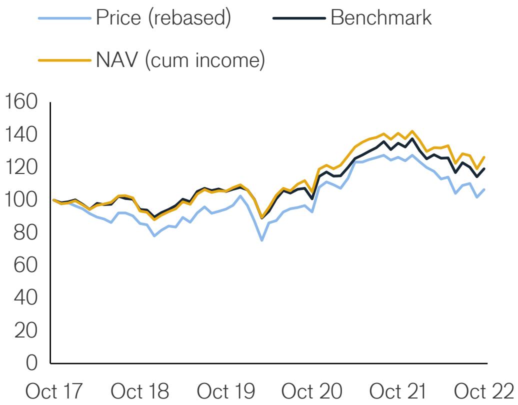
HENDERSON EUROPEAN FOCUS TRUST PLC (HEFT) ISIN: GB00BLSNGB01

Janus Henderson INVESTORS

Monthly factsheet - at 31 October 2022
Marketing Communication

Share price performance (total return)



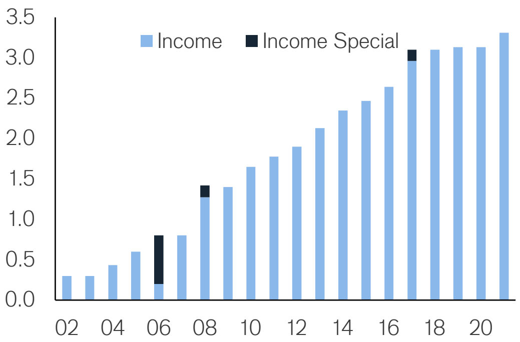
Performance over (%)	10y	5y	3y	1y	6m
Share price (Total return)	180.5	6.4	12.6	-15.8	-5.7
Net asset value (Total return)	183.6	26.2	19.6	-10.5	-4.4
Benchmark (Total return)	136.9	19.3	13.3	-11.6	-5.1
Relative NAV (Total return)	46.7	6.9	6.3	1.1	0.6

Discrete year performance (%)	Share price	NAV
30/9/2021 to 30/9/2022	-18.28	-13.10
30/9/2020 to 30/9/2021	28.84	22.60
30/9/2019 to 30/9/2020	3.72	5.91
30/9/2018 to 30/9/2019	3.15	4.31
30/9/2017 to 30/9/2018	-8.60	2.03

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

Source: at 31/10/22. © 2022 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

Dividend history (pence/share)



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

Commentary at a glance

Performance

The Company outperformed the FTSE World Europe Ex UK Index during the month.

Contributors/detractors

Energy stocks performed well alongside those holdings that announced strong results, especially within the aerospace industry. Meanwhile, ASR benefited from announcing a large merger. Detractors mainly came from the semiconductor sector and Hugo Boss, which gave back some ground after strong relative performance.

Outlook

Disaster scenarios aside, we believe that Europe has already largely priced in a 'normal' recession and therefore we have been selectively adding to names in which we think the lows have likely been reached.

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 seeks to maximise total return (a combination of income and capital growth) from a portfolio of stocks listed in Europe.

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)	156.2p
NAV (ex income)	152.2p
Share price	132.8p
Discount(-)/premium(+)	-15.0%
Yield	2.67%
Net gearing	1%
Net cash	-
Total assets Net assets	£362m £332m
Market capitalisation	£282m
Total voting rights	212,768,122
Total number of holdings	42
Ongoing charges (year end 30 September 2021)	0.80%
Overall Morningstar Rating™	★★★★★
Benchmark	FTSE World Europe Ex UK Index

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 does not include shares held in Treasury.

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.

How to invest
Go to www.janushenderson.com/howtoinvest

Find out more
Go to www.hendersoneuropeanfocus.com

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Top 10 holdings

Top 10 holdings	(%)
Shell	5.4
Holcim	4.6
Novo Nordisk	4.6
TotalEnergies	4.3
ASR Nederland	4.3
UPM-Kymmene	4.0
Nestlé	3.9
BP	3.7
Airbus	3.2
LVMH Moet Hennessy Louis Vuitton	3.2

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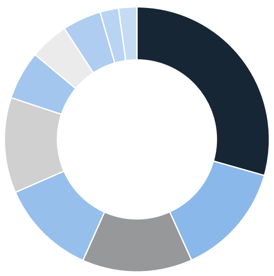
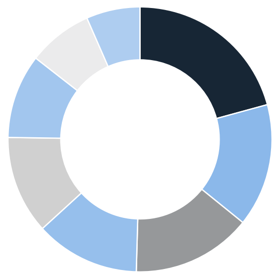
Geographical focus (%)



France	28.53%
Netherlands	13.43%
United Kingdom	13.04%
Switzerland	11.44%
Germany	11.29%
Finland	5.77%
Denmark	4.60%
Sweden	4.59%
Spain	2.20%
Belgium	2.15%

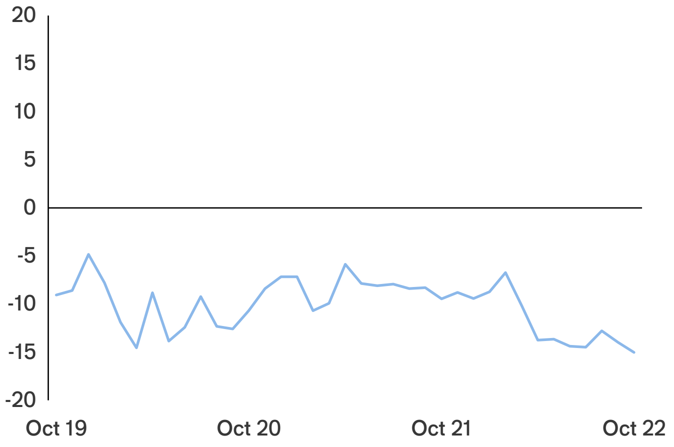
The above geographical breakdown may not add up to 100% as this only shows the top 10.

Sector breakdown (%)

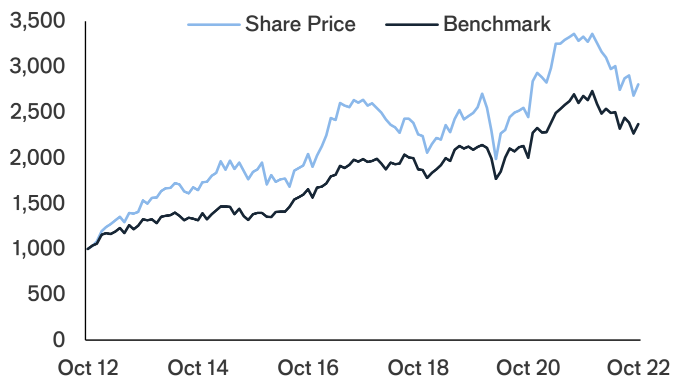


Industrials	20.77%
Energy	15.02%
Health Care	14.66%
Financials	12.80%
Basic Materials	11.99%
Consumer Discretionary	10.27%
Consumer Staples	7.91%
Technology	6.59%

Premium/(Discount) of Share Price to NAV at Fair Value (%)



10 year return of £1,000



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Key information

Stock code	HEFT
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
Risk rating (Source: Numis)	Slightly above average
Management fee	0.65% for net assets up to £300m. 0.55% for net assets above £300m.
Performance fee	No

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

Regional focus	Europe ex UK
Fund manager appointment	Tom O'Hara 2020 John Bennett 2010

Tom O'Hara
Fund Manager

John Bennett
Fund Manager

MORNINGSTAR Silver

How to invest
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Customer services
0800 832 832

Fund Manager commentary

Investment environment

After a bumpy start to the month, European equity indices rebounded in October with the MSCI Europe Index up 6.2%. This has caused us to ponder whether the lows have passed or whether it is a violent 'bear market rally'. A challenging economic environment, confirmed by purchasing managers' indices (PMIs) across regions being well below 50, might suggest the latter. However, while recession risk continued to grow, the market knows this and indeed, seemingly discounts it. Further, there are factors that could cushion any downturn, such as the US labour market remaining tight, European governments continuing to support consumers with their energy bills, and global supply-chain constraints easing.

Investors' obsession with central bank actions and commentary showed no sign of dissipating and continued focus remained on when a 'pause' or 'pivot' in the interest rate hiking cycle will occur. Disappointingly for some, the European Central Bank (ECB) announced another sizeable rate hike of 75 basis points and the US Federal Reserve followed suit just after month-end. Both gave no clear indication as to when the end point would be reached and reiterated their commitment to fight inflation at all costs. This induced government bond yields to print new cycle highs, with 10-year yields reaching 4.2% and 2.4% in the US and Germany, respectively, before falling back slightly towards the end of the month. We believe the investment zeitgeist – inflation and the price of money – has changed and with it the parameters for valuing companies.

Portfolio review

Barring any systemic financial accident, we continue to believe that at current levels, European equities are pricing in a 'normal' recession and that valuations are attractive. Consequently, we have been adding to holdings where we believe share prices have troughed. These included Arkema, Holcim and Solvay. We also further increased the portfolio's exposure to semiconductor names by initiating a position in Infineon and increasing the holding in STMicro. Our view that bank earnings could continue to be 'less bad' through rising net interest income (a function of higher interest rates) and a 'state put' on loan losses, led us to continue adding to holdings in ING and Commerzbank. Elsewhere, we disposed of Mowi, the Norwegian salmon farmer, due to the draconian introduction of a 'resource tax' that threatens industry profitability.

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

Month end closing mid-market share price multiplied by the number of shares outstanding at month end.

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).

Net asset value 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.

Risk rating

The key measure used to assess risk is volatility of returns, using historic net asset value (NAV) performance of the company over 1 and 3 years. In this instance volatility measures how much a company's NAV fluctuates over time in relation to the UK Equity market. The higher a volatility figure, the more the NAV has fluctuated (both up and down) over time. Please note that risk categorisations are indicative and based principally on historic data and should not be solely relied upon when making investment decisions.

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.

Bear market

A financial market in which the prices of securities are falling. A generally accepted definition is a fall of 20% or more in an index over at least a two-month period. The opposite of a bull market.

Inflation

The rate at which the prices of goods and services are rising in an economy. The CPI and RPI are two common measures. The opposite of deflation.

Recession

A recession is a significant, widespread, and prolonged downturn in economic activity. A popular rule of thumb is that two consecutive quarters of decline in gross domestic product (GDP) constitute a recession. Recessions typically produce declines in economic output, consumer demand, and employment.

Valuation metrics

Metrics used to gauge a company's performance, financial health, and expectations for future earnings eg, price to earnings (P/E) ratio and return on equity (ROE).

Yield

The level of income on a security, typically expressed as a percentage rate. For equities, a common measure is the dividend yield, which divides recent dividend payments for each share by the share price. For a bond, this is calculated as the coupon payment divided by the current bond price.

For a full list of terms please visit:
www.janushendersoninvestmenttrusts.com

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 Janus Henderson share classes achieving a rating of 4 or 5. Ratings should not be taken as a recommendation. For more detailed information about Morningstar Ratings, including its methodology, please go to global.morningstar.com/managerdisclosures.

Company specific risks

- This Company is suitable to be used as one component in several in a diversified investment portfolio. Investors should consider carefully the proportion of their portfolio invested into this Company.
- Active management techniques that have worked well in normal market conditions could prove ineffective or detrimental 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.
- If a company's portfolio is concentrated towards a particular country or geographical region, the investment carries greater risk than a portfolio diversified across more countries.
- 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.
- The Company may have a particularly concentrated portfolio (low number of holdings) relative to its investment universe and 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 which are denominated in currencies other than the base currency then currency exchange rate movements may cause the value of investments to fall as well as rise.
- The Company may use gearing as part of its investment strategy. If the Company utilises its ability to gear, the profits and losses incured by the Company can be greater than those of a Company that does not use gearing.