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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.

Henderson EuroTrust plc

November 2020

Jamie Ross
Fund Manager



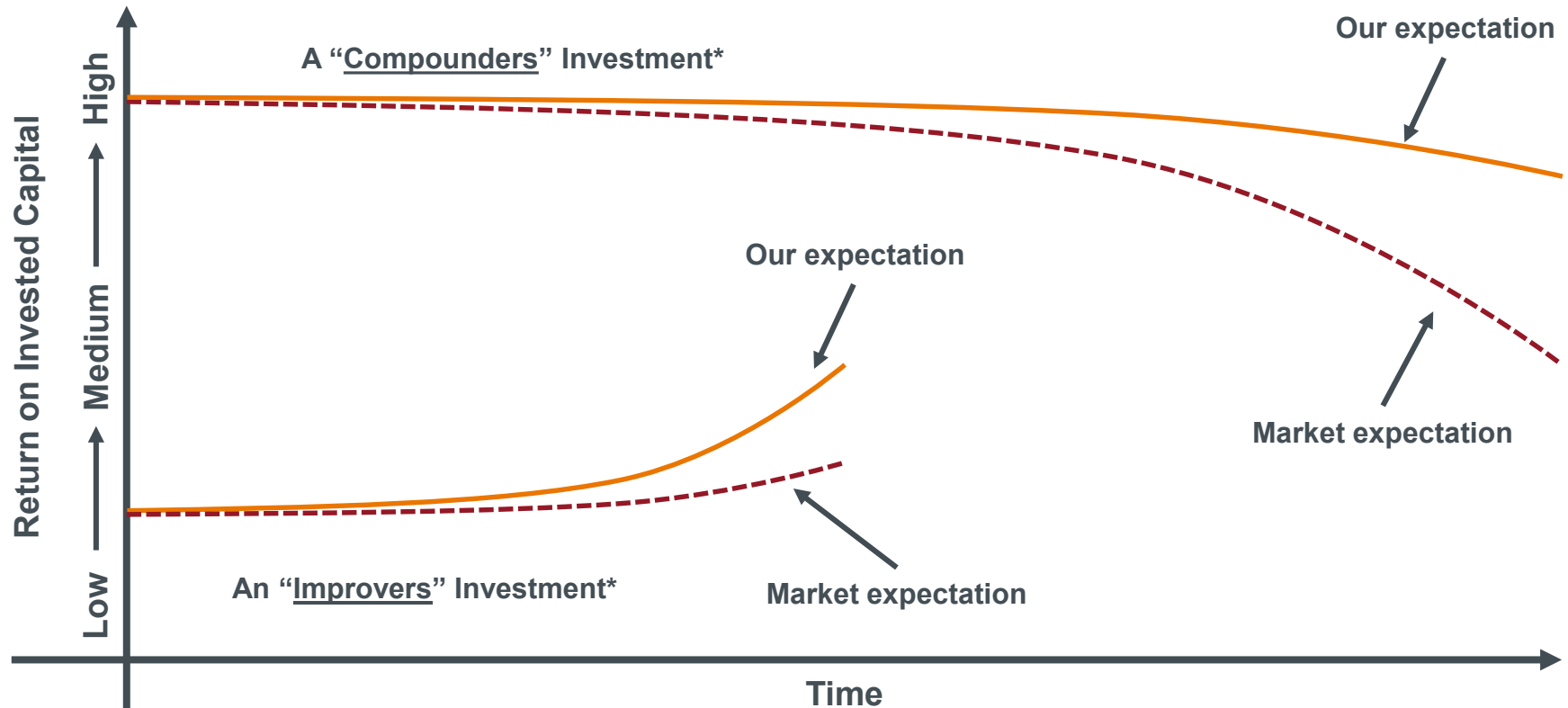
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Agenda

- My approach
- What has driven performance over the year?
- What changes have I made to the portfolio?

My approach

A focus on Return on Invested Capital (ROIC)



Source: Janus Henderson Investors, as at 30 September 2020

Note: Compounders: The primary metric for compounders is to have high sustainable returns on capital

Improvers: Improvers are marked out to be the good companies of the future

The above example is intended for illustrative purposes only and is not indicative of the historical or future performance of the security.

My approach

Compounders & Improvers

	Compounders Average	Improvers Average	EuroTrust Average	Index Average
Market Capitalization ¹ (£ Mn.)	65,388	19,631	45,950	62,430
Price/Book ² (x)	3.4	1.1	1.8	1.7
Trailing 12 month Dividend Yield ³ (%)	1.8	3.4	2.5	3.0
Trailing 12 month Price/Earnings ⁴ (x)	26.0	14.9	19.8	21.3
Forward 2020 Price/Earnings (x)	20.4	13.1	16.5	15.7
Historical 3-year Earnings Per Share Growth p.a. (%)	11.2	8.9	10.2	7.4
Return on Equity ⁵ (%)	22.0	6.1	15.3	14.4
Operating Margin ⁶ (%)	21.0	9.0	15.9	16.3
Long Term Debt to Capital ⁷ (%)	29.1	36.4	32.2	32.2
Number of Securities	26	18	44	501
Weight (%)	59.5	44.0		

Source: Janus Henderson Investors, Factset, as at 31 July 2020

Reference to individual companies or any securities is purely for the purpose of information only and should not be construed as a recommendation to buy or sell the same

¹ The total market value of a company's issued shares. It is calculated by multiplying the number of shares in issue by the current price of the shares. The figure is used to determine a company's size, and is often abbreviated to 'market cap'.

² The price-to-book ratio, or P/B ratio, is a financial ratio used to compare a company's current market price to its book value

³ A trailing twelve month yield (TTM Yield) refers to the percentage of income the fund portfolio returned to investors over the past 12 months.

⁴ Trailing price-to-earnings (P/E) is a relative valuation multiple that is based on the last 12 months of actual earnings. It is calculated by taking the current stock price and dividing it by the trailing earnings per share (EPS) for the past 12 months.

⁵ Return on equity (ROE) is a measure of financial performance calculated by dividing net income by shareholder's equity.

⁶ Operating margin measures how much profit a company makes on a dollar of sales, after paying for variable costs of production, such as wages and raw materials, but before paying interest or tax.

⁷ A Long Term Debt to Capitalization Ratio is the ratio that shows the financial leverage of the firm. This ratio is calculated by dividing the long term debt with the total capital available of a company.



What has driven performance over the year?

Cumulative Net Asset Value (NAV) performance

	Trust (%)	Benchmark (%)	Relative (%)
3 months	16.0	12.0	+4.0
Calendar Year to Date	6.8	-3.3	+10.1
Financial year to 31 July	10.4	-2.8	+13.2
2 year	17.6	1.8	+15.8
3 years	25.6	7.7	+17.9
5 years	74.5	43.7	+30.8
10 years	219.2	119.2	+100.0

Source: Janus Henderson Investors, as at 31 July 2020

Note: Net of fees in GBP, cumulative returns, Trust NAV based on official closing prices. **Benchmark refers to the FTSE World Europe ex UK Index.** Net asset value (NAV) is the value of an entity's assets minus the value of its liabilities. **Past performance is no guide to future results.**

What has driven performance over the year?

Henderson EuroTrust plc – discrete performance

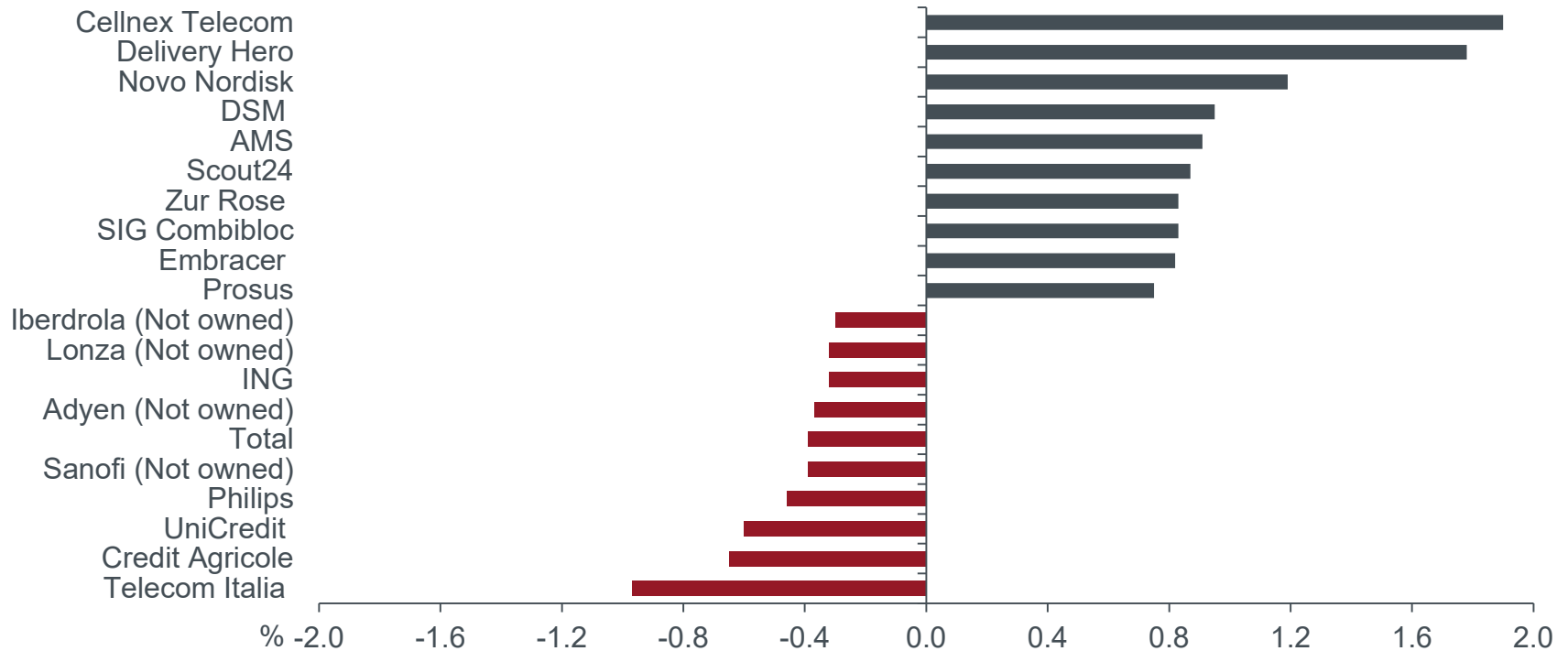
Performance	Sep 2019 – Sep 2020	Sep 2018 – Sep 2019	Sep 2017 – Sep 2018	Sep 2016 – Sep 2017	Sep 2015 – Sep 2016
NAV ¹	13.3%	5.9%	5.8%	20.3%	25.0%
Price	13.0%	6.1%	1.2%	26.0%	10.9%

Source: Morningstar, as at 30 September 2020

¹ Net asset value (NAV) is the value of an entity's assets minus the value of its liabilities. Index: FTSE World Europe Ex UK Index. Performance is shown based on the Share Price and does not include income reinvested. **Past performance is not a guide to future performance**

What has driven performance over the year?

Stock level attribution



Source: Janus Henderson Investors, as at 31 July 2020, index used **FTSE Europe Ex UK Index**

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Gross in GBP. **Past performance is no guide to future results.**

What has driven performance over the year?

Sector level attribution

	Average weight (%)			Attribution Analysis		
	Trust	Index	Relative	Sector allocation effect	Stock selection effect	Sector + stock effect
Consumer Discretionary	7.8	10.4	-2.5	0.2	3.6	3.8
Communication Services	13.9	4.5	9.4	-0.8	3.6	2.8
Financials	18.1	16.8	1.3	-0.6	2.9	2.4
Information Technology	12.2	7.8	4.4	1.6	0.7	2.3
Consumer Staples	5.7	13.0	-7.3	-0.1	1.5	1.4
Industrials	16.6	14.6	2.0	0.1	1.3	1.4
Materials	8.1	6.3	1.8	0.1	1.2	1.4
Real Estate	0.0	1.9	-1.9	0.2	0.0	0.2
Energy	4.7	3.8	0.9	-0.3	0.4	0.1
Health Care	14.3	15.9	-1.6	0.0	0.0	0.0
Utilities	3.5	5.1	-1.6	0.0	-0.2	-0.2

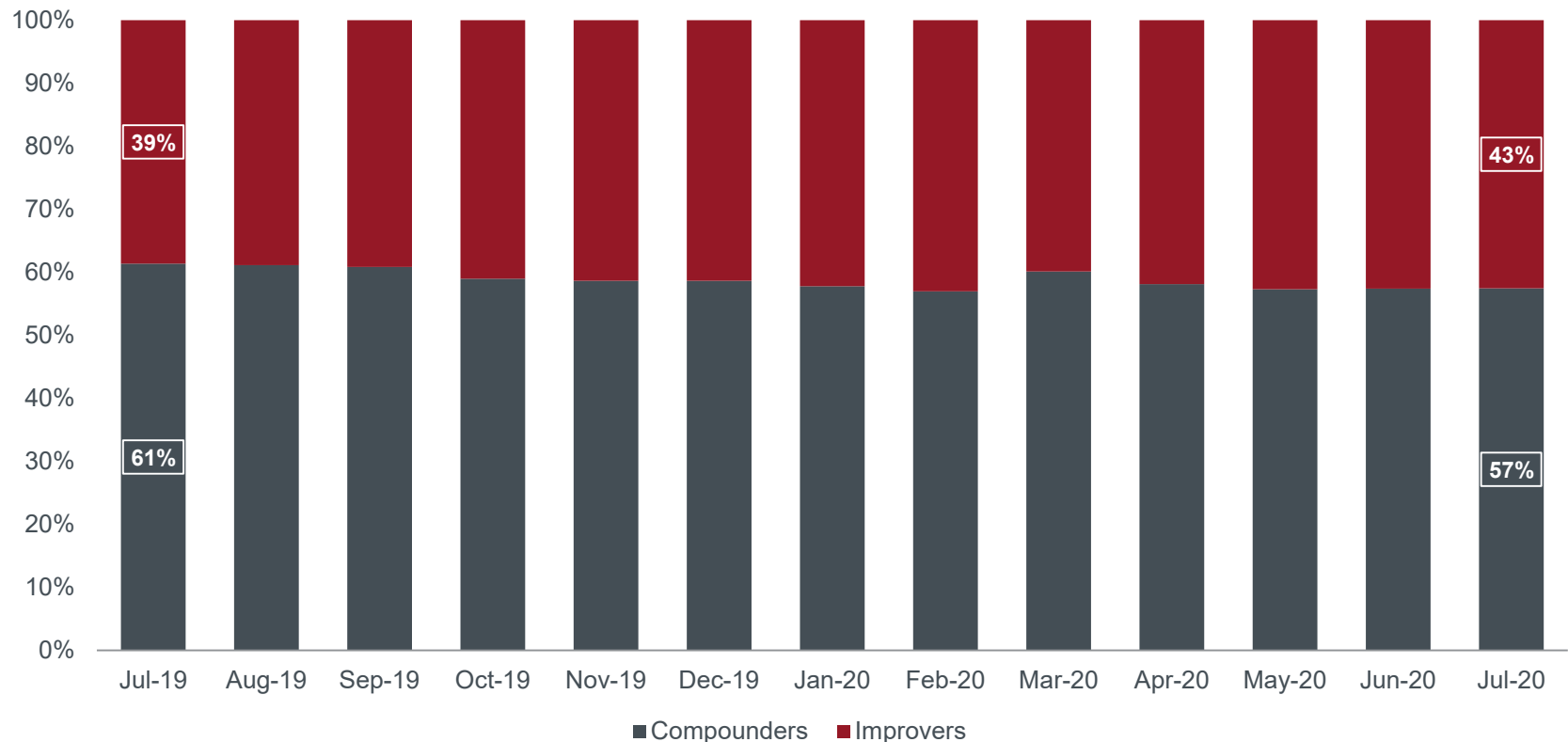
Source: Janus Henderson Investors, as at 31 July 2020, index used FTSE Europe Ex UK Index

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Past performance is not a guide to future performance.

What changes have I made to the portfolio?

Exposure by investment category



Source: Janus Henderson Investors, as at 31 July 2020

* Based on desk estimates

Compounders: The primary metric for compounders is to have high sustainable returns on capital

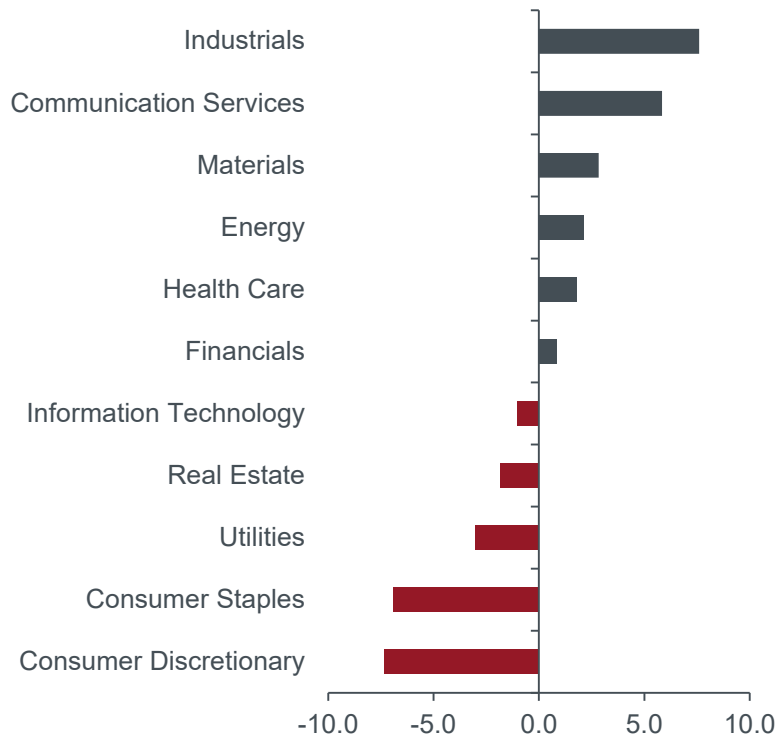
Improvers: Improvers are marked out to be the good companies of the future

Past performance is not a guide to future performance.

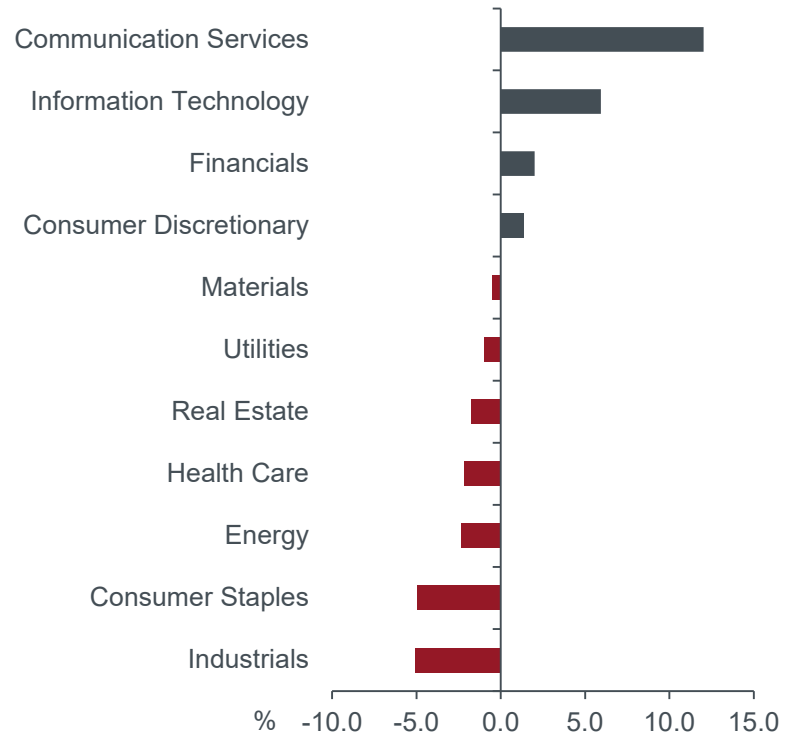
What changes have I made to the portfolio?

Changes in sector exposure relative to benchmark

31 July 2019



31 July 2020



Source: Janus Henderson Investors, as at 31 July 2020

Benchmark: **FTSE World Europe Index**

Note: References made to individual securities should not constitute or form part of any offer or solicitation to issue, sell, subscribe or purchase, and neither should be assumed profitable. **Past performance is no guide to future results**

What changes have I made to the portfolio?

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Source: Janus Henderson Investors, as at 31 July 2019

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Specific risks

- 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 may have a particularly concentrated portfolio (low number of holdings) relative to its investment universe and an adverse event impacting only a small number of holdings can create significant volatility or losses for the trust.
- 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.
- 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.
- 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.

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