

# **HENDERSON EUROPEAN FOCUS TRUST PLC**

**Report for the half-year ended  
31 March 2020**  
*(unaudited)*

# HENDERSON EUROPEAN FOCUS TRUST PLC

## Unaudited results for the half-year ended 31 March 2020

### Investment Objective

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

### Performance for the half-year ended 31 March 2020

- Net asset value ("NAV") total return<sup>1</sup> of -15.5% compared to the benchmark<sup>2</sup> return of -16.7%
- Share price<sup>3</sup> total return of -19.2%
- Interim dividend of 9.60p per share declared (2019: 9.60p)

### Total return performance to 31 March 2020 (with dividends reinvested)

	6 months %	1 year %	3 years %	5 years %	10 years %
NAV <sup>1</sup>	-15.5	-5.6	-2.9	21.6	120.8
Benchmark index <sup>2</sup>	-16.7	-8.0	-1.6	20.6	70.8
Average AIC sector NAV <sup>4</sup>	-15.9	-7.7	1.9	25.3	113.6
Share price <sup>3</sup>	-19.2	-9.8	-18.4	1.3	103.8
Average AIC sector share price <sup>4</sup>	-17.0	-9.0	-2.0	14.3	116.9

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 Association of Investment Companies ("AIC") Europe sector

Sources: Morningstar for the AIC, Refinitiv Datastream and Janus Henderson

### Financial highlights

	At 31 March 2020	At 30 September 2019
<b>Shareholders' funds</b>		
Net assets (£'000)	249,015	299,010
Net asset value ("NAV") per ordinary share	1,158.30p	1,390.86p
Mid-market share price per ordinary share	990.00p	1,245.00p
Gearing at period end	2.1%	4.6%
	Half-year ended 31 March 2020	Year ended 30 September 2019
<b>Total return to equity shareholders</b>		
Revenue return after taxation (£'000)	1,084	5,767
Capital (loss)/return after taxation (£'000)	(46,414)	6,139
<b>Total (loss)/return</b>	<b>(45,330)</b>	<b>11,906</b>
<b>Total return per ordinary share</b>		
Revenue	5.04p	26.83p
Capital	(215.90p)	28.55p
<b>Total return</b>	<b>(210.86p)</b>	<b>55.38p</b>

## **INTERIM MANAGEMENT REPORT**

### **CHAIRMAN'S STATEMENT**

When I took over as your Chairman immediately following the Annual General Meeting in January 2020 no one could have imagined the rapid spread of COVID-19 across the globe nor the impact it would have on the investment world. Global stock markets crashed in a way not seen since the financial crisis of 2008 with the consequent impact on your Company's share price, exacerbated by a widening of the discount to net asset value ("NAV") at which your Company's shares trade. It is at times like these that it pays to have an experienced investor from a major investment firm managing the portfolio who did not panic but focused on maintaining the quality of the portfolio by investing in companies with proper funding and robust balance sheets, cash-generative businesses and low leverage. Whilst the full impact of this crisis is not yet clear, your Company is well positioned to outperform through the recovery.

#### **Performance**

In the six months to 31 March 2020, the Company's NAV total return per ordinary share fell by 15.5%, compared to a fall of 16.7% in the Company's benchmark, the FTSE World Europe ex UK index, resulting in outperformance of the benchmark of 1.2%. The Company's share price fell by 19.2% to 990 pence, ending the period at a wider than normal 14.5% discount to NAV (30 September 2019: 10.5% discount). Gearing has been actively managed and was 2.1% of net assets at the period end. As at 26 May 2020, the share price had increased by 16.7% to 1155 pence, the discount had narrowed to 12.4% and gearing was 1.4% of net assets.

#### **Revenue and dividend**

As I expect you are very well aware the majority of companies are reviewing their dividends in the light of the COVID-19 situation. This may have a significant impact on the revenue generated from the portfolio. We are, however, well placed through our revenue reserves to smooth dividend payments should this be required. That said, it will be important to assess the likely longer-term revenue impact of this crisis.

In the light of these circumstances the Board has decided to declare a maintained interim dividend of 9.60 pence per ordinary share (2019: 9.60 pence). This will be paid on 26 June 2020 to shareholders on the register on 5 June 2020. The shares will be quoted ex-dividend on 4 June 2020. The Board will consider what final dividend to propose at the end of the year in the light of the relevant evidence available at that time.

#### **Board and Fund Manager**

Rodney Dennis, Alec Comba and Alain Dromer all retired as directors at the 2020 AGM. Rodney and Alec joined the Board together in November 2003, Rodney became Chairman in September 2006 and Alec was for many years Chairman of the Audit Committee and more recently Senior Independent Director. They steered your Company through some challenging times and each made a significant contribution to the development of the Company. Alain joined the Board in 2014 and was always generous in sharing his knowledge and experience. Our thanks and best wishes go to them all.

I am pleased to announce that Vicky Hastings has been appointed Senior Independent Director.

In January 2020, we were pleased to welcome Tom O'Hara as Co-Fund Manager of the portfolio alongside our lead Fund Manager John Bennett.

#### **Outlook**

Due to the COVID-19 situation we are now experiencing a period that for many of us will be the most challenging and uncertain that we have ever faced. The emergence of the pandemic has significantly increased many of the operational as well as the market risks to the Company's business. I would like to reassure shareholders that all operational aspects of your Company have continued to operate smoothly despite the necessary move to remote working by the Manager, the Fund Managers, other key third parties and indeed the Board itself. We have kept and will remain closely in touch with the key parties to ensure that this remains the case.

The outlook for European, and indeed global, economies is uncertain as the full consequences of the actions taken to fight the COVID-19 pandemic are not yet known. Europe is moving into a deep recession which will hopefully be brief but is presently of unknown duration. Whilst the fiscal and monetary responses from central authorities across the world have been dramatic the level of global cooperation to address a pandemic that respects no national boundaries has been weak. Against this background I consider that our Fund Managers' focus on cash generative companies with strong balance sheets and low leverage should serve shareholders well.

**Robert Jeens**  
**Chairman**  
**28 May 2020**

## **FUND MANAGERS' REPORT**

It hardly needs saying that the overwhelming factor for all of us during the period under review and, indeed, at the time of writing, has been the global pandemic known as COVID-19. As this virus has spread west, so has its effect on financial markets. Here in Europe, the month of March 2020 saw quite astonishing levels of volatility and severe strain within the financial system. For example, the EuroStoxx 50 index sold off by 30% to begin the month, before rebounding by 19% from trough to peak. As ever, headline indices rarely tell the full story and we have seen wild swings at the individual stock level, often intra-day. Not for the first time, extreme volatility has been aggravated by forced liquidation of excess leverage: leveraged corporates, leveraged funds, whether managed by computer or by human, have found themselves in the crosshairs.

The banking system, courtesy of much tougher regulation since the global financial crisis, seems better prepared than usual. That preparation now includes the forced 'postponement' or cancellation of dividends. Shareholders in banks are now relegated further down the pecking order, more than a decade after what many saw as the great bailout of 'greedy bankers' at the expense of the wider workforce. It is the latter that governments are desperate to be seen to protect this time around. Governments have decided that it is time to try – the emphasis is on try – to favour one factor of production over another: labour over capital. They know they will be judged on this, as well as on protecting the health of their voters. The era of big government has truly arrived. We would remind investors that we sold out of the banking sector, a large component of most European indices, in early 2019. A prime reason for that decision was that we saw the industry headed inexorably toward regulated social utility status: recent events have probably guaranteed that.

The extraordinary monetary and fiscal stimulus unleashed worldwide should provide the necessary credit and liquidity to get through this recession. While this cannot reduce the severity of the economic crash in the very near term, it is at least hoped that it shortens its duration.

### **Portfolio**

We often remind ourselves of the saying "if you're going to panic, panic early". We have felt no urge to panic during this crash. Instead, we have seen fit to utilise the Company's flexibility to accommodate gearing. During the savage sell-off in March 2020 we tactically increased portfolio gearing to some 10%. Subsequently, in the strong rally of the second half of March, we restored gearing to a negligible level of 2.1%. It is fair to say that we rarely get tactical in this fashion but were prepared to do so in such market conditions.

Whilst we are now starting to see some lockdown restrictions easing, we are expecting to see a very different backdrop and level of economic activity over at least the next 6 to 12 months to the ones we have been used to. We have been reviewing the Company's holdings, and in particular their balance sheets, to assess whether they would be able to survive several months of shutdown, whether they have had to access COVID 19-related state support and the resultant recessionary phase which could follow, reassessing how companies are likely to fare in these uncertain times and whether they will come out of the current crisis stronger. Our focus remains on looking beyond the news headlines and focusing instead on individual businesses and their fundamentals.

Away from tactics, it is at times such as this that our innate preference for well capitalised, cash generative businesses comes to the fore. Any business entering this crisis in an over-leveraged state finds itself much weakened, some terminally so. As with all crises, the situation will pass, recovery will take hold and it is those businesses, with strong market shares, talented management teams and strong balance sheets, who will emerge as the winners. It is our belief that your Company is a portfolio of just such businesses.

**John Bennett and Tom O'Hara**  
**Fund Managers**  
**28 May 2020**

**Principal Investments** as at 31 March 2020

<b>Company</b>	<b>Sector</b>	<b>Country of listing</b>	<b>Valuation £'000</b>	<b>% of portfolio</b>
LafargeHolcim	Construction & Materials	Switzerland	18,722	7.4
Nestlé	Food Producers	Switzerland	13,616	5.3
UPM-Kymmene	Forestry & Paper	Finland	10,421	4.1
Roche	Pharmaceuticals & Biotechnology	Switzerland	10,171	4.0
ASML	Technology Hardware & Equipment	Netherlands	9,667	3.8
SAP	Software & Computer Services	Germany	9,213	3.6
Novartis	Pharmaceuticals & Biotechnology	Switzerland	7,812	3.1
Grifols	Pharmaceuticals & Biotechnology	Spain	7,496	3.0
Philips	Health Care Equipment & Services	Netherlands	7,236	2.9
TELE2	Mobile Telecommunications	Sweden	6,953	2.7
<b>10 largest</b>			<b>101,307</b>	<b>39.9</b>
AKZO Nobel	Chemicals	Netherlands	6,907	2.7
Novo-Nordisk	Pharmaceuticals & Biotechnology	Denmark	6,663	2.6
Tessenderlo	Chemicals	Belgium	6,444	2.5
Adidas	Personal Goods	Germany	5,739	2.3
STMicroelectronics	Technology Hardware & Equipment	France	5,738	2.3
Carlsberg	Beverages	Denmark	5,517	2.2
Autoliv	Automobiles & Parts	Sweden	5,503	2.2
ASR Nederland	Nonlife Insurance	Netherlands	5,341	2.1
Enel	Electricity	Italy	5,326	2.1
Kion	Industrial Engineering	Germany	5,178	2.0
<b>20 largest</b>			<b>159,663</b>	<b>62.9</b>
Sandvik	Industrial Engineering	Sweden	5,162	2.0
Kone	Industrial Engineering	Finland	5,006	2.0
Volvo	Industrial Transportation	Sweden	4,761	1.9
Sanofi	Pharmaceuticals & Biotechnology	France	4,732	1.9
Deutsche Boerse	Financial Services	Germany	4,659	1.8
Bayer	Pharmaceuticals & Biotechnology	Germany	4,636	1.8
LVMH Moët Hennessy Louis Vuitton	Personal Goods	France	4,377	1.7
SBMOffshore	Oil Equipment Services & Distribution	Netherlands	4,323	1.7
Merck	Pharmaceuticals & Biotechnology	Germany	4,320	1.7
Energias de Portugal	Electricity	Portugal	4,309	1.7
<b>30 largest</b>			<b>205,948</b>	<b>81.1</b>
Other listed investments (15 stocks)			48,212	18.9
<b>Total investments at fair value</b>			<b>254,160</b>	<b>100.0</b>

**Country of listing** (as a percentage of the portfolio excluding cash)

	<b>31 March 2020</b>	31 March 2019
	<b>%</b>	<b>%</b>
Switzerland	<b>19.8</b>	18.1
Germany	<b>18.4</b>	16.6
Netherlands	<b>14.3</b>	11.4
Sweden	<b>11.3</b>	12.3
France	<b>9.1</b>	7.6
Finland	<b>7.7</b>	7.7
Denmark	<b>4.8</b>	5.4
Spain	<b>4.2</b>	3.8
Italy	<b>3.4</b>	2.5
Belgium	<b>2.6</b>	3.0
Portugal	<b>1.7</b>	3.2
Norway	<b>1.4</b>	2.3
United Kingdom	<b>1.3</b>	6.1
	<b>100.0</b>	100.0

**Sector exposure** (as a percentage of the portfolio excluding cash)

	<b>31 March 2020</b>	31 March 2019
	<b>%</b>	<b>%</b>
Industrials	<b>21.0</b>	15.1
Consumer goods	<b>20.9</b>	28.2
Health care	<b>20.9</b>	20.5
Technology	<b>12.1</b>	9.8
Basic materials	<b>10.5</b>	8.6
Financials	<b>5.2</b>	7.2
Utilities	<b>5.0</b>	-
Telecommunications	<b>2.7</b>	2.2
Oil & gas	<b>1.7</b>	6.9
Consumer services	<b>-</b>	1.5
	<b>100.0</b>	100.0

**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 to 30 September 2019. In the view of the Board, these principal risks and uncertainties at the year-end remain and are as applicable to the remaining six months of the financial year as they were to the six months under review.

There are a number of risks stemming from the COVID-19 pandemic and the uncertainty that this has created in global markets, both economically and politically, that may impact the operation of the Company, as referenced in the Chairman's Statement. The Fund Managers will continue to review carefully the composition of the Company's portfolio and be proactive in taking investment decisions where necessary. Janus Henderson (the "Manager") and the Company's other third-party service providers remain fully operational and have implemented appropriate business continuity plans to ensure that there has been no change in service while the majority of staff are working from home.

## **RELATED PARTY TRANSACTIONS**

The Company's transactions with related parties in the period were with the directors and the Manager. There have been no material transactions between the Company and its directors during the period other than amounts paid to them in respect of expenses and remuneration for which there were no outstanding amounts payable at the period end.

In relation to the provision of services by the Manager, other than fees payable by the Company in the ordinary course of business and the facilitation of marketing activities with third parties, there have been no transactions with the Manager affecting the financial position of the Company during the period under review.

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors confirm that, to the best of their knowledge:

- (a) the condensed financial statements for the half-year to 31 March 2020 have been prepared in accordance with FRS 104 Interim Financial Reporting, and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- (b) the Interim Management Report and condensed financial statements include a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- (c) the Interim Management Report includes a fair review of the information required by the Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related-party transactions and changes therein).

For and on behalf of the Board  
Robert Jeens  
Chairman  
28 May 2020

## CONDENSED INCOME STATEMENT

	(Unaudited) Half-year ended 31 March 2020			(Unaudited) Half-year ended 31 March 2019			(Audited) Year ended 30 September 2019		
	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
(Losses)/gains on investments held at fair value through profit or loss	-	(45,235)	(45,235)	-	(20,217)	(20,217)	-	8,166	8,166
Exchange (loss)/gain on currency transactions	-	(377)	(377)	-	324	324	-	(278)	(278)
Income from investments (note 2)	1,819	-	1,819	2,122	-	2,122	7,550	-	7,550
Other income	11	-	11	2	-	2	14	-	14
Gross revenue and capital (losses)/gains	1,830	(45,612)	(43,782)	2,124	(19,893)	(17,769)	7,564	7,888	15,452
Management fees (note 6)	(226)	(679)	(905)	(213)	(640)	(853)	(454)	(1,362)	(1,816)
Other fees and expenses	(256)	-	(256)	(279)	-	(279)	(542)	-	(542)
<b>Net return/(loss) before finance costs and taxation</b>	<b>1,348</b>	<b>(46,291)</b>	<b>(44,943)</b>	<b>1,632</b>	<b>(20,533)</b>	<b>(18,901)</b>	<b>6,568</b>	<b>6,526</b>	<b>13,094</b>
Finance costs	(47)	(123)	(170)	(60)	(181)	(241)	(124)	(309)	(433)
<b>Net return/(loss) before taxation</b>	<b>1,301</b>	<b>(46,414)</b>	<b>(45,113)</b>	<b>1,572</b>	<b>(20,714)</b>	<b>(19,142)</b>	<b>6,444</b>	<b>6,217</b>	<b>12,661</b>
Taxation on net return	(217)	-	(217)	(191)	-	(191)	(677)	(78)	(755)
<b>Net return/(loss) after taxation</b>	<b>1,084</b>	<b>(46,414)</b>	<b>(45,330)</b>	<b>1,381</b>	<b>(20,714)</b>	<b>(19,333)</b>	<b>5,767</b>	<b>6,139</b>	<b>11,906</b>
<b>Return/(loss) per ordinary share (note 3)</b>	<b>5.04p</b>	<b>(215.90p)</b>	<b>(210.86p)</b>	<b>6.42p</b>	<b>(96.35p)</b>	<b>(89.93p)</b>	<b>26.83p</b>	<b>28.55p</b>	<b>55.38p</b>

The total columns of this statement represent the Income Statement of the Company prepared in accordance with FRS 104.

The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations. The Company had no recognised gains or losses other than those disclosed in the Income Statement and the Statement of Changes in Equity.

The accompanying notes are an integral part of the condensed financial statements.

## CONDENSED STATEMENT OF CHANGES IN EQUITY

Half-year ended 31 March 2020 (Unaudited)	Called-up share capital £'000	Special distributable reserve £'000	Share premium account £'000	Merger reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total sharehol ders' funds £'000
At 30 September 2019	10,819	25,846	41,995	61,344	9,421	138,013	11,572	299,010
Net (loss)/return after taxation	-	-	-	-	-	(46,414)	1,084	(45,330)
Ordinary dividend paid	-	-	-	-	-	-	(4,665)	(4,665)
At 31 March 2020	10,819	25,846	41,995	61,344	9,421	91,599	7,991	249,015

Half-year ended 31 March 2019 (Unaudited)	Called-up share capital £'000	Special distributable reserve £'000	Share premium account £'000	Merger reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total sharehol ders' funds £'000
At 30 September 2018	10,819	25,846	41,995	61,344	9,421	131,874	12,491	293,790
Net (loss)/return after taxation	-	-	-	-	-	(20,714)	1,381	(19,333)
Ordinary dividend paid	-	-	-	-	-	-	(4,622)	(4,622)
At 31 March 2019	10,819	25,846	41,995	61,344	9,421	111,160	9,250	269,835

Year ended 30 September 2019 (Audited)	Called-up share capital £'000	Special distributable reserve £'000	Share premium account £'000	Merger reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total sharehol ders' funds £'000
At 30 September 2018	10,819	25,846	41,995	61,344	9,421	131,874	12,491	293,790
Net return after taxation	-	-	-	-	-	6,139	5,767	11,906
Ordinary dividend paid	-	-	-	-	-	-	(6,686)	(6,686)
At 30 September 2019	10,819	25,846	41,995	61,344	9,421	138,013	11,572	299,010

The accompanying notes are an integral part of the condensed financial statements.

## CONDENSED STATEMENT OF FINANCIAL POSITION

	(Unaudited) 31 March 2020 £'000	(Unaudited) 31 March 2019 £'000	(Audited) 30 September 2019 £'000
<b>Fixed assets</b>			
Investments held at fair value through profit or loss	254,160	271,837	312,880
<b>Current assets</b>			
Debtors	11,038	5,335	1,644
Cash at bank	18,174	20,090	11,807
	<b>29,212</b>	<b>25,425</b>	<b>13,451</b>
<b>Creditors:</b> amounts falling due within one year	<b>(34,357)</b>	<b>(27,427)</b>	<b>(27,321)</b>
<b>Net current liabilities</b>	<b>(5,146)</b>	<b>(2,002)</b>	<b>(13,870)</b>
<b>Net assets</b>	<b>249,015</b>	<b>269,835</b>	<b>299,010</b>
<b>Capital and reserves</b>			
Called-up share capital	10,819	10,819	10,819
Special distributable reserve	25,846	25,846	25,846
Share premium account	41,995	41,995	41,995
Merger reserve	61,344	61,344	61,344
Capital redemption reserve	9,421	9,421	9,421
Capital reserve	91,599	111,160	138,013
Revenue reserve	7,991	9,250	11,572
<b>Total shareholders' funds</b>	<b>249,015</b>	<b>269,835</b>	<b>299,010</b>
<b>Net asset value per ordinary share (note 5)</b>	<b>1,158.30p</b>	<b>1,255.15p</b>	<b>1,390.86p</b>

The accompanying notes are an integral part of the condensed financial statements.

## CONDENSED CASH FLOW STATEMENT

	(Unaudited) Half-year ended 31 March 2020 £'000	(Unaudited) Half-year ended 31 March 2019 £'000	(Audited) Year ended 30 September 2019 £'000
<b>Cash flows from operating activities</b>			
Net (loss)/return before taxation	(45,113)	(19,142)	12,661
Add back: finance costs	170	241	433
Losses/(gains) on investments held at fair value through profit or loss	45,235	20,217	(8,166)
Losses/(gains) on foreign exchange	377	(324)	278
Taxation paid	(172)	(316)	(1,228)
Decrease/(increase) in debtors	25	(291)	(6)
(Decrease)/increase in creditors	(565)	400	588
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(43)</b>	<b>785</b>	<b>4,560</b>
<b>Cash flows from investing activities</b>			
Sales of investments held at fair value through profit or loss	116,268	109,347	217,431
Purchases of investments held at fair value through profit or loss	(114,808)	(89,741)	(212,242)
<b>Net cash inflow from investing activities</b>	<b>1,460</b>	<b>19,606</b>	<b>5,189</b>
<b>Cash flows from financing activities</b>			
Equity dividends paid	(4,665)	(4,622)	(6,686)
Drawdown/(repayment) of bank overdraft	10,147	(29,978)	(24,767)
Interest paid	(155)	(267)	(453)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>5,327</b>	<b>(34,867)</b>	<b>(31,906)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>6,744</b>	<b>(14,476)</b>	<b>(22,157)</b>
Cash and cash equivalents at beginning of period	11,807	34,242	34,242
(Losses)/gains foreign exchange	(377)	324	(278)
<b>Cash and cash equivalents at end of period</b>	<b>18,174</b>	<b>20,090</b>	<b>11,807</b>
Comprising:			
Cash at bank	18,174	20,090	11,807

The accompanying notes are an integral part of these financial statements

## Notes to the condensed financial statements

### 1. Accounting policies

The condensed set of financial statements has been prepared in accordance with FRS 104, Interim Financial Reporting, FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Statement of Recommended Practice for "Financial Statements of Investment Trust Companies and Venture Capital Trusts", which was updated by the Association of Investment Companies in October 2019.

For the period under review the Company's accounting policies have not varied from those described in the Annual Report for the year ended 30 September 2019. The condensed set of financial statements has been neither audited nor reviewed by the Company's auditor.

### 2. Income from investments

	(Unaudited) Half-year ended 31 March 2020 £'000	(Unaudited) Half-year ended 31 March 2019 £'000	(Audited) Year ended 30 September 2019 £'000
Listed investments:			
Overseas dividends	1,712	1,901	6,983
UK dividends	107	221	567
	<b>1,819</b>	<b>2,122</b>	<b>7,550</b>

### 3. Return/(loss) per ordinary share

	(Unaudited) Half-year ended 31 March 2020 £'000	(Unaudited) Half-year ended 31 March 2019 £'000	(Audited) Year ended 30 September 2019 £'000
The return per ordinary share is based on the following figures:			
Net revenue return	1,084	1,381	5,767
Net capital (loss)/return	(46,414)	(20,714)	6,139
<b>Net total (loss)/return</b>	<b>(45,330)</b>	<b>(19,333)</b>	<b>11,906</b>
Weighted average number of ordinary shares in issue for each period	21,498,261	21,498,261	21,498,261
Revenue return per ordinary share	<b>5.04p</b>	6.42p	26.83p
Capital loss per ordinary share	<b>(215.90p)</b>	(96.35p)	28.55p
<b>Total (loss)/return per ordinary share</b>	<b>(210.86p)</b>	<b>(89.93p)</b>	<b>55.38p</b>

The Company has no securities in issue that could dilute the return per ordinary share. Therefore, the basic and diluted returns per share are the same.

### 4. Called-up share capital

At 31 March 2020, there were 21,638,991 shares in issue, of which 140,730 are held in treasury, resulting in 21,498,261 shares being entitled to a dividend. During the half-year period ended 31 March 2020, no shares were issued or repurchased (half-year ended 31 March 2019 and year ended 30 September 2019: no shares issued or repurchased). No shares have been issued or repurchased since 31 March 2020.

### 5. Net asset value per ordinary share

The net asset value per ordinary share is based on the 21,498,261 ordinary shares in issue at 31 March 2020 (half-year ended 31 March 2019 and year ended 30 September 2019: 21,498,261).

### 6. Management fees

Henderson Investment Funds Limited ("HIFL") is appointed to act as the Company's alternative investment fund manager. HIFL delegates investment management services to Henderson Global Investors Limited ("HGIL"). References to Janus Henderson or the Manager within these results refer to the services provided by both HIFL and HGIL.

Management fees are charged in accordance with the terms of the management agreement. The Manager

receives a fee of 0.65% per annum on the value of the Company's net assets up to £300m and 0.55% on any net assets above £300m calculated quarterly in arrears. In determining the net assets on which the management fee is calculated, the value of any securities held by the Company in collective investment schemes managed by Janus Henderson are excluded.

Management fees and finance costs are allocated 25% to revenue and 75% to capital in the Condensed Income Statement.

## 7. Investments held at fair value through profit or loss

The table below analyses fair value measurements for investments held at fair value through profit or loss. These fair value measurements are categorised into different levels in the fair value hierarchy based on the valuation techniques used and are defined as follows under FRS 102:

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Financial assets held at fair value through profit or loss at 31 March 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Quoted equities	254,160	-	-	254,160
Total	254,160	-	-	254,160

Financial assets held at fair value through profit or loss at 31 March 2019	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Quoted equities	271,837	-	-	271,837
Total	271,837	-	-	271,837

Financial assets held at fair value through profit or loss at 30 September 2019	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Quoted equities	312,880	-	-	312,880
Total	312,880	-	-	312,880

There have been no transfers between levels of fair value hierarchy during the period.

The valuation techniques used by the Company are explained in the accounting policies note 1(c) in the Company's Annual Report for the year ended 30 September 2019.

## 8. Borrowings

As at 31 March 2020, the Company's bank overdraft included in 'Creditors: amounts falling due within one year' was £33,196,000 (31 March 2019: £17,838,000; 30 September 2019: £23,049,000).

## 9. 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. This conclusion also takes into account the Board's assessment of the risks arising from COVID-19.

## 10. Dividends

The directors have declared an interim dividend of 9.60p per ordinary share (2019: 9.60p), payable on 26 June 2020 to shareholders on the register on 5 June 2020. The shares will be quoted ex-dividend on 4 June 2020. Based on the 21,498,261 ordinary shares in issue as at 28 May 2020, the cost of this dividend will be £2,064,000 (cost of 2019 interim dividend: £2,064,000).

## 11. Comparative information

The financial information contained in this half-year report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the half-years ended 31 March 2020 and 31 March 2019 has not been audited or reviewed by the Company's auditor. The figures and financial information for the year ended 30 September 2019 are an extract based on the latest published accounts and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of

Companies and included the Independent Auditor's Report which was unqualified and did not contain a statement under either s498(2) or s498(3) Companies Act 2006. A glossary of terms and details of alternative performance measures can be found in the Annual Report for the year ended 30 September 2019.

## 12. General information

### Company status

Henderson European Focus Trust plc is registered in England and Wales (no. 427958), has its registered office at 201 Bishopsgate, London EC2M 3AE and is listed on the London Stock Exchange.

SEDOL/ISIN: 0526885/GB0005268858

London Stock Exchange ("TIDM") code: HEFT

Global Intermediary Identification Number ("GIIN"): THMNPN.99999.SL.826

Legal Entity Identifier ("LEI") number: 213800GS89AL1DK3IN50

### Directors and secretary

The directors of the Company are Robert Jeens (Chairman), Eliza Dungworth (Chairman of the Audit Committee), Robin Archibald and Vicky Hastings (Senior Independent Director). The corporate secretary is Henderson Secretarial Services Limited.

### Website

Details of the Company's share price and net asset value, together with general information about the Company, monthly factsheets and data, copies of announcements, reports and details of general meetings can be found at [www.henderson-european-focus.com](http://www.henderson-european-focus.com).

## 13. Half-year report

The half-year report will shortly be available on the Company's website or from the Company's registered office. An abbreviated version, the 'Update', will be posted to shareholders in June 2020. The Update will also be posted on the Company's website, and hard copies will be available from the Company's registered office.

For further information, please contact:

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*Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) are incorporated into, or form part of, this announcement.*