

## 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 (%)

	10y	5y	3y	1y	6m
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Share price (Total return)	65.8	2.2	-10.4	-3.5	-6.7
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Net asset value (Total return)	61.6	1.9	-9.9	-5.8	-10.7
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## Discrete year performance (%)

	Share price	NAV
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30/9/2021 to 30/9/2022	-3.51	-5.84
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30/9/2020 to 30/9/2021	4.42	7.65
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30/9/2019 to 30/9/2020	-11.13	-11.12
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30/9/2018 to 30/9/2019	7.17	6.23
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30/9/2017 to 30/9/2018	6.50	6.45
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All performance, cumulative growth and annual growth data is sourced from Morningstar.

Source: at 30/09/22. © 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.

## Commentary at a glance

## Contributors/detractors

Our position in Indonesia was the key contributor with Bank Mandiri performing positively in a volatile month. Holdings in defensive telecommunication companies such as Digital Telecommunications Infrastructure Fund and Singapore Telecommunications also contributed positively. However, weakness in commodities and sharply lower asset values impacted the value of holdings in Macquarie Group, which was the key detractor. Given the weakness in China and technology, it was no surprise that TSMC and JD.com were also detractors during the month.

## Outlook

The portfolio maintains exposure to a combination of sectors such as materials which have performed relatively well in an inflationary environment with sharper-than-expected rate rises alongside defensive sectors such as telecommunication services which have served to protect capital and provide high dividend yield. Our outlook remains cautious as we expect unemployment to pick up and negatively impact corporate earnings. However, Asian dividends have demonstrated in recent years that they are more resilient than earnings.

## 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

Henderson Far East Income aims to provide a high level of dividend as well as capital appreciation from a diversified portfolio of investments traded on the Pacific, Australasian, Japanese and Indian stock markets.

## Highlights

An income-focused Company that invests across Asia Pacific with the target of delivering income growth.

## Company information

NAV (cum income)	258.6p
NAV (ex income)	250.4p
Share price	264.0p
Discount(-)/premium(+) (%)	2.1%
Yield	8.94%
Net gearing	-
Net cash	2.0%
Total assets	£410m
Net assets	£401m
Market capitalisation	£409m
Total voting rights	154,948,564
Total number of holdings	44
Ongoing charges (year end 31 August 2021)	1.09%
Benchmark	-

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](http://www.janushenderson.com/howtoinvest)

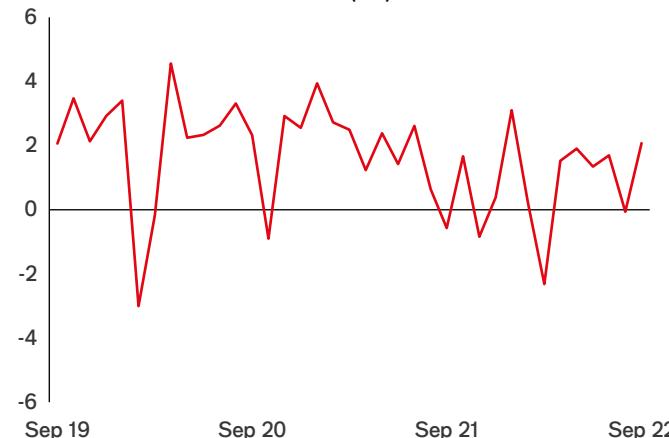
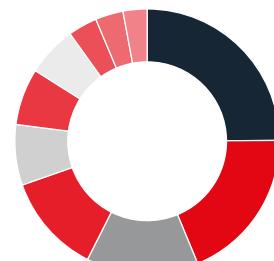
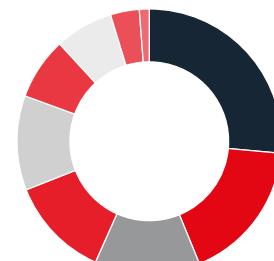
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Top 10 holdings (%)

	(%)
BHP Group	4.5
Woodside Energy Group	4.1
Macquarie Group	3.8
Santos	3.7
Digital Telecomms Infrastructure Fund	3.5
Telkom Indonesia Persero	3.4
Macquarie Korea Infrastructure Fund	3.4
Vinacapital Vietnam Opportunity Fund Ltd	3.3
Rio Tinto	3.3
JD.com	3.3

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Premium/(Discount) of Share Price to NAV at Fair Value (%)Geographical focus (%)Sector breakdown (%)Key information

Stock code	HFEL
AIC sector	AIC Asia Pacific Income
Benchmark	-
Company type	Conventional (Ords)
Launch date	2006
Financial year	31-Aug
Dividend payment	May, August, November, February
Risk rating (Source: Numis)	Slightly above average
Management fee	0.75% of net assets pa
Performance fee	No (See Annual Report & Key Information Document for more information)
Regional focus	Asia Pacific ex Japan
Fund manager appointment	Michael Kerley 2019 Sat Duhra 2019



Mike Kerley  
Fund Manager



Sat Duhra  
Fund Manager

10 year return of £1,000

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

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## Fund Manager commentary

### Investment environment

Global equity markets fell sharply over the month as inflation continued to bite and the policy response from central banks continued apace, with the US Federal Reserve (Fed) hiking interest rates by 75 basis points (bps) again. Bond yields rose sharply (prices fell) in response to higher rate expectations, with a strengthening US dollar continuing to negatively impact investor sentiment in Asia. Asia was the worst performing region with North Asian markets the weakest performing as the technology-dominated markets of South Korea and Taiwan were impacted by weaker demand expectations and a shift away from growth-style companies in a rising cost of capital environment.

In addition, China was particularly weak following its adherence to a zero Covid-19 policy and tension with the US. However, Indonesia and Singapore were two of the best performing markets. Positive sentiment around improving macroeconomics from the Covid-19 re-opening supported Indonesia, as well as stronger commodity prices. Meanwhile, Singapore's defensive characteristics and higher dividend yield provided some protection in the current volatility. By sector, the defensive nature of consumer staples ensured it was the best performing sector over the month while information technology was one of the weakest sectors.

### Portfolio review

The Company's net asset value (NAV) fell 7.4% over the month - marginally outperforming the FTSE All World Asia

Pacific ex Japan Index which fell 7.5%. However, it underperformed the MSCI Asia Pacific ex Japan High Yield Index, which fell 5.9% in sterling terms.

In terms of activity, we reduced exposure to Taiwanese technology stocks following weak results in the sector which indicated an inventory overhang, falling margins, and weak consumer demand. We sold Mediatek and added a new position in Midea Group, a Chinese home appliances company with a strong brand and strong balance sheet which we felt was attractively priced following a sharp fall. We also liked its exposure to the signs of stabilisation in the property market. We also added Zijin Mining in China given expectations for the copper price to weaken from increasing supply and weaker demand, which created some risk for its earnings.

### Manager outlook

The weaker outlook for the consumer from stubbornly high inflation seems likely to create some risk for corporate earnings and the possibility of more earnings downgrades into an already volatile environment, with investors already dealing with the prospect of significantly higher interest rates and tighter liquidity from central banks. However, Asian equity valuations continue to look attractive to us relative to global equities. Inflationary pressures also remain less pronounced in the region. We are more confident about the outlook for dividends considering the excess cash being generated and the low level of dividends paid out compared to earnings. We remain focused on domestic-orientated

companies with strong cash flow and sustainable and growing dividends.

Source: Bloomberg as at 30th September 2022.

## Glossary

### Discount/Premium

The amount by which the price per share of an investment trust 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 trust'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.

### Bond yield

Bond yield is the return an investor realizes on a bond and can be derived in different ways.

### Dividend yield

The dividend yield, expressed as a percentage, is a financial ratio (dividend/price) that shows how much a company pays out in dividends each year relative to its stock price.

### Inflation

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

### Inventory overhang

The quantity of goods or other things that have not been sold when they should have been.

### Liquidity

The ability to buy or sell a particular security or asset in the market. Assets that can be easily traded in the market (without causing a major price move) are referred to as 'liquid'.

### Net Asset Value (NAV)

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

### 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).

For a full list of terms please visit:

[www.janushendersoninvestmenttrusts.com](http://www.janushendersoninvestmenttrusts.com)

#### Company specific risks

- This trust 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 trust.
- Active management techniques that have worked well in normal market conditions could prove ineffective or detrimental at other times.
- The trust could lose money if a counterparty with which it trades becomes unwilling or unable to meet its obligations to the trust.
- 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 trust's shares, which will trade at a varying discount (or premium) relative to the value of the underlying assets of the trust. As a result losses (or gains) may be higher or lower than those of the trust's assets.
- If a trust's portfolio is concentrated towards a particular country or geographical region, the investment carries greater risk than a portfolio diversified across more countries.
- The trust has significant exposure to Emerging Markets, which tend to be less stable than more established markets and can be affected by local political and economic conditions, reliability of trading systems, buying and selling practices and financial reporting standards.
- The portfolio allows the manager to use options for revenue enhancement purposes. Options can be volatile and may result in a capital loss.
- Where the trust 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 trust may use gearing as part of its investment strategy. If the trust utilises its ability to gear, the profits and losses incurred by the trust can be greater than those of a trust that does not use gearing.
- All or part of the trust's management fee is taken from its capital. While this allows more income to be paid, it may also restrict capital growth or even result in capital erosion over time.

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