Henderson European Focus Trust plc

Update for the half-year ended 31 March 2024

MANAGED BY
Janus Henderson
INVESTORS

Objective

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

AJBell INVESTMENT AWARDS 2023

WINNER

European Equity – Active

HENDERSON EUROPEAN FOCUS TRUST PLC

Kepler GROWTH RATING

This Update contains material extracted from the unaudited results of the Company for the six months ended 31 March 2024. The unabridged results for the half-year are available on the Company's website:

www.hendersoneuropeanfocus.com

Photo: UPM Kymmene, Finnish-owned UPM pulp mill in Uruguay

Performance

Total return performance for the six months to 31 March 2024

NAV[1]	Benchmark[2]	Share price[3]	Interim dividend[4]
17.9%	14.9%	17.0%	3.05p

NAV per ordinary share (debt at par)

31 Mar 2024	206.8p
30 Sep 2023	178.1p

Share price

31 Mar 2024	180.5p
30 Sep 2023	157.0p

Net assets

31 Mar 2024	£440.1m	30 Sep 2023	£379.0m

Total return performance to 31 March 2024

	6 months %	1 year %	3 years %	5 years %	7 years %	10 years %
NAV[1]	17.9	19.3	37.4	84.5	89.9	166.0
Benchmark index[2]	14.9	13.8	31.8	63.6	74.9	130.4
AIC Europe sector NAV[5]	17.8	14.7	26.9	69.1	87.3	152.5
Share price[3]	17.0	16.5	34.3	82.1	64.7	140.8
AIC Europe sector share price[5]	18.3	16.5	24.8	70.1	83.9	145.2
IA OEIC Europe sector[6]	15.0	12.5	25.1	58.5	65.6	115.8

1 Net asset value ("NAV") total return per ordinary share (with dividends reinvested)
2 FTSE World Europe (ex UK) Index on a total return basis in sterling terms
3 Share price total return (with dividends reinvested) using mid-market closing price
4 See Chair's Statement for merger background
5 Average for Association of Investment Companies ("AIC") Europe sector of seven companies
6 Investment Association ("IA") open-ended investment company ("OEIC") Europe ex UK Equity sector average NAV, comprising 143 OEICs at 31 March 2024

Sources: Morningstar Direct, LSEG Datastream and Janus Henderson

Chair's Statement

This half year, I am pleased to report both excellent investment performance during the last six months, as well as the prospect of a combination with 'stablemate' Henderson EuroTrust plc ("HNE"), which your Board wholeheartedly recommends to shareholders. I also commend our Fund Managers for their extremely interesting and insightful report on the investment activity and prospects for Henderson European Focus Trust plc ("HEFT" or the "Company") which follows my statement.

Performance

The Company's net asset value ("NAV") total return per share was 17.9%, outperforming the Company's benchmark index, the FTSE World Europe (ex UK) Index, which returned 14.9% on a total return basis for the six months to 31 March 2024.

The Company's long-term track record remains excellent, with NAV and share price total returns outperforming the benchmark over one, three, five, seven and ten years. Our results compare favourably with our competitors, be they in the investment companies or the open-ended funds ("OEIC") sectors. The average NAV total return of the AIC Europe investment company sector (comprising seven companies) was 17.8% in the period under review, and the Investment Association OEIC Europe ex-UK Equity sector average was 15.0% for the same period.

The Company's share price total return in the six months to 31 March 2024 was 17.0%. The discount at which shares trade relative to NAV continued to be disappointing, averaging 11.8% in the period while the AIC sector average was 10.3%. We continue to monitor the discount to NAV and hope that improved liquidity in the Company's shares following the combination will help our rating.

The unfortunate trend of my recent reports reflecting a backdrop of economic uncertainty, further human suffering and heightened geopolitical risk, sadly, continues. However, as a direct result, there is rapid multi-polar repositioning taking place in supply chains, semi-conductor and energy security, and defence capabilities. Governments are expending vast sums of money, both directly and via subsidies to corporates, to achieve their strategic aims: our Fund Managers refer to this as the 'Capex Supercycle'. Budget deficits are at historic highs and national indebtedness exceeds 100% of GDP in most major economies.

This does not read like a positive backdrop for strong equity market performance and yet that is exactly what we have witnessed during the last six months, with European markets increasing by close to 15%. I am very pleased to report that your Fund Managers have performed well despite (as they detail in their report) the domination of a small handful of big, global companies in generating market returns.

Combination with HNE

As we announced on 20 May 2024, the Company has issued a prospectus relating to the issue of new shares in connection with the proposed combination of the assets of HEFT with the assets of HNE. Shareholders in both HEFT and HNE will be asked to vote on this proposal at general meetings to be held in June and July 2024. At the time we announced the proposed merger of interests on 14 March 2024, 35% of HEFT's and 38% of HNE's shareholders had signalled their intention to support the proposals. If approved, the proposal should see the creation of a company with circa £680 million of net assets[1], making it a larger, more liquid and more cost-effective vehicle, which we expect to be eligible for FTSE250 Index inclusion in due course. The same award-winning team will be managing the enlarged Company – to be renamed Henderson European Trust – led by Tom O'Hara and Jamie Ross (the Fund Manager of HNE) as co-managers, on a style-agnostic basis with stock and sector selection continuing to drive performance.

[1] Based on net assets at 30 April 2024 and assuming full take-up of the 15% HEFT tender offer and HNE cash exit.

Chair's Statement (continued)

I refer shareholders to the Company website **www.hendersoneuropeanfocus.com**, with the announcements released on 14 March, 14 May and 20 May 2024 for more details, including information on a tender offer for up to 15% of HEFT's issued share capital at a 2% discount to FAV (being NAV less transaction costs).

Dividends

On 20 May 2024 the Board declared an interim dividend for the year of 3.05p per share to be paid on 28 June 2024 to shareholders on the register at 7 June 2024. The interim dividend is higher than normal to ensure that our current shareholders receive a dividend in line with the Company's previous financial year of 4.35p per share and that the revenue reserves are protected. We anticipate declaring a smaller final dividend (expected to be 1.30p) in respect of the financial year ending 30 September 2024. There will be many more shares in issue at that date after the two companies combine in July and fewer dividends due in that short time period on the enlarged assets base. We expect that the dividend cycle will be normalised to reflect a higher final dividend for the following 2025 financial year end.

Outlook

Debate on the outlook for the market in the near term remains dominated by the potential path of inflation, interest rates and economic growth, which may or may not lend itself to a broadening out of equity performance to more cyclical sectors such as oil, chemicals and pulp and paper, where we have exposures. Our Fund Managers remain conscious of this, though continue to make a case for Europe's 'Global Champions', many of which are enablers and beneficiaries of the 'Capex Supercycle'.

European equities have increased by over 30% over a three-year period, despite moribund economic growth in Europe. Our Fund Managers have always been at pains to point out that investing in Europe, via HEFT, is really an investment in global trends through a subset of European-listed companies. The unique nature of European equity market performance (and the inevitable attempts by market participants to explain it by using amusing acronyms like GRANOLAS to refer to the leading companies in the European stock market) means that 2023 may be the moment when the investment community realised, finally, that European equities are in fact, truly global in their business.

Vicky Hastings
Chair of the Board
28 May 2024

Fund Managers' Report

European equity markets enjoyed a strong six months from October 2023 to March 2024, with the FTSE World Europe (ex UK) Index - the benchmark against which your Fund Managers are measured - increasing by just shy of 15% on a total return basis. Pleasingly, the Company's NAV increased by 17.9%, marking a 3% outperformance of the benchmark. Remember, it's only six months: it is more meaningful to judge our performance over the longer term which continues to demonstrate a consistently positive track record.

It is however worth reflecting on the performance of both the market and the Company during the half year, as the proverbial 'stakes' felt high: an elite group of mostly large companies drove much of the benchmark's return. This phenomenon, often referred to as 'narrow leadership', has been a feature of the US stock market for some time owing to 'Big Tech' domination on that side of the Atlantic. In 2023 it arrived on European shores. It can give fund managers sleepless nights: when a selection of the biggest constituents of an equity index are doing much of the heavy lifting in generating market returns, you either have to own them, or find good alternatives, in order to not find yourself languishing 'behind the benchmark' and facing certain censure from colleagues, peers, clients and shareholders. Here lies a tension between bottom-up stock-picking (meeting companies, researching them, deciding which ones to own for the long term) and portfolio management (what does my benchmark consist of, what can hurt me, where do the biggest risks lie and how can I mitigate them?). As a style-agnostic, valuation-conscious, 'core' strategy, we have always practiced pragmatism. It is the bridge between picking the right stocks and building the right portfolio. This last six months were a reminder as to its necessity in navigating different market environments.

In short, we got the big names right over the last six months. We mostly owned the ones that went up more than the market average and we mostly avoided the ones that did not. Whether it was due to good stock-picking (we have talked about the themes 'Global Champions', 'structural winners' and 'big is beautiful' for some time now, and these exposures have served us well), or good portfolio management, getting these big names right effectively kept us out of trouble through an extreme market.

For numerical colour, the top ten constituents of the benchmark account for a quarter of its market capitalisation. It includes names which will be familiar to even the most casual reader (who manages to make it this far), such as Nestlé, TotalEnergies, Louis Vuitton and Siemens. They respectively sell food, petrol, handbags and machines. All mod cons and comforts (although it is actually a different company making the home appliances using the Siemens brand….). Of the top ten names, five went up by more than 30% over the six-month period, well above the 15% return of the benchmark. We own all of those five. Three of the top ten underperformed the benchmark, the biggest laggard being Nestlé at -8%. We own none of those three.

It is rare we use this report to delve into the mechanics and risk management decisions involved in running a portfolio, instead preferring to profess our love of stock-picking through tangible examples. However, over the half year ending March 2024, staying out of trouble felt like the most notable achievement and we felt it worthy of sharing. Stock-picking or fund management? Luck or skill? It is the outcome that matters. Probably the more important conclusion is, as per our initial performance-related caveat, that it is only six months.

Top and bottom contributors to performance

Our top contributors during the six-month period, in descending order, included: Nestlé (which we avoided), Safran (the aircraft engine maker), BE Semiconductor (one of our 'picks and shovels' investments in artificial intelligence ("AI"), Roche (the big pharmaceutical business we avoided), Holcim (a long-term construction materials position) and Airbus (which makes the planes to which Safran's engines are attached).

Fund Managers' Report (continued)

The major detractors included UPM Kymmene (pulp and paper), Aker BP (oil), Syensqo (specialty chemicals), Grifols (healthcare, since exited) and Ahold Delhaize (food retail, since exited). It is notable that a fair share of our top detractors came from more cyclical industries, a feature we will return to shortly.

Portfolio activity

We opened a position in Finnish elevator heavyweight, KONE, believing the eight-year-long headwind to otherwise strong performance, inflicted by the normalisation of its once-stellar China-derived profits, is now largely behind them. We added Rheinmetall, the German defence manufacturer, in order to gain further exposure to the military pillar of the 'Capex Supercycle'. We participated in the IPO of consumer-dermatology business, Galderma, best known for its competitor to Botox. Personal care continues to be a bright spot in a mixed consumer environment. We returned to Carlsberg, having met the new CEO and looking to bolster our exposure (on top of ABInbev) to the profit-rebuild potential within the beer category over the next couple of years. We added CRH, the Irish-born one-stop-shop for building highways in the USA. It is arguably one of the clearest beneficiaries of the multi-billion-dollar fiscal giveaway that is 'Bidenomics'.

Compass, the biggest food catering business in the world, entered the portfolio, thanks to the accelerating growth prospects of its European and US businesses, as it becomes more difficult than ever for hospitals, universities and office canteens to run their own operation in the face of food and labour inflation. Big is definitely beautiful in the scale-dependent food catering industry and this is being evidenced in Compass' operating performance. We purchased VAT Group on post-results weakness, seeing an opportunity to participate in its profound earnings growth prospects as a critical enabler of the semi-conductor machinery supply chain. Finally, we added Unicredit and Stellantis, which are detailed below.

We funded our new purchases via a series of exits: Grifols' sum-of-the-parts potential faced further challenge via a short-selling report and we felt we could no longer justify what had already become a smallish position. Hugo Boss was sold as we felt the upside from the successful turnaround story had been mostly realised. Sandvik was sold as we chose to focus our mining capital equipment exposure through long-term holding, Metso. UCB was sold to increase our weighting in long-term healthcare holding Sanofi. Food retailer Ahold Delhaize will struggle to grow earnings in the next couple of years and as such there are better defensive options elsewhere. Successful long-term holding, Interpump, may well be sitting on peak margins and therefore offers less upside potential.

Gearing remained light at 2.3%, meaning that the majority of our long-term loan note proceeds are available to deploy, while in the meantime earning a positive return, in excess of their 1.57% interest cost, in a cash deposit account.

What next? The 6–12-month debate

The question we are asking ourselves is whether narrow market leadership continues – with its top performers spanning 'thematic' and 'structural winners' in AI, technology, healthcare, building materials and aerospace – or whether the market shifts to reward the laggards. In recent weeks we have seen signs of the latter, with the market warming up to a 'goldilocks' scenario of interest rate cuts in 2024, combined with 'no landing' in the real economy (i.e. no recession). This narrative – possibly just a herd effect of investors fearful of being caught offside after a strong run – has been sufficient for a 'broadening' market which has seen more cyclical, economically sensitive sectors like oil, mining and chemicals, stage a catch-up. These moves can be violent and short lived (and indeed are being tested at the time of writing), so it's important we don't jettison the stocks that have earned their place in our portfolio through rigorous research, but we can risk-manage a market rotation by trimming some of our winners and buying more of the cyclical laggards

Fund Managers' Report (continued)

in our portfolio, which is precisely what we've done, with a couple of select new positions: Italian bank Unicredit and global automotive giant Stellantis. Overall, we have been sparing with portfolio changes made in the name of 'rotation'. Sentiment remains delicately poised and easily swayed by incremental macroeconomic datapoints and the usually cryptic comments from central bankers regarding the path for rate cuts, so we will not go wading in. We never construct a portfolio that requires a specific macroeconomic outcome. Pragmatism will play a crucial role in managing any sustained market-regime change effectively. In the meantime, we maintain conviction in the long-term prospects of our 'Global Champions' in semiconductor equipment, construction materials, aerospace, industrials and other sectors.

The longer-term debate. Could AI be the cure for our socio-economic ills?

Public discourse is doused in declinism. 2024 will be election-heavy across the globe, with many of our potential future leaders standing on a platform of reversing the perceived decay. There is a general unease in financial markets as to the sustainability of recent economic resilience, especially in the US. What are we to make of this? We have always viewed the disproportionate attention paid to short-term monetary policy as somewhat farcical. "Powell said this", "Lagarde said that", "a dot moved on the Fed's outlook chart": short-term noise peddled by institutions incentivised to do so and central bankers who are no more enlightened to the nuances of the real economy than the rest of us. Too little time is given to the social and political developments which ultimately set monetary, fiscal and economic policy on a longer-term course.

Through this lens the economic angst may well be valid, particularly when one considers that the surprising resilience thus far has been in no small part due to fiscal largesse in the rich world, with the US running a 7% budget deficit and Western peers averaging around 5%. One could argue it will continue because it simply has to continue, in order to achieve sovereign strategic goals deemed critical in a new multipolar, de-globalised world order: onshoring of manufacturing, semiconductor autonomy, energy security and military rearmament are expensive, capital and subsidy-intensive projects (please see our previous commentaries on this 'Capex Supercycle'). But at some point, isn't the music forced to stop, under the weight of public indebtedness exceeding 100% of GDP in the US, Japan, China, the UK and France, to name a handful of major economies? The interest bill on US government debt, for example, now exceeds its military budget. The answer is probably yes, spending will have to decline, unless we can grow GDP faster.

The suboptimal way to do this would be to let inflation stay high, growing nominal GDP faster than the stock of mostly fixed-coupon debt, but hurting bondholders in the process, who will not be sufficiently compensated for the inflation via their interest income. In this scenario equities would offer the best form of protection, as many businesses can put up prices to pass through inflation. The optimal way – the holy grail – is 'real' GDP growth through productivity gains. For all the doomsday predictions as to the impact of AI on society, the optimistic case is that it could administer a potent efficiency shot to society, vastly improving the quality and capacity of our strained health, education and administrative services, and freeing up resources (both money and time) to generate productive economic activity elsewhere. The speed of this potential 'new industrial revolution' would require careful social management, ensuring those displaced by AI automation can retrain for new roles, or that the wholesale increase in leisure time accruing to humans is somewhat equitably distributed in order to maintain an orderly society and economy. This would appear to be one of the biggest risks to unleashing AI's full potential: that it is just too much, too quickly for social cohesion to be preserved.

Why is a European fund manager preoccupied with AI and its long-term impact on society? Because if it generates real GDP growth, eases our debt problems and creates a more dynamic economy, it would be a good thing for equities. It would also

Fund Managers' Report (continued)

make a case for a 'broader' market in which many of the more economically sensitive stocks do well (courtesy of people with more money and more free time). We are exploring a years, or even decades-long development, but HEFT was designed for the long term and, sometimes, you have to look to the future to help contextualise the present.

Signposts to a new Industrial Revolution

What do we see in the present that supports the future scenario outlined above? A couple of companies have already suffered at the hands of AI, either directly or via the market's pre-judgement. Education technology company, Chegg, flagged that its users were switching to (freely available) ChatGPT for exam preparation. Its shares are now worth 94% less than the Covid-induced, study-at-home euphoria of their peak. Teleperformance offers companies outsourced call centre services, an activity viewed as the thin end of the wedge of AI-disruption, given the already significant improvements made to customer services chatbots. Unhelpful for Teleperformance was the announcement by Klarna, the 'buy now pay later' Fintech company, that its upgraded AI chatbot was doing the equivalent work of 700 humans and handling two-thirds of all customer enquiries, while freezing hiring in the process. Shares in Teleperformance have declined by nearly 60% over the last year.

We were intrigued by AI-chip-darling NVIDIA's latest product announcement. Its next generation of processors, called 'Blackwell', offers a 5x performance upgrade compared to the predecessor, 'Hopper', which is still less than two years old. It is expected to reduce cost and energy consumption by up to 25 times for an equivalent task. This leap in productivity and cost effectiveness is likely to open up many more use-cases for AI, in turn amplifying its potential impact on society. As 'The Economist' concisely highlighted with an observation from the 19th century Industrial Revolution, "efficiency can raise power consumption rather than reduce it". There is a parallel here and Blackwell probably gave us a fresh signpost on a profound innovation journey. AI cannot yet cure all of our socio-economic ills, but if productivity gains in AI architecture can continue to compound at the rate NVIDIA has just achieved by moving from Hopper to Blackwell, then it is more likely that AI is the *real deal*, with broad accessibility offering the potential for significant and rapid transformation across various sectors.

Reasons to be cheerful

These recent developments offer an ode to human ingenuity, so often omitted from the gloomiest of forecasts which proliferate in our social media-fuelled present, but which were also a recurring habit of our non-digital predecessors. The Reverend Thomas Malthus famously theorised in the late 18th century that population growth tends to outstrip food production growth, which is constrained by the finite availability of land and the diminishing returns from applying incremental units of labour to a fixed area of land. The result is population 'checks' in the form of war, disease, famine and other catastrophes, until the cycle starts over from a lower population level. Absent from his thesis was the power of capital investment and innovation to vastly improve agricultural yields and feed more mouths. Aldous Huxley gave a humorous nod to its inherent nihilism, by having women in his dystopian 'Brave New World' wear contraceptive 'Malthusian Belts'.

As equity investors we possess an inherent optimism. We choose to believe in the power of human ingenuity, enterprise and ownership as the optimal - if not perfect - route to progress. As the best way to protect and build our wealth. Your Company has a long history of delivering value to its shareholders by backing human enterprise. Long may that continue.

Fund Managers' Report (continued)

A new era for Henderson European Focus Trust

Which brings us to our closing comments. As the Chair has stated, shareholders will soon be asked to approve the combination of HEFT and HNE, two Janus Henderson stablemates committed to the long-term pursuit of wealth creation via European equities. A common thread throughout our report has been to acknowledge the virtue of pragmatism amidst constant change. It is no secret that the investment company landscape is experiencing its own period of change, one which points to the need for greater scale and liquidity to maximise value for shareholders. A combined 'Henderson European Trust', managed by the same steady hands of the Janus Henderson European equities team, will offer shareholders greater access to liquidity and a more cost-effective vehicle.

If recent history is anything to go by, the coming decades are likely to be a mixture of exciting, alarming and, at times, a little scary. Creative destruction – the driving force of capitalism – is sure to abound, ordaining winners and condemning losers in the process. Share prices will rise and fall in unequal measure, presenting opportunities to those willing to take selective risks on human enterprise via equity ownership. The new, larger Henderson European Trust should be exceptionally well-placed to pursue this endeavour, with the same rigour of the previous decades, on your behalf. This is a duty and a privilege to which your Fund Managers remain resolutely committed, as we look forward to whatever the future brings.


Tom O'Hara and John Bennett
Fund Managers
28 May 2024

Photo: Airbus, H160 helicopter maintenance

Portfolio Information

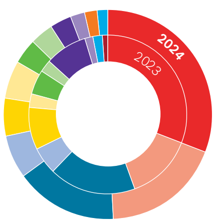
Investment portfolio at 31 March 2024

Company	Sector	Country of listing	Valuation £'000	% of portfolio
Novo Nordisk	Pharmaceuticals and Biotechnology	Denmark	27,154	6.0
ASML	Technology Hardware and Equipment	Netherlands	24,370	5.4
Safran	Aerospace and Defence	France	18,282	4.1
Airbus	Aerospace and Defence	France	17,750	3.9
LVMH Moët Hennessy Louis Vuitton	Personal Goods	France	16,719	3.7
TotalEnergies	Oil, Gas and Coal	France	16,640	3.7
SAP	Software and Computer Services	Germany	16,473	3.7
Schneider Electronic	Electronic and Electrical Equipment	France	14,512	3.2
Siemens	General Industrials	Germany	14,053	3.1
Saint-Gobain	Construction and Materials	France	13,452	3.0
10 largest			**179,405**	**39.8**
Linde	Chemicals	Germany	13,071	2.9
UniCredit	Banks	Italy	12,932	2.9
Adidas	Personal Goods	Germany	11,881	2.6
UPM-Kymmene	Forestry and Paper	Finland	11,154	2.5
L'Oréal	Personal Goods	France	10,593	2.4
Holcim	Construction and Materials	Switzerland	9,914	2.2
Atlas Copco	Industrial Engineering	Sweden	9,553	2.1
Anheuser-Busch InBev	Beverages	Belgium	9,548	2.1
ASR Nederland	Non-life Insurance	Netherlands	9,506	2.1
Deutsche Boerse	Investment Banking and Brokerage Services	Germany	9,331	2.1
20 largest			**286,888**	**63.7**
BE Semiconductor	Technology Hardware and Equipment	Netherlands	9,167	2.0
CRH	Construction and Materials	Ireland	8,943	2.0
Metso	Industrial Engineering	Finland	8,868	2.0
Infineon	Technology Hardware and Equipment	Germany	8,729	1.9
ASM International	Technology Hardware and Equipment	Netherlands	8,672	1.9
Compass	Travel and Leisure	United Kingdom	8,654	1.9
Sanofi	Pharmaceuticals and Biotechnology	France	8,573	1.9
Syensqo	Chemicals	Belgium	8,501	1.9
Danone	Food Producers	France	8,446	1.9
Universal Music	Media	Netherlands	8,007	1.8
30 largest			**373,448**	**82.9**

Portfolio Information (continued)

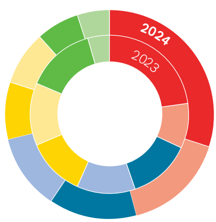
Investment portfolio at 31 March 2024 (continued)

Company	Sector	Country of listing	Valuation £'000	% of portfolio
Arkema	Chemicals	France	7,446	1.6
Aker BP	Oil, Gas and Coal	Norway	7,443	1.6
VAT Group	Electronic and Electrical Equipment	Switzerland	6,966	1.6
Essilor Luxottica	Medical Equipment and Services	France	6,552	1.5
Shell	Oil, Gas and Coal	United Kingdom	5,828	1.3
KONE	Industrial Engineering	Finland	5,780	1.3
Euronext	Investment Banking and Brokerage Services	Netherlands	5,725	1.3
Siemens Healthineers	Medical Equipment and Services	Germany	5,425	1.2
Stellantis	Automobiles and Parts	Netherlands	5,137	1.1
Galderma	Pharmaceuticals and Biotechnology	Switzerland	4,432	1.0
40 largest			**434,182**	**96.4**
Rheinmetall	Aerospace and Defence	Germany	4,401	1.0
Carlsberg	Beverages	Denmark	4,162	0.9
STMicroelectronics	Technology Hardware and Equipment	Switzerland	4,005	0.9
Interpump	Industrial Engineering	Italy	3,459	0.8
Total investments at fair value			**450,209**	**100.0**



Country of listing*

	2024 %	2023 %
France	**30.9**	31.1
Germany	**18.5**	13.5
Netherlands	**15.6**	17.9
Denmark	**6.9**	5.4
Finland	**5.8**	8.7
Switzerland	**5.7**	2.7
Belgium	**4.0**	5.0
Italy	**3.7**	2.6
United Kingdom	**3.2**	8.4
Sweden	**2.1**	1.9
Ireland	**2.0**	-
Norway	**1.6**	1.9
Spain	**-**	0.9



Sector exposure*

	2024 %	2023 %
Industrials	**30.2**	22.9
Technology	**15.9**	9.3
Consumer Discretionary	**13.6**	12.7
Health Care	**11.6**	11.8
Basic Materials	**8.9**	12.0
Financials	**8.3**	12.9
Energy	**6.6**	14.2
Consumer Staples	**4.9**	4.2

*As a percentage of the portfolio excluding cash at 31 March 2024 and at 31 March 2023.

Financial Summary

Extract from the Condensed Income Statement (unaudited except September 2023 figures)	Half-year ended 31 Mar 2024 Revenue return £'000	Capital return £'000	Total return £'000	Year ended 30 Sep 2023 Total return £'000
Gains on investments held at fair value through profit or loss	-	65,315	65,315	68,293
Exchange gains/(losses) on currency transactions	-	572	572	(5)
Income from investments	3,476	-	3,476	11,206
Other income	248	-	248	224
Gross revenue and capital gains	3,724	65,887	69,611	79,718
Expenses, finance costs and taxation	(883)	(1,172)	(2,055)	(4,425)
Net return after taxation	**2,841**	**64,715**	**67,556**	**75,293**
Return per ordinary share	**1.34p**	**30.41p**	**31.75p**	**35.39p**

Extract from the Condensed Statement of Financial Position (unaudited except September 2023 figures)	31 Mar 2024 £'000	31 Mar 2023 £'000	30 Sep 2023 £'000
Investments held at fair value through profit or loss	450,209	403,212	384,249
Net current assets	19,620	4,968	24,947
Creditors: amounts falling due after one year	(29,765)	(30,588)	(30,199)
Net assets	**440,064**	**377,592**	**378,997**
Net asset value per ordinary share – basic and diluted	**206.83p**	**177.47p**	**178.13p**

Dividends

The directors have declared an interim dividend of 3.05p per share, payable on 28 June 2024 to shareholders who are on the register of members on 7 June 2024. The shares will be quoted ex-dividend on 6 June 2024.

Principal risks and uncertainties

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

- Market
- Investment performance
- Business strategy and market rating
- Gearing
- Operational
- Regulatory and reporting

Information on these risks and how they are managed is given in the Annual Report for the year ended 30 September 2023. In the view of the Board, these principal risks and uncertainties at the year end are as applicable to the remaining six months of the financial year as they were to the six months under review.

The Company is currently engaged in a corporate transaction to merge its interests with those of Henderson EuroTrust plc, also managed by Janus Henderson. This introduces a degree of operational risk which has been mitigated as far as possible, including in relation to direct costs.

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 twelve months from the date of approval of these financial statements. Having assessed these factors and the principal risks, as well as considering geopolitical risks and macroeconomic factors, the directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Called-up share capital

At 31 March 2024, there were 216,389,910 shares in issue, of which 3,621,788 were held in treasury. During the half-year period ended 31 March 2024, no shares were issued or repurchased. No shares have been issued or repurchased since 31 March 2024. As at 24 May 2024, 212,768,122 shares were entitled to a dividend.

On behalf of the Board

Vicky Hastings
Chair of the Board
28 May 2024

Warning to shareholders

There are always fraudsters who seek to profit at the expense of others during moments of crisis, often impersonating genuine financial services firms. The Board would take this opportunity to remind investors to be particularly alert to cold calls or emails purporting to relate to your investments.

Henderson European Focus Trust plc
201 Bishopsgate
London EC2M 3AE

MANAGED BY
Janus Henderson
INVESTORS

The Association of Investment Companies

FSC
www.fsc.org
MIX
Paper from responsible sources
FSC® C005739

This report is printed on Revive silk 100% recycled, contains 100% recycled waste and is manufactured at a mill certified with ISO 14001 environmental management standard. The pulp used in this product is bleached using an Elemental Chlorine Free process (ECF).

If undelivered please return to the above address

Printed by Pureprint

JHI 9217/0324