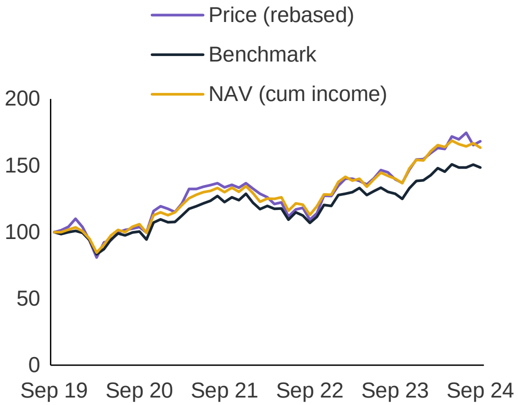
HENDERSON EUROPEAN TRUST PLC (HET) ISIN: GB00BLSNGB01

Factsheet - at 30 September 2024

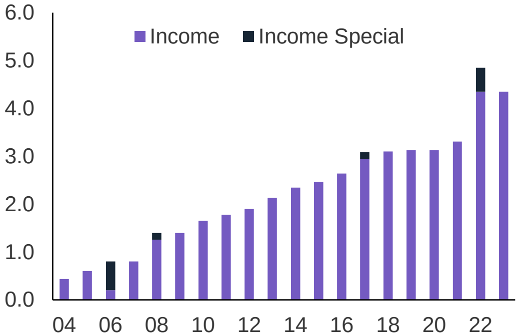
Marketing Communication

Janus Henderson INVESTORS

Share price performance (total return)



Dividend history (pence/share)



Please note that this chart could include dividends that have been declared but not yet paid.

Performance over (%)	6m	1y	3y	5y	10y
Share price (Total return)	3.0	20.5	25.8	68.1	146.2
NAV (Total return)	-1.2	16.6	25.8	63.3	167.6
Benchmark (Total return)	0.3	15.3	21.2	48.4	136.4
Relative NAV (Total return)	-1.5	1.3	4.6	14.9	31.2

Discrete year performance (%)	Share price (total return)	NAV (total return)
30/9/2023 to 30/9/2024	20.5	16.6
30/9/2022 to 30/9/2023	27.7	24.2
30/9/2021 to 30/9/2022	-18.3	-13.1
30/9/2020 to 30/9/2021	28.8	22.6
30/9/2019 to 30/9/2020	3.7	5.9

All performance, cumulative growth and annual growth data is sourced from Morningstar.

Merger of interests

The Company was renamed Henderson European Trust plc on 11 July 2024, following the combination of Henderson European Focus Trust plc and Henderson EuroTrust plc on 4 July 2024. Historical data on this factsheet reflects the pre-combination position for Henderson European Focus Trust plc as the continuing corporate legal entity. For more background, please see the prospectus on the website at www.hendersoneuropeantrust.com.

Commentary at a glance

Performance

In the month under review the Company's NAV total return was -2.1% and the FTSE World Europe (Ex UK) Index total return was -1.5%.

Contributors/detractors (for the quarter)

Detractors from relative performance included Novo Nordisk, Puig and ASML. Positive contributors included Kone and Anheuser-Busch, alongside the underweight position in Nestlé.

Outlook

Given what we are witnessing in the US and China, we believe there may be a shift away from typically more defensive stocks towards cyclical stocks.

See full commentary on page 3.

References made to individual securities do not constitute a recommendation to buy, sell or hold any security, investment strategy or market sector, and should not be assumed to be profitable. Janus Henderson Investors, its affiliated advisor, or its employees, may have a position in the securities mentioned.

Company overview

Objective

The Company aims to maximise total return from a portfolio of stocks predominantly listed in Europe (excluding the UK).

Highlights

A focused investment trust of between 35 and 45 companies in Europe with an emphasis on maximising total return.

Company information

NAV (cum income)	201.4p
NAV (ex income)	200.2p
Share price	183.0p
Discount(-)/premium(+)	-9.1%
Yield	3.3%
Net gearing	4%
Net cash	-
Total assets Net assets	£693m £664m
Market capitalisation	£603m
Total voting rights	329,477,301
Total number of holdings	*46
Ongoing charges (year end 30 Sep 2023)	0.80%
Benchmark	FTSE World Europe (Ex UK) Index
Overall Morningstar Rating™ As of 30/09/2024	★★★★
Morningstar Medalist Rating™ Effective 08/10/2024	Silver

Analyst-Driven %: 100.00
Data Coverage %: 100.00

Source: BNP Paribas for holdings information and Morningstar for all other data. Differences in calculation may occur due to the methodology used.

Please note that the total voting rights in the Company do not include shares held in Treasury.

*The number of stocks held may increase/decrease for a limited time period if necessary to enable operational settlement of sales and purchases in the portfolio.

Please remember that past performance does not predict future returns. The value of an investment and the income from it can rise as well as fall as a result of market and currency fluctuations, and you may not get back the amount originally invested. Please refer to the glossary for the definition of share price total return.

How to invest

Go to www.janushenderson.com/howtoinvest

Find out more

Go to www.hendersoneuropeantrust.com

Top 10 holdings (%)

Novo Nordisk	6.1
ASML	5.0
SAP	4.5
TotalEnergies	3.6
Siemens	3.4
UniCredit	3.3
Deutsche Boerse	2.9
Muenchener Rueckver	2.8
Anheuser-Busch InBev	2.7
CRH	2.7

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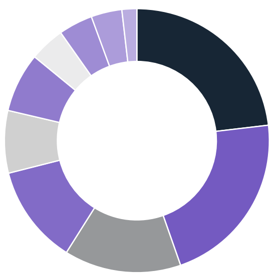
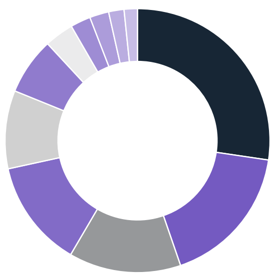
Geographical focus (%)



France	22.4%
Germany	20.8%
Switzerland	13.8%
United Kingdom	11.7%
Denmark	7.4%
Netherlands	7.0%
Italy	4.2%
Belgium	4.0%
Spain	3.6%
Finland	1.8%

The above geographical breakdown may not add up to 100% as this only shows the top 10.

Sector breakdown (%)



Industrials	27.3%
Health Care	17.4%
Technology	13.7%
Financials	13.2%
Consumer Discretionary	9.6%
Consumer Staples	7.0%
Energy	3.6%
Basic Materials	2.5%
Utilities	2.3%
Telecomms	1.9%
Real Estate	1.6%

The above sector breakdown may not add up to 100% due to rounding.

Key information

Stock code	HET
AIC sector	AIC Europe
Benchmark	FTSE World Europe (Ex UK) Index
Company type	Conventional (Ords)
Launch date	1947
Financial year	30-Sep
Dividend payment	June, February
Management fee	0.60% for net assets up to £500m. 0.475% for net assets from £500m up to £1bn. 0.45% for net assets equal to and above £1bn.
Performance fee	No

(See Annual Report & Key Information Document for more information)

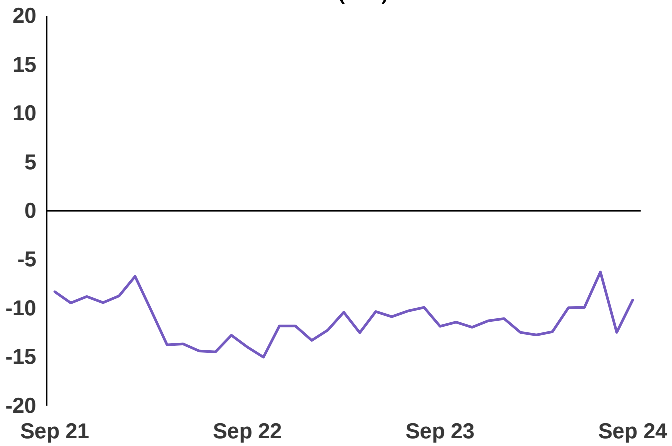
Regional focus	Europe
Fund manager appointment	Tom O'Hara 2020 Jamie Ross 2024

Tom O'Hara
Portfolio Manager

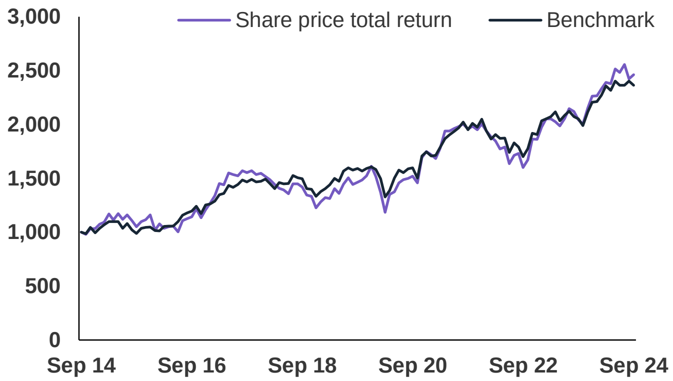
Jamie Ross, CFA
Portfolio Manager

Kepler GROWTH RATING

Premium/(discount) of share price to NAV at fair value (%)



10 year total return of £1,000



All performance, cumulative growth and annual growth data is sourced from Morningstar. Share price total return is calculated using mid-market share price with dividends reinvested.

Please remember that past performance does not predict future returns. The value of an investment and the income from it can rise as well as fall as a result of market and currency fluctuations, and you may not get back the amount originally invested. Please refer to the glossary for the definition of share price total return.

How to invest

Go to www.janushenderson.com/howtoinvest

Customer services

0800 832 832

Fund Manager commentary

Investment environment

In September, there was a dovish shift in monetary policy from the US Federal Reserve (Fed), which cut interest rates by 50 basis points (bps).

The Fed's actions also provided more breathing space for policymakers in other parts of the world. The most prominent example was China, where the central bank announced various stimulatory monetary policy measures during the last week of the month.

The pivot in China's policy significantly shuffled around relative sector performance in the last few days of the month.

Despite a late sharp rally in 'China proxy' equities (meaning those stocks that are exposed to the China market but which are not listed in the country), the automotive sector underperformed over the month. This reflected profit warnings from all the major players.

Portfolio review

In terms of sector performance, semiconductor stocks performed poorly in the first three weeks of September. This was caused by weakness in their end markets (such as the automotive industry) and the continued rotation away from the information technology (IT) sector. This affected the holding in semiconductor capital equipment firm ASML, as investor concerns arose regarding the potential order intake for its lithography machines.

One of the biggest detractors from performance was the holding in Novo Nordisk. The Danish pharmaceutical company has experienced consensus earnings downgrades due to capacity constraints and speculation around the efficacy of some of its new treatments. However, its shares have performed well both year-to-date and compared with its performance last year. We added to the moderate overweight position. Competitor data on next-generation obesity products has looked mixed. We are hopeful of more positive data from Novo Nordisk's own next-generation product, CagriSema, towards the end of this year.

Puig, the Spanish fragrance and beauty firm, also detracted over the period. We participated in its initial public offering (IPO) earlier in the year. The company recently released its quarterly results, and while it remained upbeat about its full-year outlook, its second-quarter numbers did not live up to the market's high expectations. There are also a few signs that the fragrance market is beginning to slow after several strong years. We decided to exit the holding and used the capital from the sale to buy more shares in Beiersdorf, where we have more conviction around its exposure to the consumer.

Kone was a positive contributor in September due to the news around Chinese stimulus, as 15% of its profit is derived from new elevator installations in China. We bought Kone in January 2024, as we believed that the threat to the company's profit and loss from continued Chinese economic weakness was smaller than the potential benefit to the company if sentiment towards China improved.

The positive performance of the overweight position in Anheuser-Busch, the world's biggest brewer, was due to increasing investor confidence in the company's consistent profit growth. We expect its net debt to EBITDA (earnings before interest, tax, depreciation and amortisation) ratio will be below 3x by the end of 2024, which will allow it to use cash for share buybacks and dividends.

The underweight position relative to the benchmark in food and beverage company Nestlé was also additive to fund performance over the period. Nestlé performed poorly in September, as it is struggling for volume growth and in passing on price increases to customers in key categories such as coffee.

Finally, Syensqo performed well over the month due to initial signs that news around China's economic stimulus had given cyclical companies (those usually more dependent upon economic growth to do well) room to breathe. This could suggest a more pro-cyclical mood as we enter the fourth quarter.

In terms of other trading activity, we trimmed the position in Nestlé, as our conviction in the company had waned. We also trimmed the position in Roche, which had been a defensive ballast for the portfolio when the market was concerned about a potential recession.

We bought a new position in British Land, as we expect it to be a beneficiary of falling interest rates, while the company is also exposed to any improvements in consumer sentiment and economic conditions in the UK. We bought DSV with the expectation that it would secure its acquisition of DB Schenker in Germany, which has now been confirmed. We also bought a starting position in Bayer, as we think the prospects surrounding its litigation challenges are incrementally improving. Elsewhere, we bought Stellantis after its major profit warning last week. The business has excess inventories of cars to clear in the US market, which has created a temporary headwind to profitability and cash flow. The holding gives us exposure to a more cyclical, risk-on mood, which we believe is likely to emerge in the fourth quarter. Finally, we topped up the position in Cellnex, the Spanish cell tower company. It has had good revenue and earnings visibility because of its multi-year contracts with mobile network providers.

Manager outlook

The two scenarios of a ‘soft’ or ‘hard’ (recession) economic landing hold different implications for the sectors and stocks that are likely to outperform. We believe we have been in a temporary market environment, with investors broadening out their purchases (to the benefit of small- and mid-cap companies), selling stronger performers (such as technology stocks) and appearing to have little appetite to buy cyclical stocks.

In prior months, we have mentioned that for the sector rotation to be sustained, it would likely need to broaden out into cyclicals. Given what we are witnessing in both the US and China, we believe there may be a reversal in the pro-defensive and anti-cyclical market moves we saw over the third quarter. This would allow cyclical stocks to catch up after a period of underperformance. If the market gains confidence in a globally synchronised 'soft landing' (possibly even a ‘no landing’ in the US), we could potentially see a reversal of this rotation in the fourth quarter. We believe many cyclical stocks have been oversold and are positioned for a pro-cyclical recovery.

We believe many of the market’s longer-term themes are still at play, such as data centre capital expenditure, the reshoring of supply chains and fiscal stimulus. In the long term, we expect a shift towards a multipolar world, of which deglobalisation is an outcome. We may also see a political shift in favour of populist/pro-labour policies. This could mean stronger wage inflation and greater labour market friction. It also leads us to believe equity investors will need to be more sensitive to company valuations when purchasing stocks.

The real economic implications will also present opportunities for stock-pickers in our view. Enablers of deglobalisation (such as industrial automation, digitalisation, electrification and construction materials firms) could thrive, while large incumbents (in industries such as brewing, food catering and enterprise software) could see their already dominant positions enhanced as the end of virtually ‘free' money (very low interest rates) tempers the threat of disruption by unprofitable start-ups. Europe offers plentiful opportunities to access these themes, being home to large global champions trading at what we see as reasonable valuations.

Glossary

Discount/Premium

The amount by which the price per share of an investment company is either lower (at a discount) or higher (at a premium) than the net asset value per share (cum income), expressed as a percentage of the net asset value per share.

Gearing

The effect of borrowing money for investment purposes (financial gearing). The amount a company can "gear" is the amount it can borrow in order to invest. Gearing is used in the expectation that the returns on the investments bought will exceed the costs of the borrowings that funded the purchase. This Company can also use synthetic gearing through derivatives and foreign exchange hedging and/or other non-fully funded instruments or techniques.

Leverage

The Company's leverage is the sum of financial gearing and synthetic gearing. Details of the Company's leverage limits can be found in both the Key Information Document and Annual Report. Where a company utilises leverage, the profits and losses incurred by the company can be greater than those of a company that does not use leverage.

Market capitalisation

Share price multiplied by the number of shares in issue, excluding treasury shares, at month end. Shares typically priced mid-market at month-end closing.

Net Asset Value (NAV)

The total value of a Company's assets less its liabilities.

NAV (Cum Income)

The value of investments and cash, including current year revenue, less liabilities (prior charges such as loans, debenture stock and preference shares at fair value).

NAV (Ex Income)

The value of investments and cash, excluding current year revenue, less liabilities (prior charges such as loans, debenture stock and preference shares at fair value).

NAV total return

The theoretical total return on shareholders' funds per share reflecting the change in Net Asset Value (NAV) assuming that dividends paid to shareholders were reinvested at NAV at the time the shares were quoted ex-dividend. A way of measuring investment management performance of investment trusts which is not affected by movements in discounts/premiums.

Net assets

Total assets minus any liabilities such as bank loans or creditors.

Net cash

A company's net exposure to cash/cash equivalents expressed as a percentage of shareholders' funds, after any offset against its gearing. This is only shown for companies that have gearing in place.

Net gearing

A company's total assets (less cash/cash equivalents) divided by shareholders' funds expressed as a percentage.

Ongoing charges

The total expenses for the financial year (excluding performance fee), divided by the average daily net assets, multiplied by 100.

Share price

Closing mid-market share price at month end.

Share price total return

The theoretical total return to the investor assuming that all dividends received were reinvested in the shares of the company at the time the shares were quoted ex-dividend. Transaction costs are not taken into account.

Total assets

Cum Income NAV multiplied by the number of shares, plus prior charges at fair value.

Yield

Calculated by dividing the current financial year's dividends per share (this will include prospective dividends) by the current price per share, then multiplying by 100 to arrive at a percentage figure.

For a full list of terms please visit:
https://www.janushenderson.com/en-gb/investor/glossary/

Source for fund ratings/awards

Overall Morningstar Rating™ is a measure of a fund's risk-adjusted return, relative to similar funds. Fund share classes are rated from 1 to 5 stars, with the best performers receiving 5 stars and the worst performers receiving a single star.

Overall Morningstar Rating™ is shown for an investment company achieving a rating of 4 or 5.

Morningstar Medalist Rating™

Ratings should not be taken as a recommendation. For more detailed information about Morningstar Ratings, including its methodology, please go to https://shareholders.morningstar.com/investor-relations/governance/Compliance--Disclosure/default.aspx.

Company specific risks

- This Company is suitable to be used as one component of several within a diversified investment portfolio. Investors should consider carefully the proportion of their portfolio invested in this Company.
- Active management techniques that have worked well in normal market conditions could prove ineffective or negative for performance at other times.
- The Company could lose money if a counterparty with which it trades becomes unwilling or unable to meet its obligations to the Company.
- 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.
- The return on your investment is directly related to the prevailing market price of the Company's shares, which will trade at a varying discount (or premium) relative to the value of the underlying assets of the Company. As a result, losses (or gains) may be higher or lower than those of the Company's assets.
- If a Company's portfolio is concentrated towards a particular country or geographical region, the investment carries greater risk than a portfolio that is diversified across more countries.
- The Company may have a particularly concentrated portfolio (low number of holdings) relative to its investment universe - an adverse event impacting only a small number of holdings can create significant volatility or losses for the Company.
- Where the Company invests in assets that are denominated in currencies other than the base currency, the currency exchange rate movements may cause the value of investments to fall as well as rise.
- The Company may use gearing (borrowing to invest) as part of its investment strategy. If the Company utilises its ability to gear, the profits and losses incurred by the Company can be greater than those of a Company that does not use gearing.