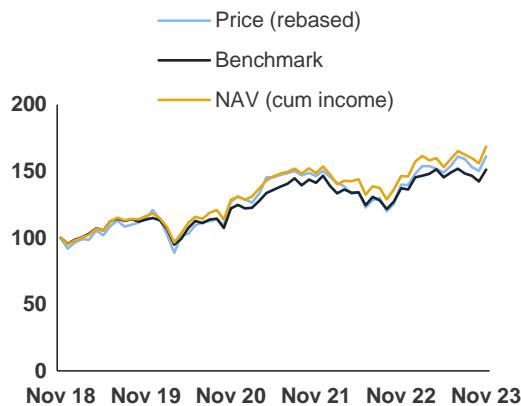


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Marketing Communication

## 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)	8.2	15.4	26.9	61.2	140.7
NAV (Total return)	10.1	15.1	31.0	68.4	157.7
Benchmark (Total return)	4.0	10.3	23.9	51.2	114.3
Relative NAV (Total return)	6.1	4.9	7.1	17.3	43.4

## Discrete year Share price NAV performance (%) (total return) (total return)

30/9/2022 to 30/9/2023	27.7	24.1
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
30/9/2018 to 30/9/2019	3.1	4.3

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

Source: at 30/11/23. © 2023 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (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 does not predict future returns.

## Commentary at a glance

## Performance

In the month under review the Company's NAV total return was 8.0% and the FTSE World Europe (Ex UK) Index total return was 6.3%.

## Contributors/detractors (for the quarter)

Positive contributors included BESI, Holcim, Infineon and ASR Nederland. There was a broad basket of more moderate positive contributors, while oil stocks were the biggest detractors.

## Outlook

While uncertainty around inflation and interest rates will likely cause near-term volatility, we are positive about some of the attractive secular themes on a longer-term horizon.

## 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)	187.7p
NAV (ex income)	184.4p
Share price	165.3p
Discount(-)/premium(+)	-12.0%
Yield	3.0%
Net gearing	4%
Net cash	-
Total assets	£429m
Net assets	£399m
Market capitalisation	£352m
Total voting rights	212,768,122
Total number of holdings	40
Ongoing charges (year end 30 Sep 2023)	0.80%
Benchmark	FTSE World Europe (Ex UK) Index
Overall Morningstar Rating™	★★★★★
As of 30/11/2023	

Morningstar Medalist Rating™	Effective 16/10/2023
------------------------------	----------------------

Analyst-Driven %: 100.00  
Data Coverage %: 100.00

\*Net gearing includes 5.0% of NAV in short-dated UK Gilts, regarded as cash equivalents, but classified as investments for the gearing calculation. Taking these as cash equivalents would show the Company in an ungeared position, with net cash of 0.7%.

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.

## How to invest

Go to [www.janushenderson.com/howtoinvest](http://www.janushenderson.com/howtoinvest)

## Find out more

Go to [www.hendersoneuropeanfocus.com](http://www.hendersoneuropeanfocus.com)

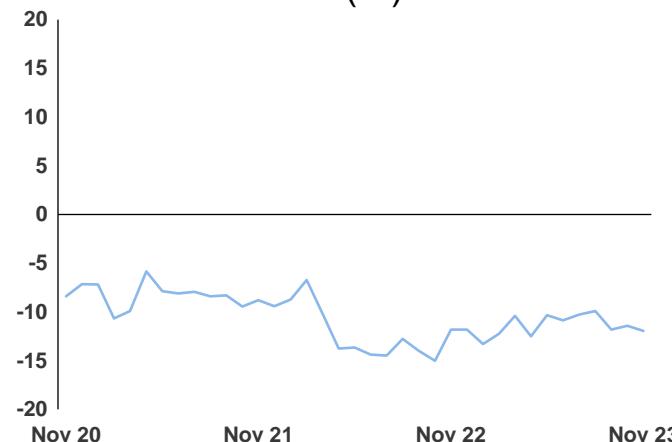
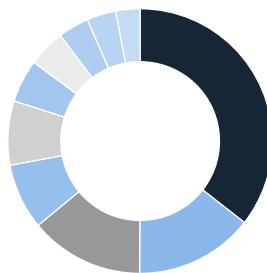
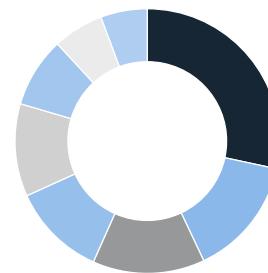
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Top 10 holdings(%)

UPM-Kymmene	5.7
Novo Nordisk	5.0
United Kingdom Gilt 0.125% 2024	4.8
TotalEnergies	4.0
Compagnie de Saint-Gobain	3.9
ASML	3.6
Safran	3.5
Airbus	3.4
Holcim	3.4
Schneider Electric	3.3

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Premium/(discount) of share price to NAV at fair value (%)Geographical focus (%)Sector breakdown (%)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
Fund manager appointment	Tom O'Hara 2020 John Bennett 2010



**Tom O'Hara**  
Fund Manager



**John Bennett**  
Fund Manager

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.

## Fund Manager commentary

### Investment environment

Animal spirits returned to markets in November as cooling inflation boosted confidence in 2024 interest rate cuts by central banks, which would be more supportive of an economic "soft landing" (versus a recession).

The US 10-year Treasury yield declined from 4.9% to 4.3% (prices fell, reflecting their inverse correlation).

European equity indices gained over 6%, led by the technology and industrials sectors along with interest rate-sensitive sectors such as real estate. Energy shares lagged due to concerns about oversupply.

### Portfolio review

Top positive contributors included semiconductor holdings BESI, Infineon, STMicroelectronics and ASM International, which all saw their shares bounce back as part of the wider rally in technology stocks following the prior weakness in September and October. Shares in BESI and ASM International – key holdings in our 'capex supercycle' investment thesis given that they are the 'picks and shovels' of the semiconductor supply chain – reached new highs. A broad basket of 'capex supercycle' enablers across other sectors were also positive contributors, including Holcim and Saint Gobain in construction materials, and Siemens, Schneider Electric and Atlas Copco in industrials. Siemens' fourth quarter results calmed market concerns around China

destocking and brought the focus back to the profound long-term opportunity in automation and smart infrastructure. The result was a 23% gain in its share price during the month, during which we increased the Company's active weighting.

Energy companies lagged the market recovery, partially as they have come to be regarded as 'defensives' over the last couple of years, and partially due to increasing commentary around potential oversupply in 2024, which may require further OPEC cuts. The stocks remain attractively valued in our view, and we believe the high cash returns (buybacks and dividends) should be safe even at much lower oil prices.

In terms of activity, we added to the positions in Siemens and Infineon. We trimmed the position in Adidas to take some profits following strong performance. We also trimmed the position in Euronext. There were no new additions or exits during the month.

### Manager outlook

We continue to believe in the likelihood of structurally higher inflation and higher interest rates in the years ahead, at least relative to the decade prior to the Covid pandemic. This is not to argue against the potential for near-term disinflation of a more cyclical nature, as supply

shocks from both Covid and the Ukraine war are lapsed. That said, we lean much more towards a central bank 'plateau' rather than a 'pivot' on interest rates, unless we witness a sharp economic contraction. But, given the fiscal bazooka being deployed under 'Bidenomics' and the need for Europe to follow suit, we may not see the 'hard landing' the market intermittently panics over, even if the consumer does moderate its appetite to spend.

Longer term, we expect a clear shift towards a multipolar world, of which deglobalisation – and the capital intensive likes of 'Bidenomics' – is an outcome. We also expect a political shift in favour of populist/pro-labour policies from both traditional 'left' and 'right' ends of the political spectrum, which should mean stronger wage inflation and greater labour market friction. This leads us to believe equity investors will need to be more sensitive to valuation when making stock purchasing decisions. The real economy implications will also likely present opportunities for stockpickers. We think enablers of deglobalisation (think industrial automation, digitalisation, electrification and construction materials) should thrive, while large incumbents across many industries (such as brewing, food catering, enterprise software) could see their already dominant positions enhanced as the end of 'free money' tempers the threat of 'disruption' by unprofitable start-ups. Europe offers plentiful opportunities to access these themes, being home to large global champions at 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.

### **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.

For a full list of terms please visit:

<https://www.janushenderson.com/en-gb/investor/glossary/>

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## 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 [www.global.morningstar.com/managerdisclosures](http://www.global.morningstar.com/managerdisclosures).

## 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.

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