0.80%
Direct transaction costs	0.00%	0.00%	0.00%	0.01%
<b>Prices</b>				
Highest share price (pence)	167.14	161.70	134.34	112.01
Lowest share price (pence)	149.82	107.17	107.48	96.87



## Comparative tables (continued)

	Class Z accumulation			
	30/04/17 (pence per share)	31/10/16 (pence per share)	31/10/15 (pence per share)	31/10/14 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	232.28	176.76	154.37	154.61
Return before operating charges*	(3.11)	55.60	22.46	(0.17)
Operating charges	(0.05)	(0.08)	(0.07)	(0.07)
Return after operating charges*	(3.16)	55.52	22.39	(0.24)
Distributions on accumulation shares	(2.12)	(3.95)	(2.72)	(2.44)
Retained distributions on accumulation shares	2.12	3.95	2.72	2.44
Closing net asset value per share	229.12	232.28	176.76	154.37
* after direct transaction costs of:	-	-	-	0.01

### Performance

Return after charges	(1.36%)	31.41%	14.50%	(0.16%)
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### Other information

Closing net asset value (£000s)	127,123	133,670	112,881	117,492
Closing number of shares	55,482,973	57,547,271	63,860,225	76,112,177
Operating charges (annualised)	0.04%	0.04%	0.04%	0.05%
Direct transaction costs	0.00%	0.00%	0.00%	0.01%

### Prices

Highest share price (pence)	241.46	232.97	191.31	158.98
Lowest share price (pence)	216.01	153.57	152.69	136.92

Performance values are at close of business and may differ from the performance summary.

### Operating charges

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

### Share class launches and closures

There were no share classes launched or closed in the period.

**Past performance is not a guide to future performance.**

## Major holdings

as at 30/04/17	%
Toyota Motor	4.32
Mitsubishi UFJ Financial	2.48
Softbank	1.90
Honda Motor	1.51
KDDI	1.43
Sumitomo Mitsui Financial	1.38
Mizuho Financial	1.36
Sony	1.23
Japan Tobacco	1.17
Fanuc	1.15

## Major holdings

as at 31/10/16	%
Toyota Motor	4.79
Mitsubishi UFJ Financial	2.12
KDDI	1.70
Softbank	1.68
Honda Motor	1.61
Sumitomo Mitsui Financial	1.41
Japan Tobacco	1.37
Mizuho Financial	1.28
Sony	1.23
Fanuc	1.12

## Asset allocation

as at 30/04/17	%
Consumer Goods	24.09
Industrials	21.52
Financials	15.99
Consumer Services	10.46
Health Care	6.91
Basic Materials	6.28
Technology	4.98
Telecommunications	4.63
Utilities	1.96
Oil & Gas	0.88
Japan	0.15
Derivatives	0.06
Other net assets	2.09
<b>Total net assets</b>	<b>100.00</b>

## Asset allocation

as at 31/10/16	%
Consumer Goods	25.08
Industrials	21.41
Financials	15.47
Consumer Services	10.97
Health Care	7.56
Basic Materials	6.02
Telecommunications	4.76
Technology	4.68
Utilities	2.08
Oil & Gas	0.82
Derivatives	0.07
Other net assets	1.08
<b>Total net assets</b>	<b>100.00</b>

## Report and accounts

This document is a short report of the Henderson Institutional Japan Index Opportunities Fund (formerly Henderson Institutional Japan Enhanced Equity Fund) for the six months ended 30 April 2017.

Copies of the annual and half yearly long form reports of this fund are available on our website [www.janushenderson.com](http://www.janushenderson.com) or contact client services on the telephone number provided.

## Other information

The information in this report is designed to enable you to make an informed judgement on the activities of the fund during the period it covers and the results of those activities at the end of the period.

### Issued by:

Henderson Investment Funds Limited  
Registered office:  
201 Bishopsgate,  
London EC2M 3AE  
Member of The Investment Association and  
authorised and regulated  
by the Financial Conduct Authority.  
Registered in England No 2678531

### Shareholder Administrator

International Financial Data Services (UK) Limited  
IFDS House  
St Nicholas Lane  
Basildon  
Essex  
SS15 5FS

## Risk warning

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.

### Depository

National Westminster Bank Plc  
135 Bishopsgate  
London EC2M 3UR

### Auditor

PricewaterhouseCoopers LLP  
141 Bothwell Street  
Glasgow  
G2 7EQ

## 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 shares please telephone at local rate: **0845 608 8703**

The following line is also available:

Client Services: **0800 832 832**

or you can contact us via e-mail at [support@janushenderson.com](mailto:support@janushenderson.com)

We may record telephone calls for our mutual protection and to improve customer service.

### Online valuations

You can value your Henderson Institutional Japan Index Opportunities Fund at any time by logging on to [www.janushenderson.com](http://www.janushenderson.com). Select 'UK Private Investor' and then access 'Valuations' from the Tools Menu. Simply select the fund you hold and enter the appropriate number of shares.

### Important Information

Janus Henderson Investors is the name under which Janus Capital International Limited (reg no. 3594615), Henderson Global Investors Limited (reg. no. 906355), Henderson Investment Funds Limited (reg. no. 2678531), Henderson Investment Management Limited (reg. no. 1795354), AlphaGen Capital Limited (reg. no. 962757), Henderson Equity Partners Limited (reg. no. 2606646), Gartmore Investment Limited (reg. no. 1508030), (each incorporated and registered in England and Wales with registered office 201 Bishopsgate, London EC2M 3AE) are authorised and regulated by the Financial Conduct Authority to provide investment products and services. Telephone calls may be recorded and monitored.

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

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