Company Number: 02718241

HENDERSON EUROTRUST PLC

HALF YEAR REPORT
(unaudited)
for the six months ended 31 January 2022

HENDERSON EUROTRUST PLC
Unaudited results for the half year ended 31 January 2022

Performance

- The Net Asset Value ("NAV") per share total return (including dividends reinvested) was -6.7% compared to a total return from the benchmark index, the FTSE World Europe (ex UK) Index, of -1.2%.
- At 31 January 2022 the Company's shares were trading at a discount to NAV of 8.6% in comparison to a discount of 8.9% at the year end.

	(Unaudited) Half year ended 31 January 2022	(Unaudited) Half year ended 31 January 2021	(Audited) Year ended 31 July 2021
NAV per share[1]	**154.6p**	152.8p	167.4p
Share price[1]	**141.3p**	139.5p	152.5p
Net assets	**£327.5m**	£323.7m	£354.7m
Dividends[1]	**0.8p**	0.8p	2.5p
Revenue return per share	**0.65p**	0.07p	1.64p
Discount[2]	**8.6%**	8.7%	8.9%

Total return performance to 31 January 2022

	6 months %	1 year %	3 years %	5 years %
NAV[3]	**-6.7**	2.7	48.2	64.2
Benchmark[4]	**-1.2**	13.8	41.2	53.9
Share price[5]	**-6.8**	2.4	49.9	60.8
Peer group NAV[6]	**-4.9**	12.1	45.8	62.7

1. Comparative figures for the periods ended 31 January 2021 and 31 July 2021 have been restated due to the sub-division of each ordinary share of 5p into ten ordinary shares of 0.5p each on 22 November 2021
2. Calculated using the mid-market closing price
3. NAV per ordinary share total return (with dividends reinvested)
4. FTSE World Europe (ex UK) Index
5. Share price total return (with dividends reinvested)
6. AIC Europe Sector

Sources: Morningstar Direct, Janus Henderson, Refinitiv Datastream

Interim Management Report

Chairman's statement

The invasion of Ukraine by Russia, which started on 24 February 2022, and the subsequent devastating military conflict overshadow this interim report. It is already clear that not only the European, but the global geopolitical landscape, has profoundly changed. The shock and nature of the invasion – as unexpected to the people of Ukraine as to the wider world – has almost overnight upended decades-long certainties about core issues such as globalisation, the balance of power in Europe, and access to fossil fuel-based energy while economies seek to transition to renewables. The scale of the human tragedy is truly immense.

Our portfolio has not invested directly in Russia or Ukraine in recent history. Whilst there is no direct impact from the collapse in the value of the Russian stock market, as I write this report, our Fund Manager estimates that portfolio companies have approximately 2% of Russia-related revenue (and almost none in Ukraine). By way of background, the benchmark index (FTSE Europe (ex UK) Index) has historically included Russian securities, which accounted for 1.4% of the Index at the end of February 2022. As of 7 March 2022, however, the index provider FTSE deleted Russia from all its indices.

Prior to the invasion of Ukraine, economies in Europe and elsewhere had seen a material recovery as the world began to emerge from the COVID-related downturn. However, supply shortages of a wide range of goods from natural gas to microchips and even food were a notable feature of this recovery and directly affected some of the portfolio holdings in the interim period. Initially the impact of supply shortages on prices was widely expected to be short-lived, a one-off effect of the post-COVID bounce back, but by the end of 2021 forecasts for longer term inflation had already picked up notably. This was a market environment in which the portfolio underperformed the benchmark index. As always, multiple factors were at play, including companies at an early stage in their growth trajectory being more vulnerable to investor disappointment, competitive pressures calling into question growth expectations for some holdings but also a strong performance by certain cyclical sectors such as energy.

Performance

In the six months to 31 January 2022, the NAV total return was -6.7% versus -1.2% for the benchmark index and -4.9% for the peer group (AIC Europe Sector). The discount to NAV remained at approximately 9% at 31 January 2022.

Over the 12 months to 31 January 2021, the NAV total return was 2.7% which is significantly below the benchmark index total return of 13.8%, and the NAV total return of the peer group, where the average was 12.1%. However, this underperformance versus the benchmark has almost exactly offset the outperformance in the previous twelve months: the NAV total return over the two years to 31 January 2022 at 22.2% is consistent with 22.8% for the benchmark.

Share capital

No shares were issued or bought back during the period.

Gearing

At 31 January 2022 the portfolio had gearing of 0.1%. The decision to use gearing is taken by the Fund Manager and is driven by his views on the individual holdings rather than a judgement on the short-term direction of the market. As at 22 March 2022, the portfolio was 0.0% geared.

Dividend

The Board is pleased to declare a maintained interim dividend of 0.8p per ordinary share (equivalent to 8.0p per ordinary share prior to the sub-division) payable on 22 April 2022 to shareholders on the Register of Members on 8 April 2022; the shares will be quoted ex-dividend on 7 April 2022.

Environmental, Social and Governance ("ESG") Policy

Having converted to Article 8 under the Sustainable Financial Disclosure Regulations on 1 January 2022, our efforts in respect of sustainability continued during the interim period. The Board and the Fund Manager believe that an investment focus on long-term growth should give a portfolio a bias towards sustainability and this is the intention of the Fund Manager. The Board requires a robust explanation of any holdings rated "High" or "Severe" by Sustainalytics and the Fund Manager has chosen to sell the two holdings, held prior to 1 January 2022, which had this classification (**RWE** and **IAG**). In the short term the war in Ukraine is creating additional environmental risks in the region, not least in respect of nuclear plants. The impact of an abrupt re-think of energy policy within Europe could result in some delay to climate transition plans in the very short term, but is likely to put new impetus behind the search for solutions which reduces reliance on Russia and indeed other fossil-fuel exporting nations.

Outlook
Even before the invasion of Ukraine, the economic backdrop had already changed markedly, with consumer price inflation in the European Union over 5%, liquidity gradually being withdrawn by central banks and interest rates globally rising from the ultra-low (in some cases negative) levels. However, it is hard to overstate the impact of a war in Europe in both human and economic terms. In the 1970s, for example, the oil price shock resulted in prolonged "stagflation" (high inflation coupled with low growth). Shortages and high prices of energy, food and manufactured goods seem likely to be the key themes of the remainder of 2022 as the economic war on Russia bites on both sides and companies revisit their supply chains.

It is the job of our Fund Manager to continue to manage the portfolio in every circumstance, however benign or tragic. This our Fund Manager continues to do. The purpose of the investment process is to provide a framework to make consistent investment decisions whatever the background, and we believe that this is assisting in these volatile times. The search for Growth, Quality and Consistency in the portfolio continues.

As a final point, I will simply say that for an investor with a long-term horizon, it is generally preferable to remain invested even in times of heightened uncertainty.

Nicola Ralston
Chairman
23 March 2022

Fund Manager's report

Overall, the six months to 31 January 2022 has been a difficult period for performance on both an absolute and a relative basis. Our reference benchmark, the FTSE World Europe (ex UK) Index, fell 1.2% in total return terms. We fared worse than this, with our NAV total return falling by 6.7% over the same period. Over the last six months, we have seen a buoyant market led by "recovery" companies transition into a market stalked by concern about the impact this recovery is having upon supply chains and corporate margins. We have also witnessed the excitement of recovery starting to be outweighed by the concern about inflation. Throughout the period, highly valued (especially unprofitable and tech-related) companies came under significant pressure and towards the end of the period, this theme strengthened to a much broader sell-off in growth companies whilst value companies started to meaningfully outperform. This has been a difficult environment for our strategy.

Looking in more detail at the portfolio, our underperformance can be best explained by our bias to growth, our exposure to gaming companies and our exposure to online-focused companies that had done very well during the period of heavy COVID-related restrictions.

Over the six months to 31 January 2022, the MSCI Europe Growth Index has fallen 4.7% whilst the MSCI Europe Value Index has risen 6.7%, both in Sterling terms. This huge spread in performance created a very difficult environment for our growth-biased strategy. We are firm believers that investing in high quality, high growth businesses remains the right long-term strategy, but we are also aware that this is not necessarily the case in any given six or twelve-month period. Tough periods for growth companies can bring opportunities to add to high-conviction positions at cheaper valuations and we are focused on looking for these opportunities whilst our investment style is out of favour.

At the start of the period, we owned three positions in the gaming sector: **Stillfront**, **Embracer** and **Prosus** (via their large stake in Tencent). During 2021, the industry suffered from two significant issues. First, there was a tightening in the regulatory scrutiny of the sector in China which impacted the Chinese gaming companies directly and indirectly impacted gaming companies focused on other regions. Second, the gaming industry, having experienced very strong growth in 2020, suffered from a slowdown in operational momentum in 2021, partly caused by significant changes in the advertising model at Apple. We now have no exposure in the gaming sector.

Companies such as **Delivery Hero** (delivery platform), **Worldline** and **Nexi** (payments infrastructure) significantly underperformed during this period. There were some industry-specific issues with the payments companies (growing competition from high-tech competitors) but there was also a wider issue at play here: investors were focused on selling companies that were deemed to have been "COVID-beneficiaries" whilst trying to increase exposure to businesses deemed to have been "COVID-losers"; this negatively impacted our holdings in this area.

Our best-performing positions have included our pharma companies **Novo Nordisk**, **Roche** and **Sanofi**. There are stock-specific reasons for why each has performed well: **Novo** has seen a phenomenally successful launch for its new obesity product Wegovy, **Roche** has built a very exciting and varied pipeline of potential new drugs and **Sanofi** has benefitted from the strong performance of its Dupixent franchise. In addition, pharma companies have fared better than other faster-growing and higher-multiple businesses in the recent rout in growth. We have also seen strong performances from some of our more cyclical businesses, especially those which have been able to deliver consistent earnings upgrades. Examples include our positions in **Unicredit**, **Bawag** and **CNH Industrial**. **Unicredit** is an Italian-focused bank, **Bawag** is an Austrian-focused bank and **CNH Industrial** is an Italian tractor business. These positions are all examples of what we would describe as "Improvers": companies where we can see the potential for an improvement in return on invested capital over time. The outperformance of these cyclical Improvers encapsulates the last six months' market dynamics well.

Taken together, our trading activity over the past six months has broadened our sector and thematic exposure, has resulted in a slightly greater number of holdings and has reflected a sharper focus on position sizing and on the short-term operational performance of the companies in which we invest. The most meaningful new investments have been in **Sanofi**, **TotalEnergies** and **LVMH**.

We see **Sanofi** as offering a compelling investment opportunity. For years, **Sanofi** has underperformed most of its peer group in terms of the output of its research and development machine and the result has been slower-than-average organic sales growth. We see signs that things might be changing: there has been significant management change in recent years, the consumer business has been operationally split from the rest of the company and drugs such as Dupixent show the early signs of increased research and development success. We also see the valuation as significantly more attractive than peers. **TotalEnergies** offers us exposure to an increasingly attractively valued sector via the company that we see as best-in-class with regard to dealing with the energy transition. **LVMH** is a luxury goods company that we have long admired. Their execution has been consistently excellent for a number of years and with the earnings multiples having derated from the lofty levels of 2020/early 2021, we finally found an opportunity to initiate a position.

The most meaningful disposals have been our holdings in **Embracer**, **Stillfront**, **RWE**, **Telecom Italia** and **Worldline**. I discussed our gaming exposure earlier; due to the headwinds facing the sector, we decided to cut our exposure via selling our holdings in both **Embracer** and **Stillfront**. **RWE** is a position that we owned on account of its ongoing transition from carbon-heavy energy production to renewables-based energy production. However, as part of our transition to Article 8 under the Sustainable Financial Disclosure Regulations ("SFDR") also referred to as "Light Green" (more on this below), we made certain commitments on the ESG characteristics of businesses that we would invest in and **RWE** did not meet all of our thresholds. **Telecom Italia** was a position that we had held for a few years, but we were becoming increasingly frustrated by a lack of improvement in the core domestic telecoms operations and we decided to cut the position. Finally, we consolidated our holdings in the payments space, maintaining our holding in **Nexi** whilst selling our position in **Worldline**. The sector is struggling with increased competition from younger, more tech-enabled competitors and we felt it right to reduce our overall exposure.

Towards the end of the period, the Company classified as Article 8 under the SFDR. We have been increasingly focused on sustainable investment in recent years and with this move to Light Green status, we move the Company further in this direction. We do not see the change as materially impacting our investment approach, but our disclosures will increase and we will operate a number of ESG-related restrictions. For more details on the specifics of these restrictions, please refer to the Investment Policy, set out below. It is important to emphasise that our focus remains on delivering an attractive total return to our shareholders over the long term.

As I write this report, a tragic humanitarian crisis is unfolding in Ukraine. Although these events take us into a period beyond the scope of this report, it would be remiss of me not to make some comments on the subject. The Company has no direct exposure to Russia or Ukraine, although we do invest in some businesses that have operations in these regions. Our indirect exposure to Ukraine is de minimis and our indirect exposure to Russia accounts for approximately 2% of the total revenues generated by all of our portfolio companies (mainly via holdings in **Unicredit**, **Danone** and **TotalEnergies**). We have seen some brutal moves in the share prices of any company with exposure to the region; our focus has been on analysing what the long-term consequences might be, including the relationship between renewables and Europe's future energy security.

I am confident in our positioning and will continue to retain balance in our exposures by predominantly considering two types of investment opportunities: first, in companies where we see high and sustainable returns that are undervalued by the market; and second, in companies where I can see a material improvement in medium-term business prospects.

Jamie Ross
Fund Manager
23 March 2022

Investment Objective

The Company aims to achieve a superior total return from a portfolio of high quality European (excluding the UK) investments.

Investment Policy

The Company seeks to invest in large and medium-sized companies which are perceived to be undervalued in view of their growth prospects or on account of a significant change in management or structure, taking into account Environmental, Social and Governance ("ESG") factors. ESG characteristics, which include climate change mitigation and health & wellbeing, are promoted through negative screening and by integrating ESG factors as part of the investment process.

Asset Allocation

The portfolio will contain between 35 and 55 stocks.

The Company will not hold more than 10% of the share capital of any company at the time of investment.

The Company will not invest more than 15% of gross assets in any one company or group of companies.

The Company can hold investments from any combination of European countries and the portfolio is not constructed with a yield target.

The Company may invest in companies that are not listed on a stock exchange although in aggregate these may not amount to more than 10% of the portfolio.

Environmental, Social and Governance ("ESG")

The Company will not invest in companies that derive more than 5% of their revenue from any of the following activities: the production of shale energy, palm oil, arctic oil and gas, the production or selling of tobacco, or from involvement in the adult entertainment sector.

The Company will not invest more than 5% of the portfolio in companies which have a high ESG risk rating.

The Company will exclude the bottom 5% of companies in the index when ranked by carbon intensity where the Company believes that the data used to apply the exclusions is reasonably sufficient and accurate.

At least 5% of the portfolio will be invested in companies that are aligned with the UN Sustainable Development Goal of "Good Health & Wellbeing".

The Company only invests in companies which comply with the UN Global Compact principles (a voluntary framework encouraging businesses worldwide to adopt sustainable and socially responsible policies).

Derivatives

The Company may use financial instruments known as derivatives for the purpose of efficient portfolio management while maintaining a level of risk consistent with the risk profile of the Company.

Gearing

The Company's Articles of Association allow borrowings up to 100% of shareholders' funds. In normal circumstances, the Directors would expect the Company to be substantially fully invested but it may hold cash and cash instruments up to 20% or be geared up to 30% of the total assets.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties associated with the Company's business can be divided into the following main areas:

- Investment activity and performance
- Portfolio and market
- Regulatory
- Operational and cyber

Information on these risks and how they are managed is given in the Annual Report for the year ended 31 July 2021. In the view of the Board, these principal risks and uncertainties remain and are as applicable to the remaining six months of the financial year as they were to the six months under review.

The risks associated with the war in Ukraine fall into the "portfolio and market" risk area; as with COVID-19 when share prices moved rapidly, the Board and the Fund Manager will continue to monitor the situation closely and will take appropriate action to reduce any impact. The potential escalation of the war in Ukraine into a major military and economic conflict between NATO and Russia, although not considered highly likely currently, could have global implications and is an emerging risk.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (as listed in note 12) confirm that, to the best of their knowledge:

(a) the condensed financial statements for the half year ended 31 January 2022 have been prepared in accordance with FRS 104 Interim Financial Reporting and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;

(b) the interim management report and condensed financial statements include a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

(c) the interim management report includes a fair review of the information required by the Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

On behalf of the Board
Nicola Ralston
Chairman
23 March 2022

Investment portfolio as at 31 January 2022

Investment	Country	Sector	Valuation £'000	% of portfolio
Roche	Switzerland	Pharmaceuticals and Biotechnology	20,684	6.3
Nestlé	Switzerland	Food Producers	19,149	5.8
Bawag	Austria	Banks	17,532	5.4
Munich Re.	Germany	Non-life Insurance	16,144	4.9
Koninklijke DSM	Netherlands	Food Producers	13,636	4.2
Novo Nordisk	Denmark	Pharmaceuticals and Biotechnology	12,322	3.8
Sanofi	France	Pharmaceuticals and Biotechnology	11,627	3.5
Unicredit	Italy	Banks	11,381	3.5
Stellantis	Italy	Automobiles and Parts	11,255	3.4
Hermès	France	Personal Goods	10,017	3.1
Top 10			**143,747**	**43.9**
TotalEnergies	France	Oil, Gas and Coal	9,787	3.0
LVMH Moet Hennessy Louis Vuitton	France	Personal Goods	9,769	3.0
Partners Group	Switzerland	Investment Banking and Brokerage Services	9,072	2.8
SAP	Germany	Software and Computer Services	8,360	2.6
Koninklijke KPN	Netherlands	Telecommunication Service	8,354	2.5
Kion	Germany	Industrial Engineering	8,106	2.5
Arkema	France	Chemicals	7,773	2.4
Cellnex	Spain	Telecommunication Service	7,511	2.3
Pernod-Ricard	France	Beverages	6,872	2.1
ABB	Switzerland	Electronic and Electrical Equipment	6,774	2.1
Top 20			**226,125**	**69.2**
CNH Industrial	Italy	Industrial Engineering	6,614	2.0
Amundi	France	Investment Banking and Brokerage Services	6,585	2.0
Allfunds	Netherlands	Finance and Credit Services	6,554	2.0
Moncler	Italy	Personal Goods	6,491	2.0
Safran	France	Aerospace and Defence	6,330	1.9
ASML	Netherlands	Technology Hardware and Equipment	6,290	1.9
Prosus	Netherlands	Software and Computer Services	5,562	1.7
Beiersdorf	Germany	Personal Care, Drug and Grocery Stores	5,263	1.6
Nexi	Italy	Industrial Support Services	4,967	1.5
Faurecia	France	Automobiles and Parts	4,873	1.5
Top 30			**285,654**	**87.3**
Grifols	Spain	Pharmaceuticals and Biotechnology	4,703	1.4
SKF	Sweden	Industrial Metals and Mining	4,561	1.4
Danone	France	Food Producers	4,380	1.3
SIG	Switzerland	General Industrials	4,175	1.3
Delivery Hero	Germany	Consumer Services	4,080	1.2
Metso Outotec	Finland	Industrial Engineering	3,938	1.2
Enel	Italy	Electricity	3,489	1.1
Adidas	Germany	Personal Goods	3,325	1.0
Hellofresh	Germany	Personal Care, Drug and Grocery Stores	2,723	0.8
Brockhaus Capital Management	Germany	Investment Banking and Brokerage Services	2,416	0.7
Top 40			**323,444**	**98.7**
Zur Rose	Switzerland	Personal Care, Drug and Grocery Stores	2,068	0.6
Sinch	Sweden	Software and Computer Services	1,243	0.4
Iveco	Italy	Industrial Transportation	940	0.3
Total			**327,695**	**100.0**

In addition to the above, the Company has a nil value position in OW Bunker. OW Bunker is unquoted.

Market capitalisation of the portfolio excluding cash by weight at 31 January 2022

Market cap	% Portfolio Weight	% Benchmark Weight
>€20bn	65.2	71.5
€10bn - €20bn	11.4	14.4
€5bn - €10bn	14.9	9.7
€1bn - €5bn	7.8	4.4
<€1bn	0.7	0.0

Sources: Morningstar Direct, Janus Henderson, Refinitiv Datastream

Performance drivers over the six months ended 31 January 2022

	%
Benchmark return	-1.24
Sector allocation	-0.49
Stock selection	-4.84
Currency movements (relative to index)	0.27
Effect of cash and gearing	-0.02
Effect of ongoing charge	-0.39
NAV total return	-6.71

Sources: Morningstar Direct, Janus Henderson, Refinitiv Datastream

Classification of holdings at 31 January 2022

	Compounders Average	**Improvers Average**	**Company Average**	**Index Average**
Market capitalisation (£m)	108,614	29,329	76,897	70,710
Price/book (x)	3.0	1.8	2.4	2.1
Trailing 12 month dividend yield (%)	2.5	1.8	2.2	2.2
Trailing 12 month price/earnings (x)	22.7	21.4	22.1	16.5
Forward 2022 price/earnings (x)	18.2	12.1	15.1	14.9
Historical 3-year earnings per share growth per annum (%)	10.4	-12.3	1.3	4.3
Return on equity (%)	22.5	2.7	14.6	14.4
Operating margin (%)	24.3	8.7	18.0	17.5
Long-term debt to capital (%)	**31.0**	**45.2**	**36.7**	**34.9**
Number of securities	**23**	**20**	**43**	**518**
Weight (%)[1]	**60.2**	**40.1**		

Source: Factset/Fundamentals in Sterling
Fundamentals are based on weighted averages at the stock level, excluding cash/gearing
[1] The weight percentages of Compounders and Improvers are shown including cash/gearing
OW Bunker is not included in the analysis

Top ten contributors to and detractors from absolute performance

	%
Top ten contributors	
Unicredit	1.01
Bawag	0.77
Munich Re.	0.68
Novo Nordisk	0.65
TotalEnergies	0.41
RWE	0.36
Nestlé	0.19
Roche	0.13
CNH Industrial	0.13
Arkema	0.12
Top ten detractors	
Allfunds	-0.44
AUTO1	-0.44
Stillfront	-0.46
Partners Group	-0.51
Sinch	-0.55
Grifols	-0.56
Nexi	-0.75
Cellnex	-0.81
Delivery Hero	-1.08
Worldline	-1.17

Condensed Income Statement

	(Unaudited) Half year ended 31 January 2022			(Unaudited) Half year ended 31 January 2021			(Audited) Year ended 31 July 2021		
	Revenue return £'000	**Capital return £'000**	**Total return £'000**	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
(Losses)/gains from investments held at fair value through profit or loss	**-**	**(24,074)**	**(24,074)**	-	32,883	32,883	-	63,090	63,090
Investment income	**1,941**	**-**	**1,941**	706	-	706	4,996	-	4,996
Gross revenue and capital (losses)/gains	**1,941**	**(24,074)**	**(22,133)**	706	32,883	33,589	4,996	63,090	68,086
Management fee (note 4)	**(221)**	**(884)**	**(1,105)**	(207)	(828)	(1,035)	(430)	(1,718)	(2,148)
Other administrative expenses	**(265)**	**-**	**(265)**	(236)	-	(236)	(467)	-	(467)
Net return before finance costs and taxation	**1,455**	**(24,958)**	**(23,503)**	263	32,055	32,318	4,099	61,372	65,471
Finance costs	**(12)**	**(49)**	**(61)**	(12)	(47)	(59)	(21)	(82)	(103)
Net return before taxation	**1,443**	**(25,007)**	**(23,564)**	251	32,008	32,259	4,078	61,290	65,368
Taxation on net return	**(57)**	**-**	**(57)**	(94)	-	(94)	(613)	-	(613)
Net return after taxation	**1,386**	**(25,007)**	**(23,621)**	157	32,008	32,165	3,465	61,290	64,755
Return per ordinary share - basic and diluted (note 2)*	**0.65p**	**(11.80p)**	**(11.15p)**	0.07p	15.11p	15.18p	1.64p	28.93p	30.57p

*Comparative figures for the periods ended 31 January 2021 and 31 July 2021 have been restated due to the sub-division of each ordinary share of 5p into ten ordinary shares of 0.5p each on 22 November 2021.

The total return columns of this statement represent the Condensed Income Statement of the Company, prepared in accordance with FRS 104. All revenue and capital items in the above statement derive from continuing operations. The revenue and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies. The Company had no recognised gains or losses other than those disclosed in the Condensed Income Statement and the Condensed Statement of Changes in Equity.

The accompanying notes are an integral part of the condensed financial statements.

Condensed Statement of Changes in Equity

Half year ended 31 January 2022 (Unaudited)	**Called up share capital £'000**	**Share premium account £'000**	**Capital redemption reserve £'000**	**Other capital reserves £'000**	**Revenue reserve £'000**	**Total shareholders' funds £'000**
As at 1 August 2021	**1,060**	**41,032**	**263**	**307,722**	**4,633**	**354,710**
Net return after taxation	**-**	**-**	**-**	**(25,007)**	**1,386**	**(23,621)**
Costs relating to sub-division of shares	**-**	**-**	**-**	**(14)**	**-**	**(14)**
Final dividend for 2021 paid	**-**	**-**	**-**	**-**	**(3,602)**	**(3,602)**
As at 31 January 2022	**1,060**	**41,032**	**263**	**282,701**	**2,417**	**327,473**

Half year ended 31 January 2021 (Unaudited)						
As at 1 August 2020	1,060	41,032	263	246,335	6,463	295,153
Net return after taxation	-	-	-	32,008	157	32,165
Final dividend for 2020 paid	-	-	-	-	(3,602)	(3,602)
As at 31 January 2021	1,060	41,032	263	278,343	3,018	323,716

Year ended 31 July 2021 (Audited)						
As at 1 August 2020	1,060	41,032	263	246,335	6,463	295,153
Net return after taxation	-	-	-	61,290	3,465	64,755
Final dividend for 2020 paid	-	-	-	-	(3,602)	(3,602)
Interim dividend for 2021 paid	-	-	-	-	(1,695)	(1,695)
Refund of unclaimed dividends over 12 years old	-	-	-	-	2	2
Refund of unclaimed zero dividend preference shares redemption proceeds	-	-	-	97	-	97
As at 31 July 2021	1,060	41,032	263	307,722	4,633	354,710

The accompanying notes are an integral part of the condensed financial statements.

Condensed Statement of Financial Position

	(Unaudited) 31 January 2022 £'000	(Unaudited) 31 January 2021 £'000	(Audited) 31 July 2021 £'000
Fixed asset investments held at fair value through profit or loss	**327,695**	328,089	344,803
Current assets			
Debtors	**2,316**	3,796	1,797
Cash at bank and in hand	**3,222**	5,040	9,776
	5,538	8,836	11,573
Creditors: amounts falling due within one year	**(5,760)**	(13,209)	(1,666)
Net current (liabilities)/assets	**(222)**	(4,373)	9,907
Net assets	**327,473**	323,716	354,710
Capital and reserves			
Called up share capital	**1,060**	1,060	1,060
Share premium account	**41,032**	41,032	41,032
Capital redemption reserve	**263**	263	263
Capital reserves	**282,701**	278,343	307,722
Revenue reserve	**2,417**	3,018	4,633
Equity shareholders' funds	**327,473**	323,716	354,710
Net asset value per ordinary share - basic and diluted (note 3)*	**154.6p**	152.8p	167.4p

*Comparative figures for the periods ended 31 January 2021 and 31 July 2021 have been restated due to the sub-division of each ordinary share of 5p into ten ordinary shares of 0.5p each on 22 November 2021.

The accompanying notes are an integral part of the condensed financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. **Accounting policies**

The condensed set of financial statements has been prepared in accordance with FRS 104 Interim Financial Reporting, FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Statement of Recommended Practice for "Financial Statements of Investment Trust Companies and Venture Capital Trusts", issued in October 2019.

For the period under review the Company's accounting policies have not varied from those described in the annual report for the year ended 31 July 2021. These financial statements have been neither audited nor reviewed by the Company's auditors.

A number of comparative figures for the periods ended 31 January 2021 and 31 July 2021 that are included within these results have been restated due to the sub-division of each ordinary share of 5p into ten ordinary shares of 0.5p each on 22 November 2021. The amended figures have been highlighted accordingly.

As an investment fund the Company has the option, which it has taken, not to present a cash flow statement. A cash flow statement is not required when an investment fund meets all the following conditions: substantially all the entity's investments are highly liquid and are carried at market value, and where a statement of changes in equity is provided.

2. **Return per ordinary share**

The return per ordinary share is based on the following figures:

	(Unaudited) Half year ended 31 January 2022 £'000	(Unaudited) Half year ended 31 January 2021 £'000	(Audited) Year ended 31 July 2021 £'000
Revenue return	**1,386**	157	3,465
Capital return	**(25,007)**	32,008	61,290
	----------	----------	----------
Total	**(23,621)**	32,165	64,755
	======	======	======
Weighted average number of ordinary shares*	**211,855,410**	211,855,410	211,855,410
Revenue return per ordinary share*	**0.65p**	0.07p	1.64p
Capital return per ordinary share*	**(11.80p)**	15.11p	28.93p
	-----------	-----------	----------
Total return per ordinary share*	**(11.15p)**	15.18p	30.57p
	======	======	======

*Comparative figures for the periods ended 31 January 2021 and 31 July 2021 have been restated due to the sub-division of each ordinary share of 5p into ten ordinary shares of 0.5p each on 22 November 2021.

The Company has no securities in issue that could dilute the return per ordinary share. Therefore, the basic and diluted return per ordinary share are the same.

3. **Net asset value per ordinary share**

Net asset value per ordinary share is based on 211,855,410 (half year ended 31 January 2021: 211,855,410*; year ended 31 July 2021: 211,855,410*) ordinary shares in issue.

*Comparative figures for the periods ended 31 January 2021 and 31 July 2021 have been restated due to the sub-division of each ordinary share of 5p into ten ordinary shares of 0.5p each on 22 November 2021.

4. **Management fees**

Management fees are charged in accordance with the terms of the management agreement and provided for when due. The base management fee is calculated at the rate of 0.65% per annum of net assets up to £300 million and 0.55% for net assets above £300 million, payable quarterly in arrears.

5. **Investments held at fair value through profit or loss**

The table below analyses fair value measurements for investments held at fair value through profit or loss. These fair value measurements are categorised into different levels in the fair value hierarchy based on the valuation techniques used and are defined as follows under FRS 102:

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date

Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e., developed using market data) for the asset or liability, either directly or indirectly

Level 3: inputs are unobservable (i.e., for which market data is unavailable) for the asset or liability

Financial Assets held at fair value through profit or loss at 31 January 2022	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Equity investments	325,279	2,416	-	**327,695**
Total financial assets carried at fair value	325,279	2,416	-	**327,695**

Financial Assets held at fair value through profit or loss at 31 July 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	342,154	2,649	-	344,803
Total financial assets carried at fair value	342,154	2,649	-	344,803

Financial Assets held at fair value through profit or loss at 31 January 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	328,089	-	-	328,089
Total financial assets carried at fair value	328,089	-	-	328,089

The valuation techniques used by the Company are explained in the accounting policies notes 1 (c) and 15.5 in the Company's Annual Report for the year ended 31 July 2021.

6. **Bank loan**

At 31 January 2022, the Company had drawn down £4,178,000 (half year ended 31 January 2021: £12,392,000; year ended 31 July 2021: £nil) of its £25 million multi-currency loan facility.

7. **Going concern**

The assets of the Company consist of securities that are readily realisable and, accordingly, the Directors believe that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the Financial Statements. Having assessed these factors and the principal risks, as well as considering the specific risks related to the invasion of Ukraine by Russia, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

8. **Related party transactions**

The Company's transactions with related parties in the period under review were with its Directors and the Manager. There were no material transactions between the Company and its Directors during the half year and the only amounts paid to them were in respect of expenses and remuneration for which there were no outstanding amounts payable at the half-year end. Directors' shareholdings are disclosed in the Annual Report.

In relation to the provision of services by the Manager, other than fees payable by the Company in the ordinary course of business and the facilitation of marketing activities with third parties, there were no material transactions with the Manager affecting the financial position of the Company during the half year under review.

9. **Dividends**

An interim dividend of 0.8p (2021: 0.8p*) per ordinary share has been declared payable from revenue on 22 April 2022 to shareholders on the Register of Members on 8 April 2022. The Company's shares will be quoted ex-dividend on 7 April 2022. Based on the number of shares in issue on 23 March 2022, the cost of the dividend is £1,695,000.

*Comparative figures for 2021 have been restated due to the sub-division of each ordinary share of 5p into ten ordinary shares of 0.5p each on 22 November 2021.

10. **Share capital**

At the Annual General Meeting of the Company held on 17 November 2021, shareholders approved the sub-division of the Company's ordinary shares of 5 pence each into ten ordinary shares of 0.5 pence each. The sub-division took effect on 22 November 2021 when the new ordinary shares were admitted to trading on the London Stock Exchange.

At 31 January 2022 there were 212,055,410 shares in issue of which 200,000 are held in treasury, resulting in 211,855,410 shares being entitled to a dividend. During the period ended 31 January 2022, no shares were issued or repurchased (half year ended 31 January 2021 and year ended 31 July 2021: no shares were issued or repurchased). No shares have been issued or repurchased since 31 January 2022.

11. **Comparative information**

The financial information contained in this half-year report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the half years ended 31 January 2022 and 31 January 2021 has not been audited or reviewed by the Company's auditor. The figures and financial information for the year ended 31 July 2021 are an extract based on the latest published accounts and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the report of the auditor which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006. A glossary of terms and details of alternative performance measures can be found in the Annual Report for the year ended 31 July 2021.

12. **General information**

Company status

Henderson EuroTrust plc
Registered as an investment company in England and Wales
Registration Number: 02718241
Registered Office: 201 Bishopsgate, London EC2M 3AE

SEDOL Number: BP6QR38
ISIN number: GB00BP6QR382
London Stock Exchange (TIDM) Code: HNE
Global Intermediary Identification Number (GIIN): P560WP.99999.SL.826
Legal Entity Identifier (LEI) Number: 213800DAFFNXRBWOEF12

Directors and Corporate Secretary

The Directors of the Company are Nicola Ralston (Chairman), Katya Thomson (Chairman of the Audit and Risk Committee), Stephen King and Rutger Koopmans. The Corporate Secretary is Janus Henderson Secretarial Services UK Limited.

Website

Details of the Company's share price and net asset value, together with general information about the Company, monthly factsheets and data, copies of announcements, reports and details of general meetings can be found at www.hendersoneurotrust.com.

13. **Half-Year Report**

The Half-Year Report will be available on the Company's website, www.hendersoneurotrust.com or from the Company's registered office, 201 Bishopsgate, London EC2M 3AE. An abbreviated version, the 'Update', will be circulated to shareholders in early April.