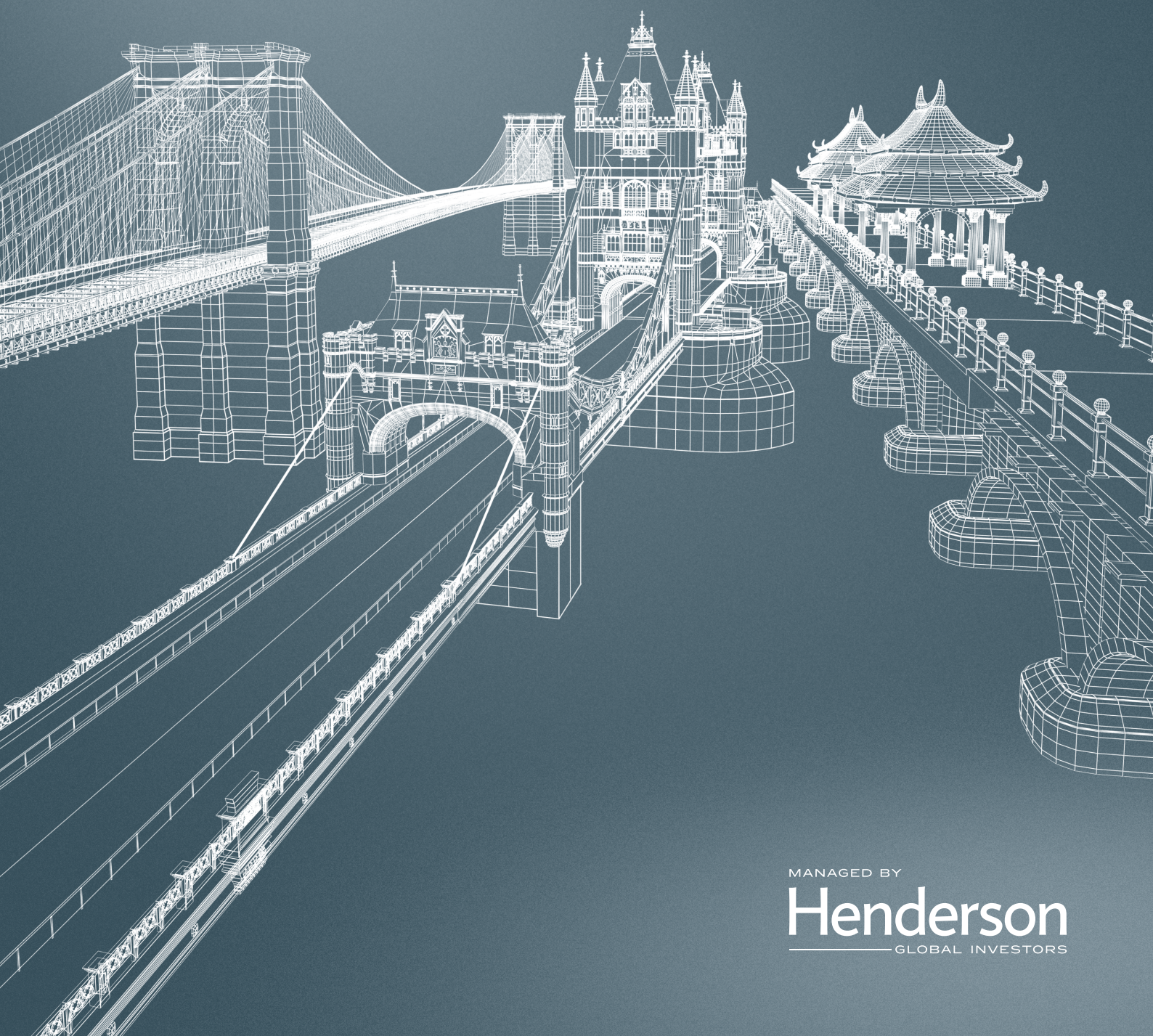


# HENDERSON GLOBAL TRUST PLC

Strategic Report 2015

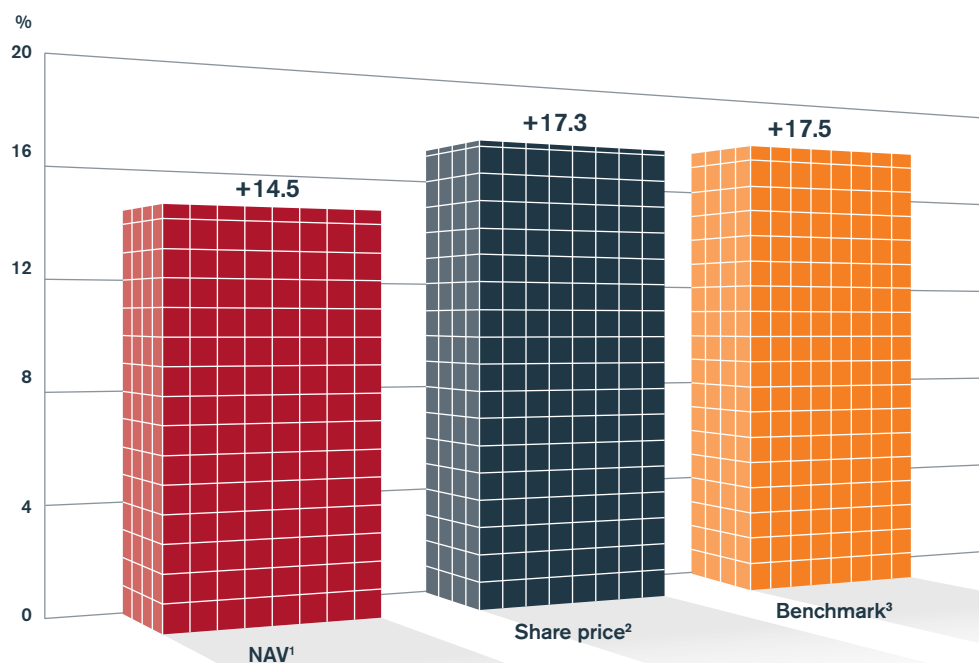


MANAGED BY

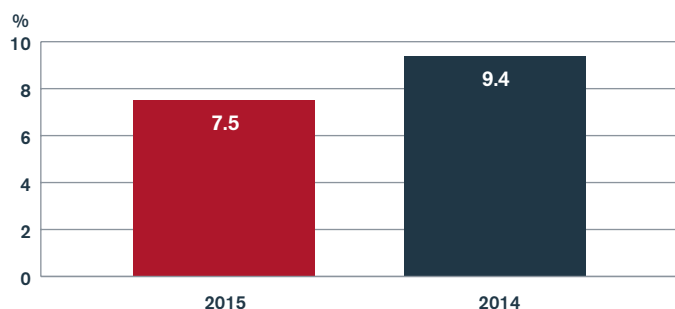
**Henderson**  
GLOBAL INVESTORS

# Performance Highlights

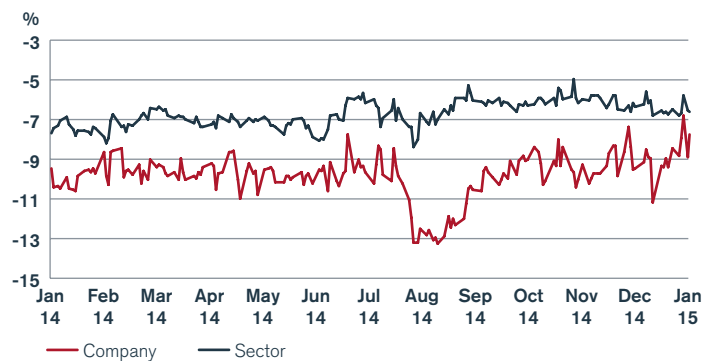
## Total Return Performance for year to 31 January 2015



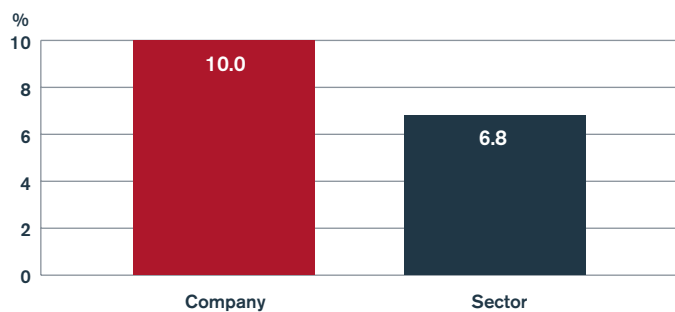
## Discount at year end<sup>4</sup>



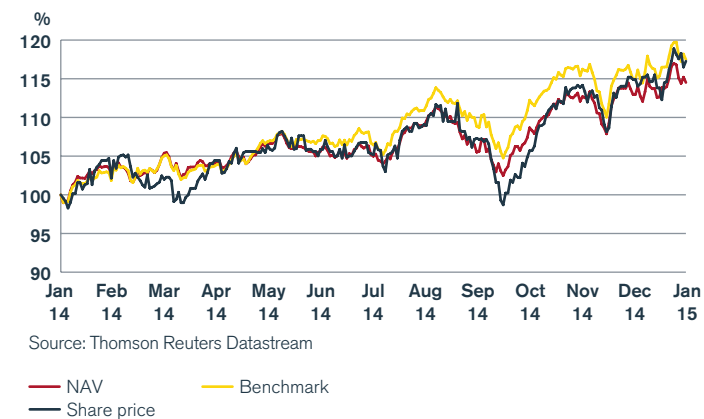
## Discount<sup>6</sup>



## Average discount for year<sup>5</sup>



## NAV and share price performance versus the benchmark<sup>7</sup> (rebased to 100)



Source: Thomson Reuters Datastream

## Performance Highlights (continued)

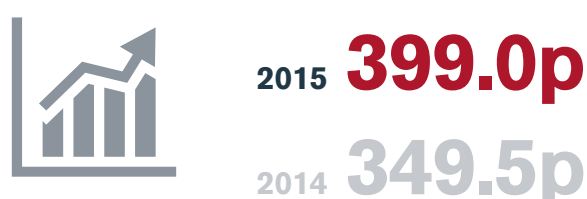
### NAV per share at year end (debt at par)<sup>8</sup>



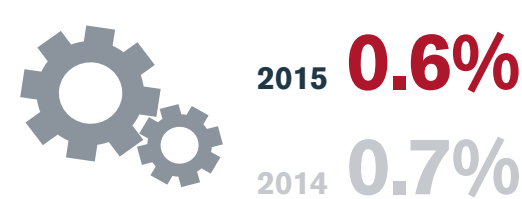
### NAV per share at year end (debt at fair value)



### Share price at year end



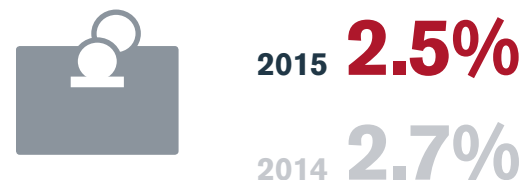
### Gearing at year end



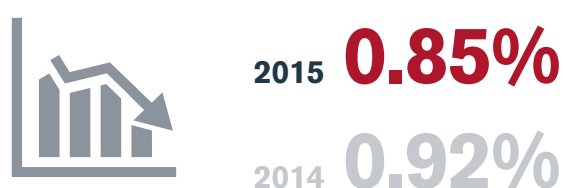
### Dividend for year



### Dividend yield<sup>10</sup>



### Ongoing charge for year



### Number of investments



1 Net asset value per ordinary share total return (including dividends reinvested) with debt at fair value. This is based on preliminary estimates made by Morningstar Funddata and does not reflect any subsequent change in the year end NAVs reflected in this report

2 Share price total return using mid-market closing price

3 MSCI All Country World Index (in sterling terms, total return)

4 Calculated using published daily NAVs with debt at par excluding current year revenue

5 Average discounts include revenue

6 Graph shows the Company's share price discount to NAV compared with the average discount of the AIC Global sector over the year to 31 January 2015

7 Graph shows the Company's net asset value total return and share price total return compared to the total return of the benchmark over the year to 31 January 2015

8 Debt comprises the Company's cumulative preference stock

9 This represents the four quarterly dividends paid for the year. See page 5 for more details

10 Based on the ordinary dividends paid for the year and the mid-market share price at the year end

Sources: Morningstar Funddata, Henderson, Thomson Reuters Datastream

A glossary of terms is included on pages 14 and 15

# Business Model

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## Strategy

The Company's strategy is to meet its investment objective. This is achieved through the appointment of external management which operates in accordance with the Company's investment policy.

## Investment objective

The Company seeks long-term capital growth from a concentrated portfolio of international equities with a secondary objective to increase dividends over the longer term.

## Investment policy

### Asset allocation

The Manager generally holds stocks of large and medium sized companies listed on major equity markets and aims to outperform the Company's benchmark, which is the MSCI All Country World Index (in sterling terms, total return).

### Risk diversification

The portfolio will typically comprise between 50 and 80 stocks. At least 60% by value of the portfolio must be comprised of holdings which do not individually exceed 5% of the value of total assets and no holdings, on acquisition, shall exceed 8% of the value of total assets. However, this limitation does not apply to gilts or, in limited circumstances, investment company holdings. In accordance with the Listing Rules of the UK Listing Authority, the Company will not invest more than 15% of its gross assets in other UK listed investment companies and will not invest more than 10% of its gross assets in companies that themselves may invest more than 15% of gross assets in UK listed investment companies.

### Gearing

The Company has the ability to gear up to 25% of the Group's net assets but in normal circumstances gearing would not be expected to exceed 15% of the Group's net assets.

The information contained within this Strategic Report demonstrates how the Group's assets have been invested with a view to spreading investment risk in accordance with the Group's published investment policy.

## Management

The Company qualifies as an Alternative Investment Fund in accordance with the Alternative Investment Fund Managers Directive. The Company has appointed Henderson Investment Funds Limited ("HIFL") to act as its Alternative Investment Fund Manager in accordance with an agreement which was effective from 22 July 2014 and is terminable on three months' notice. HIFL delegates investment management services to Henderson Global Investors Limited. Prior to 22 July 2014 Henderson Global Investors Limited was appointed as Investment Manager. Both entities are authorised and regulated by the Financial Conduct Authority ("FCA"). References to Henderson within this report refer to the services provided by both entities.

The fund management team is led by Wouter Volckaert, who joined Henderson in September 2013 and was appointed as the Company's Fund Manager with effect from 1 February 2014.

Henderson and its subsidiaries also provide accounting, company secretarial and general administrative services. Some of the administration and accounting services are carried out, on behalf of Henderson, by BNP Paribas Securities Services. Debbie Fish FCIS acts as Company Secretary on behalf of the Corporate Secretary, Henderson Secretarial Services Limited.

Henderson receives a fee calculated monthly at 0.05% (0.6% per annum) on the value of the Group's total assets. In determining the total assets on which the management fee is calculated, the value of any securities held by the Company in collective investment schemes managed by Henderson is excluded. Henderson previously received a separate company secretarial fee but this was abolished with effect from 1 February 2014.

## Subsidiary

The Company has a wholly owned subsidiary undertaking, Engandscot Limited, which can be used for investment dealing. Together they are referred to as the "Group".

# Chairman's Statement



**The Chairman of the Company, Richard Stone, reports on the year to 31 January 2015**

## Performance

During the year to 31 January 2015 the share price total return was 17.3%. The net asset value ("NAV") total return per ordinary share was 14.5%, while a narrowing of the discount to NAV contributed 2.6%.

While the Company's NAV performance was behind the benchmark total return of 17.5%, it represents a significant improvement relative to the Company's peers. The Company is ranked 12 out of 34 funds within the Company's AIC sector peer group for the year ended 31 January 2015 compared to 24 out of 30 for the year ended 31 January 2014. The improvement in performance was achieved by the Fund Manager's stock picking success and the increased geographical allocation to North America. It is also notable that this performance was achieved without excess risk and with virtually no gearing.

The Fund Manager's Report provides information on the factors which contributed to the Company's performance during the year. Changes made to the portfolio by Wouter Volckaert since his appointment are also commented upon.

## Board changes

Having served on the Board for 13 years and as Chairman since 2012, I shall be standing down from the Board with effect from the close of the annual general meeting ("AGM"). There have been many changes during the course of my tenure, including the change in management company from Gartmore to Henderson in 2011, the change of benchmark in 2013 and the transition to a new Fund Manager last year. I am delighted with the progress made by Wouter in his first year and feel that I am leaving at a time when the Company is in a strong position. Richard Hills will replace me as Chairman of the Board and I wish him, and the Company, every success for the future.

Aidan Lisser was appointed to the Board with effect from 5 January 2015. Aidan has had many years' experience at a senior level, across international consumer and financial services organisations. He is chief marketing officer at Investec Wealth & Investment and was previously employed by Allianz Global Investors AG, Standard Chartered Bank plc and Unilever plc. The Directors are delighted to welcome Aidan to the Board.

## Revenue and dividends

Your Board declared four interim dividends of 2.5p each, making a total for the year of 10.0p, the same as for the previous year. As per last year, the Board utilised a small amount of the Company's substantial

revenue reserves to finance part of the dividend. The Group revenue return per ordinary share for the year to 31 January 2015 was 8.32p per ordinary share compared with 9.35p per ordinary share for 2014.

During 2013 the Company's benchmark was changed from a 50/50 UK/global focus to a 100% global focus. The resultant portfolio realignment led to a reduction in the income generated by the Company's investments as UK stocks pay a higher dividend on average than those seen elsewhere. However, this reduction in income has been more than compensated for by the greater capital return from non-UK stocks since then, as well as the strength of the US dollar, with the MSCI World Index delivering a total return of 19.5% (in sterling terms) over the period 1 June 2013 to 31 January 2015 compared to a total return of 9.9% for the FTSE All Share Index.

The Company's primary objective is to deliver the best possible total return to shareholders which we believe has been achieved through this transition. Generating a dividend is an important but secondary objective. Given the lower income derived from a global portfolio we do not expect to increase the dividend level for some time. However, because of the substantial revenue reserves, the Board remains confident that the current dividend can be maintained, which leaves the Company with one of the higher dividend yields in the sector.

## Discount and share buy-backs

To ensure that shareholders do not suffer from excessive discount volatility, the Board keeps the absolute level of the discount in comparison to its peer group of investment trusts under regular review. The aim is to restrict the discount from rising much above 8% in normal market circumstances by buying back shares from time to time as necessary. Consequently, we are again seeking to renew the authority to buy back ordinary shares at the forthcoming annual general meeting. The Company bought back 1,154,711 shares in the year under review. All of the repurchased shares are held in treasury and we hope to be able to reissue them in due course. We are therefore seeking renewal of our authorisation from shareholders to re-issue shares bought into treasury at a discount, providing it is at a narrower discount than that at which the shares were previously bought in, and in any case at a discount of no more than 3%. I do encourage you to support these resolutions.

## Annual general meeting

For the first time the Company's AGM will be broadcast live on the internet. If you are unable to attend in person you can watch the meeting as it happens by visiting [www.henderson.com/trustslive](http://www.henderson.com/trustslive).

## Outlook

Six years into the market recovery that started in 2009, we retain our confidence in equities. Our view is supported by improving economic data, reasonable equity valuation levels in a number of regions and the attractive outlook for equities relative to other asset classes. Fixed income markets have come a long way and in many countries now offer negative real yields while facing the prospect of an interest rate hike at some point. The return on cash is low and again in some countries is negative, meanwhile the commodity cycle seems to have turned downwards. These factors increase the chance of equities receiving a larger part of future investor fund flows. That said, beyond the immediate future we recognise that there are signs that we are closer to the end of the current market cycle than the beginning and therefore your Fund Manager will continue to invest in a relatively conservative manner.

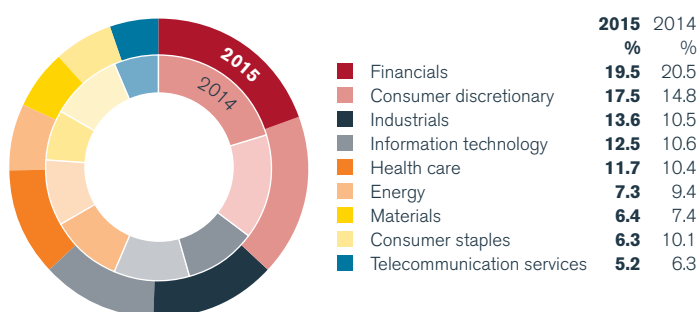
## Portfolio Information

### Ten largest investments at 31 January 2015

Ranking 2015	Ranking 2014	Company	Principal activities	Geographical area	Valuation 2015 £'000	Percentage of portfolio
1	–	Dollar General	General retailers	United States	5,427	3.3
2	2	Macy's	General retailers	United States	5,317	3.2
3	1	Novartis	Pharmaceuticals	Switzerland	5,069	3.1
4	50	Western Digital	Technology hardware & equipment	United States	4,571	2.8
5	4	Oracle	Software & computer services	United States	4,463	2.7
6	9	Crown Holdings	Diversified metals & mining	United States	4,362	2.6
7	–	Rexel	Electronic & electrical equipment	France	3,883	2.3
8	35	Apple	Technology hardware & equipment	United States	3,768	2.3
9	15	Lockheed Martin	Aerospace & defence	United States	3,738	2.3
10	7	Pfizer	Pharmaceuticals & biotechnology	United States	3,640	2.2
					<b>44,238</b>	<b>26.8</b>

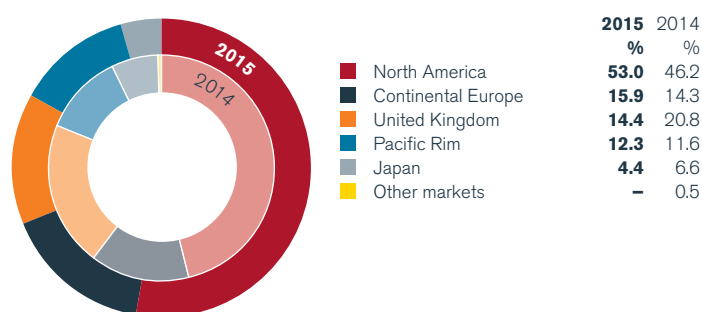
### Sector exposure at 31 January

As a percentage of the investment portfolio excluding cash



### Geographic exposure at 31 January

As a percentage of the investment portfolio excluding cash



### Key performance influences over the year to 31 January 2015<sup>1</sup>

	%
Return of the portfolio of investments from sector allocation	-1.25
Return of the portfolio of investments from stock selection (including currency effect)	-0.52
Impact of gearing/cash (net)	-0.51
Impact of share buy-backs or issuance	+0.23
Impact of ongoing charges	-0.92
<b>NAV total return relative to the benchmark</b>	<b>-2.97</b>

<sup>1</sup> Relative to the benchmark over the financial year to 31 January 2015

# Fund Managers' Report



**The Fund Manager of the portfolio, Wouter Volckaert, reports on the year to 31 January 2015**

2014 was another good year for equities with the Company seeing a share price total return of 17.3% in the year ended 31 January 2015. World markets benefited from a gradual economic recovery, which was originally limited to the US but spread to Europe and Japan in the second half of the year. However, the key driver for equities remained excess liquidity. Quantitative easing and low interest rates are creating surplus capital which is gradually being invested in various assets. We've come a long way since the market bottom of 2009, but equities currently stand out versus other asset classes such as fixed income, commodities, cash and London property, and therefore increasingly receive a larger portion of fund flows, which in turn drives up valuation multiples.

In my first year of managing the portfolio, I set a number of goals for the year, starting with a change in the regional allocation. More specifically, I wanted to reduce the exposure to the UK ahead of the upcoming elections and reinvest the proceeds in North America. Over the past year, I have indeed invested an extra 7% of the portfolio in North America, taking the regional weight to 53% of the portfolio. This has contributed to our performance as our North American stocks increased 22.7% on average through the year, partly on the back of a stronger US dollar. Likewise, the UK exposure has come down from 20% to 14% of the portfolio.

I also wanted to increase the level of conviction in the portfolio, which I did by reducing the number of stocks we invest in to 71. The top 10 holdings now represent 26.8% of the portfolio compared to 23.1% at the start of the year.

I introduced a number of new stocks to the portfolio which I believe offer attractive investment opportunities (Western Digital, Dollar General, Delphi Automotive, Flowers Foods, Rexel, CTT Correios, Citizens Financial, Grifols SA and BRP) and sold some stocks that either reached fair value or compared less favourably to new investment opportunities (Standard Chartered, Vodafone, Buru Energy, Kellogg, Legrand, PepsiCo, National Grid, Burberry, Walgreen, Contravir, Philip Morris, British American Tobacco, National Oilwell Varco, California Resources and Vale).

Of course, the ultimate goal of the various changes described above was to improve performance. The 17.3% share price total return over the past year was driven by both the NAV total return of 14.5% and a narrowing of the share price discount to NAV. And I am pleased to say that this does mark an improvement in performance versus the peers, from the 4th quartile in the year leading up to the change in the Fund Manager, to the high end of the 2nd quartile over the past year. Put differently, we performed better than roughly two thirds of global fund managers on an NAV basis in the period under review.

It is worth highlighting our three best performing stocks over the past year: United Continental, Limited Brands and Dollar General. Airline operator United Continental benefited from a fall in oil prices and the ongoing consolidation of the US airline sector, which both contributed to an improvement in profitability. Limited Brands is best known for its Victoria's Secret underwear, whose rapid expansion outside the US is helping the company beat market expectations. And Dollar General is a low end retailer in the US, similar to Aldi in the UK, which we bought at an attractive valuation level when investors were overly concerned about temporary headwinds for the business such as bad weather. The stock subsequently recovered on the back of an improving outlook for the US consumer and the likelihood of reduced competition as its two biggest rivals, Family Dollar and Dollar Tree, agreed to merge. Dollar General remains one of our highest conviction stocks.

Of course we also had some stocks that struggled, the worst being Rexel, a French distributor of electrical equipment which suffered on the back of a delayed European recovery. The stock did start to recover when European economic data began to improve in October and its share price is up around 30% since that time. We are therefore holding on to our investment and believe that it should start to generate positive investment returns over the coming year.

The biggest headwind in the period was the exceptional performance of a select number of very large companies. Our benchmark is market cap weighted, meaning that larger companies receive a bigger weight in the benchmark and therefore have a bigger impact on the overall performance. This explains why just five companies (Apple, Johnson & Johnson, Wells Fargo & Co, Microsoft and Novartis) were able to generate 1.9% of the benchmark's performance, or over 10% of the total 17.5% increase in the MSCI World All Country Index (in sterling terms, total return). Put differently, the average stock in the benchmark rose significantly less than the headline 17.5%. Fortunately we were overweight in large cap stocks and owned two of the three stocks described above, which helps explain why we did better than a lot of our peers. But even our performance lagged the benchmark somewhat. Narrow market leadership has been short lived

## Fund Managers' Report (continued)

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throughout history and therefore we believe that the year was an exceptional period in this regard.

Looking forward, there are various signs that we are closer to the end than the beginning of the market rally that started in 2009: global stock markets are trading near record highs; equity leadership is narrowing as described earlier, a phenomenon which is typically associated with the end of a bull market (think technology stocks at the end of the 90s and emerging markets stocks in 2007); the IPO market has become very active and start-up internet companies can now be valued at \$1bn in their first year of existence; and equity and credit markets are starting to provide conflicting signals.

On the other hand, it also feels like we are only at the start of an upturn when we focus on economic data. After five moderate years, we are finally seeing a more meaningful pick-up in corporate investment and credit growth. Unemployment has fallen to the level where we are starting to see wage growth and a lower oil price should provide a nice tailwind for oil importing countries.

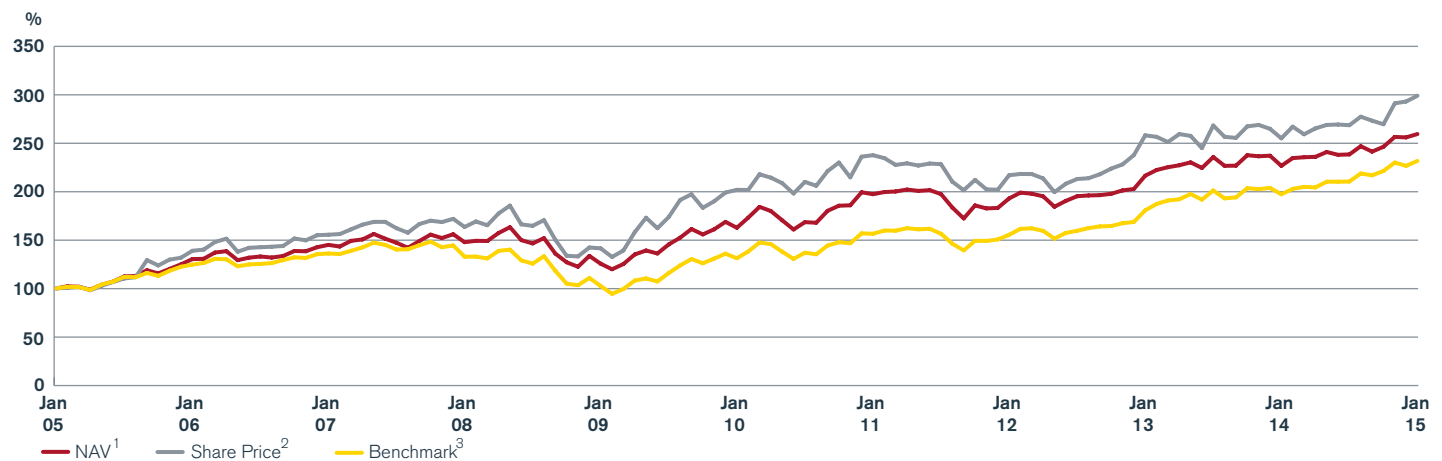
Bringing the two views together, I believe that the years of multiple expansion driving equity markets are over. Partly because we have come a long way and partly because we are facing the end of quantitative easing in the US and potentially interest rate hikes. Economic momentum and corporate earnings growth now need to take over as a driver for equity markets and as long as the current momentum continues equities should perform well. I expect market volatility to pick up, but see this as a positive for the Company as it will enable us to buy stocks at attractive valuation levels more frequently. Therefore, we remain fully invested, although we are not planning to use additional gearing at this advanced stage in the market cycle.

# Historical Performance and Financial Information

Total return performance for the year to 31 January 2015  
(including dividends reinvested and excluding transaction costs)

	1 year %	3 years %	5 years %	10 years %
NAV <sup>1</sup>	14.5	34.5	59.6	162.0
Share price <sup>2</sup>	17.3	37.9	48.2	199.2
Benchmark index <sup>3</sup>	17.5	49.3	77.4	136.4
Average sector NAV <sup>4</sup>	14.0	45.8	71.8	148.7
Average sector share price	11.6	40.6	65.7	139.2

Total return performance over the 10 years to 31 January 2015 (rebased to 100)



## Financial information

At 31 Jan	Net assets £'000	NAV per ordinary share		Mid- market price per ordinary share p	Premium/(Discount)		Profit/ (loss) for year £'000	Revenue return p	Capital return p	Total return p	Dividend p	Expenses <sup>5</sup> %
		With debt at par p	With debt at market value p		With debt at par %	With debt at market value %						
2006	137,106	273.8	264.2	239.25	(12.6)	(9.4)	32,082	5.33	56.84	62.17	4.4	1.01
2007	140,938	299.7	291.8	262.75	(12.3)	(10.0)	13,763	6.37	21.87	28.24	4.8	0.96
2008	129,079	301.3	302.1	271.50	(9.9)	(10.1)	1,874	6.63	(2.47)	4.16	5.5	0.94
2009	99,882	249.3	250.2	229.50	(7.9)	(8.3)	(19,775)	10.68	(58.19)	(47.51)	7.0 <sup>6</sup>	0.89
2010	126,300	309.5	310.4	312.25	0.9	0.6	28,778	7.51	63.60	71.11	7.5	0.96
2011	150,009	367.6	368.4	359.50	(2.2)	(2.4)	26,835	7.87	57.63	65.50	8.0	0.92
2012	140,153	351.0	351.7	320.00	(8.8)	(9.0)	(3,693)	9.67	(18.79)	(9.12)	9.6	0.90
2013	150,098	378.0	378.8	363.63	(3.8)	(4.0)	16,350	9.57	31.55	41.12	10.0	0.98
2014	152,993	385.8	386.8	349.50	(9.4)	(9.6)	7,042	9.35	8.40	17.75	10.0	0.92
<b>2015</b>	<b>166,086</b>	<b>431.3</b>	<b>432.4</b>	<b>399.00</b>	<b>(7.5)</b>	<b>(7.7)</b>	<b>21,349</b>	<b>8.32</b>	<b>46.20</b>	<b>54.52</b>	<b>10.0</b>	<b>0.85</b>

<sup>1</sup> Net asset value per ordinary share with debt at fair value; with income reinvested for 1, 3 and 5 years and capital NAV plus income reinvested for 10 years

<sup>2</sup> Share price total return using mid-market closing price

<sup>3</sup> Comprising 50% FTSE All-Share Index and 50% MSCI World Index ex UK (in sterling terms) to 31 May 2013 and the MSCI All Country World Index (in sterling terms, total return) thereafter

<sup>4</sup> The sector is the AIC Global sector

<sup>5</sup> Using total expense ratio methodology for 2011 and previous years; ongoing charge methodology thereafter

<sup>6</sup> Excludes special non-recurring dividend of 4.0p

Sources: Henderson, Morningstar Funddata, Morningstar for the AIC, Thomson Reuters Datastream

# Key Information

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## Directors

The Directors appointed to the Board at the date of this report are:

### Richard Stone

**Position:** Chairman of the Board and of the Nomination and Management Engagement Committees

**Date of appointment:** 26 March 2002 (Chairman in May 2012)  
Richard is a chartered accountant and a former member of the global board of PricewaterhouseCoopers LLP. Prior to the merger with Price Waterhouse in 1998, he was deputy chairman of Coopers & Lybrand. He is chairman of Candover Investments plc and Chairman of the Company's subsidiary, Engandscot Limited. Richard will stand down from the Board on 3 June 2015.

### Victoria Hastings

**Position:** Director

**Date of appointment:** 1 September 2012

Vicky has worked for over 25 years in the investment management industry. Her roles have included being a non-executive director of Charter European Trust, investment director at JO Hambro Capital Management, chief investment officer, private clients at Merrill Lynch Investment Managers (London) and a fund manager in the Merrill Lynch European equity team. She is a non-executive director of The Edinburgh Investment Trust plc and Impax Environmental Markets plc and a trustee of the Special Trustees of Moorfields Eye Hospital. Vicky will become Chairman of the Remuneration Committee with effect from 3 June 2015.

### Richard Hills

**Position:** Senior Independent Director and Chairman of the Remuneration Committee. Richard will become Chairman of the Board when Richard Stone steps down on 3 June 2015 and will then cease to be Chairman of the Remuneration Committee and Senior Independent Director.

**Date of appointment:** 7 July 2004

Richard has substantial investment experience, having held senior positions at two major investment companies. He chairs the Aztec Group Ltd, which is one of the largest Channel Islands private equity fund administrators. He is currently Chairman of Strategic Equity Capital plc and a director of JP Morgan Income & Capital Trust plc.

### Aidan Lisser

**Position:** Director

**Date of appointment:** 5 January 2015

Aidan has had many years' experience at a senior level, across international consumer and financial services organisations. He is chief marketing officer at Investec Wealth & Investment and was previously employed by Allianz Global Investors AG, Standard Chartered Bank plc and Unilever plc.

### Lance Moir FCT

**Position:** Director and Chairman of the Audit Committee

**Date of appointment:** 30 January 2007

Lance has held a number of senior financial positions during his career, which has included CFO of WIN plc and executive director of IMI mobile, group finance director and director of planning and business development for First Choice Holidays plc, director of corporate finance for Bass plc and also a similar position for Storehouse plc. He is a fellow of the Association of Corporate Treasurers, where he was a member of council. He is a Visiting Professor at Cranfield School of Management. He is also a director of the Company's subsidiary, Engandscot Limited. Lance will become the Senior Independent Director on 3 June 2015.

All Directors are independent of Henderson and are members of the Nomination, Remuneration and Management Engagement Committees. All Directors other than Richard Stone are members of the Audit Committee.

## Key Information (continued)

### Service providers

Alternative Investment Fund Manager  
Henderson Investment Funds Limited  
201 Bishopsgate  
London EC2M 3AE

Depository and custodian  
HSBC Bank plc  
8 Canada Square  
London E14 5HQ

Independent auditor  
Ernst & Young LLP  
1 More London Place  
London SE1 2AF

Stockbrokers  
Winterflood Investment Trusts  
The Atrium Building  
Cannon Bridge  
25 Dowgate Hill  
London EC4R 2GA

Corporate Secretary  
Henderson Secretarial Services Limited  
201 Bishopsgate  
London EC2M 3AE  
Telephone: 020 7818 1818

Registrar  
Equiniti Limited  
Aspect House  
Spencer Road  
Lancing  
West Sussex BN99 6DA

Telephone: 0871 384 2455  
(or +44 121 415 7047 if calling from overseas)  
Calls to this number cost 8p per minute plus network extras.  
Lines are open 8.30am to 5.30pm, Monday to Friday.

There is a range of shareholder information online.

You can check your holding and find practical help on transferring shares or updating your details at [www.shareview.co.uk](http://www.shareview.co.uk).

### Financial calendar

Annual results announced	April 2015
Fourth interim dividend payable <sup>1</sup>	1 April 2015
Annual general meeting <sup>2</sup>	3 June 2015
First interim dividend payable	1 July 2015
Half year results announced	September 2015
Cumulative preference stock dividend payable	30 September 2015
Second interim dividend payable	1 October 2015
Third interim dividend payable	4 January 2016
Cumulative preference stock dividend payable	31 March 2016

### Information sources

For more information about the Company, visit the website at [www.hendersonglobaltrust.com](http://www.hendersonglobaltrust.com).

#### HGi

HGi is a content platform provided by Henderson that offers online personalisation where you can “follow” investment experts, topics and the trusts that are of interest to you. By creating your HGi profile you will be updated regularly on the topics that interest you most, bringing you closer to Henderson’s investment expertise.

Scan the QR code or use this short URL to register for HGi:  
<http://HGi.co/rb>



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### Investing

Shares can be purchased in the market via a stockbroker or through share dealing platforms. They can also be held through share plans, ISAs or pensions and links to various providers are included on the website. Individuals holding shares through Halifax Share Dealing Limited can write to them at Lovell Park Road, Leeds LS1 1NS or contact them via telephone 08457 22 55 25, email [Henderson@halifax.co.uk](mailto:Henderson@halifax.co.uk) or visit their website [www.halifax.co.uk/sharedealing](http://www.halifax.co.uk/sharedealing).

Potential investors are reminded that the value of investments and the income from them may go down as well as up and investors may not receive back the full amount invested. Tax benefits may vary as a result of statutory changes and their value will depend on individual circumstances.

### Nominee share code

Where notification has been provided in advance, the Company will arrange for copies of shareholder communications to be provided to the operators of nominee accounts. Nominee investors may attend general meetings and speak at them when invited to do so by the Chairman. Investors via Halifax Share Dealing receive all shareholder communications and a voting instruction form is provided to facilitate voting at general meetings of the Company.

<sup>1</sup> This dividend will be paid to shareholders on the register on 6 March 2015

<sup>2</sup> At the Company's registered office at 2.30pm

# Corporate Information

## Status

The Company is an investment company as defined in Section 833 of the Companies Act 2006 (the "Act") and operates as an investment trust in accordance with Section 1158 of the Corporation Tax Act 2010 ("Section 1158"), is subject to the Listing Rules and is governed by its articles of association, amendments to which must be approved by shareholders by way of a special resolution. The Company is not a close company.

The Company has obtained approval from HMRC of its status as an investment trust under Section 1158; the Directors are of the opinion that the Company has conducted its affairs in compliance with Section 1158 since approval was granted and intends to continue to do so. The Company is liable to corporation tax on its net revenue profits but is exempt from corporation tax on capital gains if it has complied at all times with Section 1158.

## Principal risks and uncertainties

The Board policy on risk management has not materially changed from last year. The main areas of risk, in the opinion of the Board, are summarised below:

### Market risk

Since the Company is an investment trust its performance is dependent on the performance of the companies and stock markets in which it invests and will also be affected by the strength of currencies in the regions in which it invests, relative to sterling. Although Henderson seeks to maintain a diversified portfolio, country and sector weightings may diverge significantly as the portfolio is not modelled on any particular investment index. The Company does not currently carry out currency hedging.

At their regular meetings, the Directors and the Fund Manager review the Company's activities and performance and determine investment strategy. Investment risk is spread by holding a diversified portfolio in line with the Company's investment objective and policy.

### Performance risk

An inappropriate investment strategy (for example poor stock selection or asset allocation) may result in underperformance against the Company's peers or its benchmark. The Board monitors performance at each Board meeting.

### Gearing

The Company has the ability under existing covenants to gear up to 25% of the Group's net assets, but in normal circumstances gearing would not be expected to exceed 15% and the overdraft facility currently available from HSBC Bank plc is limited to the lesser of £20 million and 25% of custody assets. In the event of a significant or prolonged fall in equity markets gearing would exacerbate the effect of the falling market on the Company's NAV per share and, consequently, its share price.

## Other financial risks

The Company minimises its risk associated with a counterparty failing to deliver securities or cash by dealing through organisations that have undergone rigorous due diligence by Henderson. Liquid funds are held almost entirely in UK interest bearing bank accounts or on short-term deposit. This, together with the portfolio mainly comprising investments in large and medium sized companies quoted on major equity markets, mitigates the exposure to liquidity risk.

## Internal control

The Board, in conjunction with the Audit Committee, regularly reviews the system of internal controls. These include controls to ensure that the Company's assets are safeguarded.

## Operational risk

Disruption to, or failure of, Henderson's accounting, dealing or payment systems or the custodian's records could prevent the accurate reporting and monitoring of the Company's financial position. The Company is also exposed to the operational risk that one or more of its service providers may not provide the required level of service. The Board monitors the services provided by Henderson and its other suppliers and receives reports on the key elements in place to provide effective internal control.

## Discount control

The Board utilises the Company's buy-back powers to enhance NAV per share and seek to limit the risk to shareholders and potential investors of a volatile discount. The Board keeps the absolute level of the discount in comparison to its peer group of investment trusts under regular review, with the aim of restricting the discount from rising much above 8% in normal market circumstances.

## Borrowing

The Company has a secured multicurrency overdraft arrangement with HSBC Bank plc that allows it to borrow up to the lesser of £20 million and 25% of custody assets as and when required. We made minimal use of the facility in the year under review. The Company has a small amount of long-term debt via 3.75% cumulative preference stock (see page 46 for more details), although cash balances are held to neutralise the gearing effect.

## Future developments

While the future performance of the Company is mainly dependent on the performance of international financial markets which are subject to various external factors, the Board's intention is that the Company will continue to pursue its stated investment objective and strategy explained earlier. The Chairman's Statement and Fund Manager's Report provide commentary on the outlook for the Company.

## Corporate Information (continued)

### Key performance indicators ("KPIs")

At each Board meeting the Directors consider a number of performance measures to assess the Company's success in meeting its objectives. The Directors consider that the key indicator of the Company's performance is the NAV per ordinary share total return, with debt at fair value, compared with the total return of the Company's benchmark index over both the short and long term. Performance in relation to the Company's peer group, the AIC Global sector, is also measured. Other factors that are considered by the Board include share price performance and, in particular, the level of discount or premium at which the ordinary shares trade relative to the NAV. The costs of running the Company, as calculated using the AIC ongoing charge methodology, is also regularly reviewed. The charts and tables on pages 2, 3 and 9 show how the Company has performed against these KPIs. The Chairman's Statement on page 5 and the Fund Manager's Report on pages 7 and 8 provide further information, including the Board's policy on discount management.

### Corporate responsibility

#### Responsible investment

Henderson is responsible for reporting on its work on corporate governance and corporate responsibility (or social, environmental and ethical ("SEE") issues) in the companies in which it invests on its clients' behalf, across all funds as part of its management duties. In May 2005 Henderson became a founding signatory to the United Nations Principles for Responsible Investment. The Principles, developed under the auspices of the UN Secretary-General, are a voluntary and aspirational framework for incorporating environmental, social and corporate governance ("ESG") issues into mainstream investment decision-making and ownership practices.

The way companies respond to sustainability and corporate responsibility can affect their business performance, both directly and indirectly. An investee company's policy on social responsibility and the environment is considered by Henderson's risk team but investments are not ruled out on social and environmental grounds only.

#### Voting policy and the UK stewardship code

Henderson's responsible investment policy sets out its approach to corporate governance and corporate responsibility for all the companies in which it invests on behalf of its clients and its policy on proxy voting. The policy also sets out how Henderson implements the Stewardship Code. The Company has reviewed the policy and has delegated responsibility for voting to Henderson. The Board receives regular reports on the voting undertaken by Henderson on behalf of the Company. The Board and Henderson believe that voting at general meetings is an important aspect of corporate stewardship and a means of signalling shareholder views on board policy, practices and performance. Voting recommendations are guided by the best interests of the investee companies' shareholders. Depending on the nature of the resolution the Fund Manager will give specific instructions on voting non-routine and unusual or controversial resolutions. Decisions not to support resolutions and the rationale therefor are fed back to the investee company prior to voting.

Practical difficulties may prevent Henderson voting in some markets. In particular, various factors, including restrictions on dealing and costs, may inhibit voting in some international markets and must be taken into account.

The Henderson responsible investment policy and further details of Henderson's responsible investment activities can be found on the Henderson website, [www.henderson.com](http://www.henderson.com).

#### Employees, social, community, human rights and environmental matters

The Company's core activities are undertaken by Henderson, which has implemented environmental management practices, including systems to limit the use of non-renewable resources and to minimise the impact of operations on the environment, and is focused on reducing greenhouse gas emissions and minimising waste, where possible. The Company has therefore not reported on these, or social, community or human rights issues here; Henderson's policies are included in its annual report which can be found on the website [www.henderson.com](http://www.henderson.com).

Henderson's corporate responsibility statement is included on the website detailed above. In 2012 it was granted CarbonNeutral Company status which it has committed to maintain at least until the end of 2015.

The Company's Annual Report is printed on paper produced using 50% recycled post-consumer waste and 50% wood fibre from fully sustainable forests with certification by the Forest Stewardship Council; the printing company used is certified as CarbonNeutral®. Papers for the Company's Board meetings are now mainly circulated electronically rather than in paper form.

The Board has reviewed the implications of the Bribery Act 2010, which came into force on 1 July 2011, and confirmed its zero tolerance to bribery and corruption in its business activities. It has received assurances from the Company's main contractors and suppliers that they will maintain adequate safeguards to protect against any potentially illegal behaviour by their employees and agents.

### Board diversity

Currently, four of the Company's Directors are male and one is female. The Directors consider diversity when making appointments to the Board, taking into account relevant skills, experience, knowledge and gender. The Company has no employees and, therefore, there is nothing further to report in respect of gender representation within the Company.

For and on behalf of the Board

Lance Moir  
Director  
15 April 2015

# Glossary

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## Alternative Investment Fund Managers Directive (“AIFMD”)

Agreed by the European Parliament and the Council of the European Union and transposed into UK legislation, the AIFMD classifies certain investment vehicles, including investment companies, as Alternative Investment Funds (“AIFs”) and requires them to appoint an Alternative Investment Fund Manager (“AIFM”) and depositary to manage and oversee the operations of the investment vehicle. The Board of the Company retains responsibility for strategy, operations and compliance and the Directors retain a fiduciary duty to shareholders.

## Association of Investment Companies (“AIC”)

The Company is a member of the AIC which is the trade body for investment companies and represents the industry in relation to various matters which impact the regulation of such entities.

## Benchmark

An index against which performance is compared. For the Company this is the MSCI All Country World Index (in sterling terms, total return).

## Custodian

The custodian is responsible for ensuring the safe custody of the Company's assets and that all transactions in the underlying holdings are transacted in an accurate and timely manner.

## Depositary

With effect from 22 July 2014 all AIFs were required to appoint a depositary who has responsibility for overseeing the operations of the Company including safekeeping, cash monitoring and verification of ownership and valuation and is responsible for the appointment of a custodian. The depositary is strictly liable for the loss of any investments or other assets in its custody unless it has notified that it has discharged its liability in certain markets. The depositary has confirmed that it has not discharged liability in relation to any of the Company's assets.

## Derivative

A contract between two or more parties in relation to an underlying security. The value of a derivative will fluctuate in accordance with the value of the security and is a form of gearing as the fluctuations in value are usually greater than the fluctuations in the underlying security's value. Examples of derivatives are put and call options, swap contracts, futures and contracts for difference. Foreign exchange, interest rates and commodities may also be traded using derivative contracts.

## Dividend dates

When declared or recommended, each dividend will have three key dates applied to it. The payment date is the date on which shareholders will receive their dividend, either by BACS transfer or by receipt of a dividend cheque. The record date applied to the dividend is used as a cut-off for the Company's registrars to know which shareholders should be paid a dividend. Only shareholders on the register of members at the close of business on the record date will receive the dividend. The ex-dividend date is the business day before the record date and is the date upon which the Company's net asset value will be disclosed ex-dividend.

## Gearing

The gearing percentage reflects the amount of borrowings (i.e. bank loans or overdrafts) the Company has used to invest in the market and also takes into account the exposure to hedging and derivatives which have a gearing effect. This figure indicates the extra amount by which shareholders' funds would move if the Company's investments were to rise or fall. This is calculated by taking the difference between quoted and unquoted investments and equity shareholders' funds divided by equity shareholders' funds and multiplied by 100.

## Investment trusts

Investment trusts are public limited companies, listed on the London Stock Exchange, which provide shareholders with a professionally managed portfolio of investments. Investment trusts are exempt from tax on the capital gains arising on their investments subject to meeting certain criteria. Income, net of expenses and tax, is substantially distributed to shareholders. Investment trusts are also known as investment companies, although the tax legislation retains the reference to investment trusts.

## Liquidity

In the context of the liquidity of shares in the stock market, this refers to the availability of buyers in the market for the share in question. Where the market in a particular share is described as liquid, that share will be in demand and holders wishing to sell their shares should find ready buyers. Conversely, where the market in a share is illiquid the difficulty of finding a buyer will tend to depress the price that might be negotiated for a sale.

## Market capitalisation (market cap)

The market value of a company, calculated by multiplying the mid-market price per share by the number of shares in issue.

## Glossary (continued)

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### Net asset value (“NAV”) per ordinary share

The value of the Company's assets (i.e. investments and cash held) less any liabilities (i.e. bank borrowings and debt securities) for which the Company is responsible, divided by the number of shares in issue. The aggregate NAV is also referred to as shareholders' funds on the balance sheet. The NAV is published daily.

### Ongoing charge

The ongoing charge reflects those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the Company as a collective fund, excluding the costs of acquisition or disposal of investments, financing charges and gains or losses arising on investments. The ongoing charge is based on actual costs incurred in the year as being the best estimate of future costs, excluding any performance fees in accordance with the AIC methodology.

### Premium/discount

The amount by which the market price per share of an investment trust is either higher (premium) or lower (discount) than the NAV per share, expressed as a percentage of the NAV per share.

### Total return performance

This is the return on the share price or NAV taking into account both the rise and fall of share prices and the dividends and interest paid to shareholders. Any dividends received by a shareholder are assumed to have been reinvested in either additional shares (for share price total return) or the Company's assets (for NAV total return).

### Yield

The annual dividend expressed as a percentage of the share price.

**This Strategic Report is extracted from the Company's 2015 Annual Report which can be viewed in full on the website using the address given below.**

Henderson Global Trust plc  
Registered as an investment company in England and Wales with registration number 237017 Registered office: 201 Bishopsgate, London EC2M 3AE

SEDOL/ISIN number: Ordinary Shares: GB0003184024/03184024  
London Stock Exchange (EPIC) Code: HGL  
Global Intermediary Identification Number (GIIN): 83854G.99999.SL.826  
Legal Entity Identifier (LEI): 2138004BOXOBN5L9DO58

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