Fund facts at 29 February 2020

Company objective
Henderson Alternative Strategies Trust plc exploits global opportunities to provide long-term growth, providing shareholders with a diversified international multi-strategy portfolio and access to specialist funds including hedge and private equity. The latest Annual Report and Key Information Document set out the investment objective and policy in full and you should read them before investing.

For commentary from our fund managers please visit our website.

NAV (cum income) 326.3p
NAV (ex income) 322.5p
Share price 291.0p
Discount(-)/premium(+) -10.8%
Yield 1.72%
Net gearing 0%
Net cash -
Total assets £126m
Net assets £126m
Market capitalisation £113m
Shares in issue 38,678,638
Total number of holdings 48
Ongoing charges 0.94% (year end 31/03/2019)

Source: BNP Paribas and Janus Henderson Investors for holdings information and Morningstar for all other data. Sector and geographical breakdowns are on a look through basis, based on the underlying investments of the funds in which Henderson Alternative Strategies Trust invests. Differences in calculation may occur due to the methodology used.

Please remember that past performance is not a guide to future performance. 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.
### Glossary

**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).

**Share price** Closing mid-market share price at month end.

**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.

**Total assets** Cum Income NAV multiplied by the number of shares, plus prior charges at fair value.

**Net assets** Total assets minus any liabilities such as bank loans or creditors.

**Market capitalisation** Month end closing mid-market share price multiplied by the number of shares outstanding 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.

**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 Trust’s leverage is the sum of financial gearing and synthetic gearing. Details of the Trust’s leverage limits can be found in both the Key Information Document and Annual Report. Where a trust utilises leverage, the profits and losses incurred by the trust can be greater than those of a trust that does not use leverage.

**Net gearing** 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.

**Risk rating** The key measure used to assess risk is volatility of returns, using historic net asset value (NAV) performance of the trust over 1 year 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.

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### Specific risks

- In certain circumstances the investment manager may not be able to sell investments he owns in the company’s portfolio. This could have a negative impact on the overall performance of the company.
- This portfolio may hold only 40-60 stocks. If one of these investments declines in value, this can reduce the portfolio’s value more than if it held a larger number of investments.
- This portfolio could have a 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.
- 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.

### How to invest

To find out more visit www.hendersoninvestmenttrusts.com/invest

### Other documents available online

To see the Annual Report, KID and to watch the latest fund manager commentary, visit www.hendersonalternativestrategies.com
Market commentary - February 2020

Global equities plunged 8.1% in US dollar terms over the course of February, though that performance was slightly better in sterling terms (down 5.5%). There were similarly large declines across developed markets, with emerging markets outperforming, but still down 5.3% in aggregate. At the sector level, energy and materials were the worst performers, falling 14% and 10% respectively. Communication services, health care and technology were the best performing areas, although they still fell sharply.

Government bond yields were significantly lower, leading to strong performance from most major sovereign bonds. The US Treasury market saw the largest repricing, with markets expecting at least two interest rate cuts by the end of April. Investment grade credit was higher despite credit spreads widening, but the more extreme moves in high yield and emerging market debt led to both asset classes being lower over the month. The oil price fell 10% and the price of gold was almost flat. Sterling and emerging market currencies were lower over the month as the Japanese yen affirmed its safe-haven status by strengthening slightly.

The spread of the novel coronavirus (COVID-19) led to significant repricing of risk across most asset classes. While the VIX 'fear' index rose to its highest level since 2015, investors sought the safety of government bonds, driving yields sharply lower. The 10-year US Treasury yield made a new record low, ending the month at 1.15%. UK gilt and German bund yields also moved back towards historic lows. Credit spreads moved sharply wider, with US high yield debt now offering yields on average 5% in excess of the equivalent government bond. Equity valuations fell back from their cycle highs but remained in expensive territory relative to history.

COVID-19 has subsequently spread around the globe, with stringent containment measures aimed at limiting its transmission deployed on a pan-global basis. The twin shocks to both global supply and demand will be immense, and remain an ongoing and profoundly challenging combination for policy makers to respond to.

Performance and activity

For February the Company’s Net Asset Value (NAV) fell 2.5%, and the share price fell by 3.3%). The FTSE World Total Return Index, which the Company aims to outperform over the long term, returned –5.5% in Sterling terms. The Company's NAV has returned -2.1% on year to basis (vs. benchmark of -6%).

As per the previous month, the best performing sector was Hedge Funds, with the BlackRock European Hedge Fund and Sagil Latin American Hedge Fund delivering strong relative contribution. The portfolio’s holding in the BoFA Meril Lynch Commodity Strategy helped deliver a positive return from our small weighting to this sector.

The portfolio’s exposure to public and private equity detracted from returns, with holdings selling off in line with the equity market move. Litigation funder Burford Capital and New Energy Solar were the largest detractors from performance. The Company’s Private Equity (“PE”) exposure comprises both listed and unlisted PE, and in the absence of material NAV data from the portfolio’s unlisted exposure, the portfolio’s holdings in listed PE all experienced falls, again in line with equity markets. The single biggest detractor in this space was Riverstone Energy, against a deteriorating energy price environment.

The Company released a circular during the month outlining a proposed new investment objective such that it would facilitate the realisation of the company’s assets, to be voted on at a General meeting, to be held on 25 March. Accordingly, portfolio activity in February was minimised following the January announcement.

1 Source, Bloomberg, as of 01/04/2020
2 Source, Bloomberg, total return basis, as of 01/04/2020
3 As above
Glossary

**Sovereign bond yield**: the interest rate paid on a government (sovereign) bond. In other words, it is the rate of interest at which a national government can borrow.

**Investment grade credit**: refers to the quality of a company's credit.

**Treasury yield**: the return on investment, expressed as a percentage, on the US government's debt obligations.

**Net asset value (NAV)**: The total value of a fund's assets less its liabilities.

**Credit spread**: the difference in yield between a U.S. Treasury bond and another debt security of the same maturity but different credit quality.

**Volatility Index (VIX)**: a real-time market index that represents the market's expectation of 30-day forward-looking volatility.

These are the views of the author at the time of publication and may differ from the views of other individuals/teams at Janus Henderson Investors. Any securities, funds, sectors and indices mentioned within this article do not constitute or form part of any offer or solicitation to buy or sell them.

Past performance is not a guide to future performance. The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested.

The information in this article does not qualify as an investment recommendation.

For promotional purposes.