

# STRATEGIC INCOME FUND

HFAAX HFACX HFAIX

**December 31, 2016**

## Investment strategy

The Fund invests in securities across a variety of fixed income sectors. The portfolio is constructed by leveraging multiple sources of uncorrelated returns, structured to earn income and provide total return while actively managing duration.

**Class A** ★★★★★  
**Class I** ★★★★★★

Overall Morningstar Rating™ for Class A and I shares among 318 World Bond funds as of 12/31/16. Morningstar Ratings are based on risk-adjusted returns. The Overall Morningstar Rating for the Fund is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year Morningstar Ratings.

## Fund facts

### Investment objective

The Fund seeks to achieve total return through current income and capital appreciation.

<b>Inception date</b>	9/30/03
<b>Min. initial investment</b>	\$500
<b>Benchmark</b>	3-month LIBOR USD
<b>Total number of issuers</b>	107
<b>Dividend frequency</b>	Monthly
<b>% of holdings in top 10</b>	27.40
<b>Class A expense ratio<sup>4</sup> (%)</b>	1.06
<b>Portfolio turnover<sup>5</sup> (%)</b>	117%
<b>Effective duration<sup>6</sup> (weighted avg.)</b>	4.6

<b>Credit quality<sup>7</sup></b>	<b>Non-US</b>	<b>US</b>
AAA	8.38%	0.38%
AA	0.00%	0.00%
A	3.80%	0.89%
BBB	17.80%	7.41%
BB	18.31%	9.66%
B	4.16%	3.41%
CCC & Below	2.12%	0.00%
Not Rated	1.29%	0.00%
Secured Loans	11.68%	9.54%

<b>Derivatives breakdown<sup>8</sup></b>	<b>% of total</b>
Long Risk CDS	0.01
Short Risk CDS	-2.54
<b>Net Risk</b>	<b>-2.53</b>

## CUSIP numbers

<b>Class A</b>	HFAAX	425067816
<b>Class C</b>	HFACX	425067782
<b>Class I</b>	HFAIX	425067485

**For additional information  
Please call 1.866.443.6337  
or visit our website at  
henderson.com**

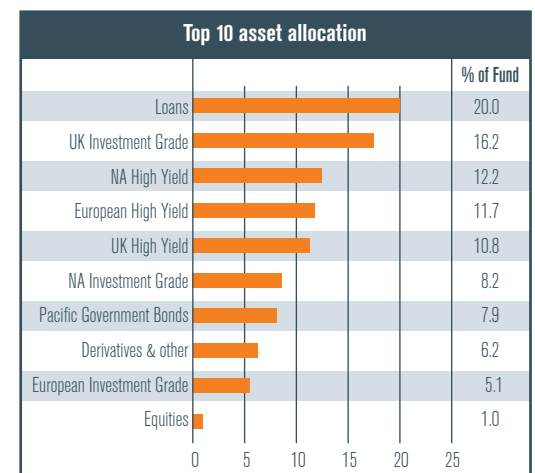
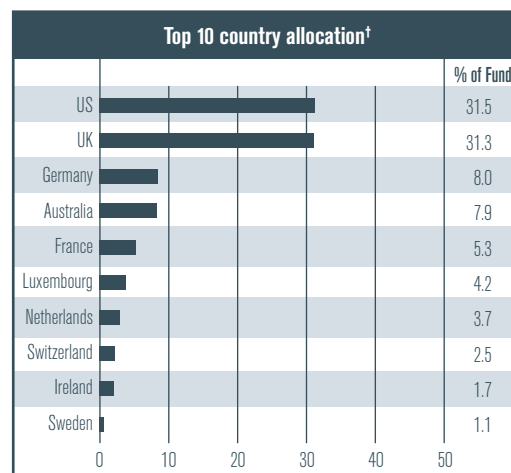
## Why invest in this fund?

- An opportunistic portfolio with exposure to multiple sectors within the global fixed income universe
- An investment approach that combines bottom-up security selection with a strategic asset allocation process
- An experienced portfolio management team with nearly 41 years of investment management industry experience
- Dynamic asset allocation among various fixed income sectors based on the current stage of the economic cycle

<b>Top 10 issuers</b>	<b>Country<sup>†</sup></b>	<b>% of Fund</b>
Australia Government Bond	Australia	7.9
CVC Capital Partners	Australia	3.3
Liberty Global	Luxembourg	3.3
Equinix	United States	2.3
Barclays	United Kingdom	2.0
Berry Plastics Group	United States	2.0
Prudential	United Kingdom	1.8
HSBC Holdings	United Kingdom	1.7
UBS Group	Switzerland	1.6
Wells Fargo & Co	United States	1.6

These are not recommendations to buy or sell any security.

<sup>†</sup>A company's country classification is based on multiple factors including legal domicile and underlying exposure of its business.



## Performance

<b>December 31, 2016</b>		<b>1 yr</b>	<b>3 yrs</b>	<b>5 yrs</b>	<b>10 yrs</b>	<b>Since inception<sup>1</sup></b>
Class A	without sales charge	5.92%	4.41%	6.10%	3.54%	5.19%
	with sales charge	0.85%	2.77%	5.07%	3.04%	4.80%
Class C	without sales charge	5.17%	3.64%	5.32%	2.72%	4.37%
	with sales charge	5.17%	3.65%	5.33%	2.73%	4.38%
Class I <sup>2</sup>		6.20%	4.67%	6.38%	3.69%	5.30%
3-month LIBOR USD		0.66%	0.38%	0.38%	1.28%	1.70%
Morningstar World Bond average		3.85%	0.41%	1.18%	3.41%	3.72%
Morningstar World Bond ranking <sup>3</sup>		69/342	25/334	4/278	106/191	33/149

<sup>1</sup>Inception date: 9/30/03, inception date of Class I shares: 5/31/11

<sup>2</sup>For periods prior to 5/31/11, Class I share rates of return are based on Class A shares at NAV.

<sup>3</sup>Morningstar rankings are based on total return and do not reflect a sales charge. Rankings are for Class A shares only, other share classes may vary.

<sup>4</sup>This ratio is not a guaranteed number and may fluctuate. The class A expense ratio is presented as a percentage of average net assets.

<sup>5</sup>Rolling 12-month period 11/30/15-11/30/16. Portfolio turnover will fluctuate and may be higher or lower based upon investment considerations.

<sup>6</sup>Effective duration is a measure of the sensitivity of the price of a fixed income investment to a change in interest rates.

<sup>7</sup>Credit quality ratings are primarily sourced from Standard & Poor's ("S&P") but in the event that S&P has not assigned a rating the Fund will use Moody's or Fitch. If these ratings are in conflict the most conservative rating will be used. If none of the major rating agencies have assigned a rating the Fund will assign a rating of NR (non-rated security). The ratings represent their (S&P, Moody's and Fitch) opinions as to the quality of the securities they rate. Ratings are relative and subjective and are not absolute standards of quality and are measured on a scale that generally ranges from AAA (highest) to D (lowest).

<sup>8</sup>Derivatives breakdown table summarizes the Fund's overall

Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. For the most recent month-end performance, please call 1.866.443.6337 or visit the Fund's website at henderson.com. Class A shares are subject to a maximum front-end sales charge of 4.75%. Class C shares may be subject to a CDSC of up to 1% on certain redemptions made within 12 months of purchase. Gross and Net expense ratios for the Fund are as follows (as stated in current prospectus). Gross expense ratios: Class A 1.06%, Class C 1.82%, Class I 0.81%. Net expense ratios<sup>4</sup>: Class A 1.06%, Class C 1.82%, Class I 0.81%.

derivative exposure and directionality of exposure. A credit default swap (CDS) is a swap designed to transfer the credit exposure of fixed income products between parties. A credit default swap index (CDX) is an index of credit default swaps designed to hedge credit risk or to take a position on a basket of credit entities or indices. The Fund's adviser has agreed to contractually waive a portion of its fees and/or reimburse expenses as detailed within the prospectus until 7/31/20. Absent these waivers performance would have been less favorable for certain periods. Returns greater than one year are annualized and include the reinvestment of dividends and capital gains. Index returns provided by Morningstar.

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## Portfolio management



Jenna Barnard and John Pattullo

Jenna Barnard, CFA, Co-Head of Strategic Fixed Income, joined Henderson Global Investors in 2002 and has over 16 years of experience in the industry.

John Pattullo, Co-Head of Strategic Fixed Income, joined Henderson in 1997 and has over 24 years of experience in the industry.

### About the adviser

With over 80 years of global investing experience, Henderson offers US investors a chance to "own a piece of the world" with access to differentiated investment opportunities through our globally focused mutual funds. Henderson employs over 1,000 people located in 16 countries, and manages assets of \$131.1 billion<sup>1</sup>.

<sup>1</sup>As of 9/30/16

## The Henderson Difference

For over 15 years, Henderson has offered differentiating features to US clients which include our unique investment process and in-depth knowledge of global financial markets.

We call it the **Henderson Difference**

- Differentiated products
- An opportunistic approach
- Global perspective with local insight

## Calendar year performance

Year	HFAAX (without sales charge)	3-month LIBOR USD
2016	5.92%	0.66%
2015	1.74%	0.23%
2014	5.61%	0.23%
2013	3.86%	0.29%
2012	13.75%	0.51%
2011	0.05%	0.27%
2010	10.17%	0.33%
2009	50.75%	0.99%
2008	-38.69%	3.83%
2007	3.36%	5.61%
2006	10.31%	5.12%
2005	2.60%	3.13%
2004	10.65%	1.30%

**International and emerging markets investing involves certain risks and increased volatility not associated with investing solely in the US. These risks include currency fluctuations, economic or financial instability, lack of timely or reliable financial information or unfavorable political or legal developments. The Fund may invest in securities issued by smaller companies which typically involves greater risk than investing in larger companies. Also, the Fund may invest in limited geographic areas and/or sectors which may result in greater market volatility. In addition the Fund may invest in derivatives. Derivatives involve special risks different from, and potentially greater than, the risks associated with investing directly in securities and may result in greater losses. The Fund may be subject to frequent trading which may result in a turnover rate of 100% or more.**

**The Strategic Income Fund may invest in high yield, lower rated (junk) bonds. Securities rated below investment grade generally entail greater credit, market, issuer and liquidity risk than investment grade securities. Moreover, the Fund is subject to interest rate risk which is the risk that debt securities in the Fund's portfolio will decline in value because of increases in market interest rates. The Fund may borrow money which may adversely affect the return to shareholders, also known as leverage risk.**

The top 10 holdings, asset allocation and country allocation are subject to change.

LIBOR (London Interbank Offer Rate) is the interest rate participating banks offer to other banks for loans on the London market. It is not possible to invest directly in an index or average.

The Morningstar Rating<sup>TM</sup> for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the

performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The Morningstar Rating is for the share class specified only; ratings for other share classes will vary. Past performance is no guarantee of future results. For the period ended December 31, 2016, the Henderson Strategic Income Fund was rated against 318, 241 and 130 World Bond funds for the three-, five- and ten-year periods, respectively. With respect to these World Bond funds, the Fund received a Morningstar Rating of 5 stars for the three-year period, a rating of 5 stars for the five-year period, and a rating of 2 stars for the ten-year period for Class A. The Fund received a Morningstar Rating of 5 stars for the three-year period, a rating of 5 stars for the five-year period and a rating of 2 stars for the ten-year period for Class I.

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The distributor of the Henderson Global Funds is Foreside Fund Services, LLC, which is not an affiliate of Henderson Global Investors.

*One should consider the investment objectives, risks, fees and expenses of any mutual fund carefully before investing. This and other important information is available in the Fund's prospectus and summary prospectus available at [henderson.com](http://henderson.com). Please read carefully before investing. (1/17)*

HGF-79347-17 SIF-FACT

For additional information  
Please call 1.866.443.6337  
or visit our website at  
[henderson.com](http://henderson.com)

**Not FDIC insured, may lose value,  
and not bank guaranteed.**

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# Creating a truly global, client-focused investment management firm through a merger of equals

Janus Capital Group and Henderson Global Investors are expected to complete their announced “merger of equals” in the second quarter of 2017, subject to requisite approvals. In the meantime, here is a preview from the new firm.

The investment landscape and investors’ needs are changing daily, and as investment thought leaders, Janus and Henderson are continually adapting to meet those needs. We believe this merger will benefit our clients as it creates a truly global active management firm with \$320 billion in assets under management (as of 9/30/16). The new firm will offer a broader range of investment options and the combined resources of Henderson and Janus. From the market commentary and insights of *Knowledge. Shared.*, to the programs offered through *Janus Labs*, a wide range of innovative tools can help you deepen your expertise, build your practice and communicate with clients.

If the mergers are approved, products will be renamed during the second quarter of 2017 and Henderson mutual funds will be merged into the Janus Henderson fund family. We look forward to the opportunity to serve you as the combined Janus Henderson Investors.



JANUS CAPITAL®  
Group

Henderson  
GLOBAL INVESTORS

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Janus Funds are distributed by Janus Distributors LLC. The distributor of Henderson Global Funds is Foreside Fund Services, LLC. Janus, Henderson Global Funds and Foreside Fund Services are not affiliated.

In connection with the proposed transaction, the Funds have filed or will file with the SEC solicitation materials in the form of a proxy statement or proxy statement/prospectus included in a registration statement on Form N-14, as applicable (collectively, a “Proxy Statement”), which has been or will be mailed to shareholders.

The Proxy Statement contains or will contain important information about the Fund, the proposed transaction and related matters. Fund shareholders are urged to read carefully and in their entirety the Proxy Statement and other documents filed with the SEC, when available, because these documents contain important information about the Fund, the transaction and the matters being submitted to shareholders. Shareholders should consider the investment objectives, risks, charges and expenses of the Fund carefully.

The Funds and their respective trustees, officers and other members of their management may be deemed under the rules of the SEC to be participants in the solicitation of proxies from shareholders. Information regarding the Funds’ trustees and officers is available in their currently effective prospectuses and statements of additional information, as supplemented through the date hereof. Additional information regarding the identity of potential participants, and their direct or indirect interests, by security holdings or otherwise, in the Funds is, or will be, set forth in the Proxy Statement, when available.

The information is not intended to, and does not, constitute an offer to purchase or sell shares of the Funds; nor is it intended to solicit a proxy from any shareholder of the Funds. The solicitation of proxies will only be made pursuant to the Proxy Statement. No offer of securities will be made except pursuant to a prospectus meeting the requirements of Section 10 of the Securities Act of 1933.

Shareholders may obtain free copies of their Fund’s Proxy Statement and other documents filed with the SEC, when available, at the SEC’s web site at <http://www.sec.gov> or by calling 1-877-335-2687.

Information is subject to change. Statements that reflect projections or expectations of future plans and objectives are forward-looking statements. Actual results or events may differ materially from those projected or anticipated.

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