Company Number: 2718241

HENDERSON EUROTRUST PLC

HALF YEAR REPORT
(unaudited)
for the six months ended 31 January 2020

HENDERSON EUROTRUST PLC
Unaudited results for the half year ended 31 January 2020

Investment objective

Henderson EuroTrust plc ('the Company') aims to achieve a superior total return from a portfolio of high quality European (excluding the UK) investments.

Performance highlights

- The net asset value ("NAV") per share total return (including dividends reinvested and excluding transaction costs) was 3.1% compared to a total return from the benchmark index, the FTSE World Europe (ex UK) Index of -1.0%.
- As at 31 January 2020 the Company's shares were trading at a discount to NAV of 8.3% in comparison to a discount of 10.0% at the year end.

	(Unaudited) Half year ended 31 January 2020	(Unaudited) Half year ended 31 January 2019	(Audited) Year ended 31 July 2019
NAV per share	**1,309.2p**	1,106.8p	1,293.9p
Share price	**1,200.0p**	1,000.0p	1,165.0p
Net assets	**£277.4m**	£234.5m	£274.1m
Dividends per share	**8.0p**	8.0p	31.0p
Revenue return per share	**2.6p**	1.8p	29.0p
Discount	**8.3%**	9.6%	10.0%

Total return performance to 31 January 2020

	6 months %	1 year %	3 years %	5 years %
NAV[1]	**3.1**	21.3	34.5	73.4
Benchmark Index[2]	**-1.0**	15.0	25.3	52.7
Share price[3]	**5.1**	23.4	32.3	60.6
Peer Group NAV[4]	**1.1**	16.8	31.2	61.7

1. Net asset value ("NAV") per ordinary share total return (including dividends reinvested and excluding transaction costs)
2. FTSE World Europe (ex UK) Index
3. Share price total return (including dividends reinvested and excluding transaction costs)
4. Arithmetic average NAV total return for the AIC Europe Sector

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

Interim Management Report

Chairman's statement

The calendar year 2020 opened with a perhaps surprising degree of optimism regarding financial markets. Equity valuations, particularly in Europe, offered reasonable value in comparison with historical averages, and better value versus ultra low-yielding bonds. Brexit was still a mystery to be solved, but at least there was a direction of travel and a truce, of a kind, had been reached between the US and China on trade. There was, therefore, an expectation that earnings growth, which was barely positive in 2019, would pick up in 2020, and that monetary policy would continue to be supportive. Then came the Coronavirus, also known as Covid-19, a true "black swan" event, which has re-written stock market history in recent weeks in terms of the extent and speed of its impact.

As at the close of business on 1 April 2020, since 31 January 2020 the NAV total return was down 15.5%, and the share price total return 16. 7%; the Benchmark Index (FTSE World Europe (ex UK) Index) total return was down 18.9%. We are still in the very midst of this crisis, perhaps only in its early stages, and no doubt shareholders have other events on their mind at the moment in place of the results for the interim period. Therefore, I briefly cover the results for the half year, and then address events since 31 January.

Performance
In the period from our year end on 31 July 2019 to 31 January 2020, the NAV was up 3.1% versus a decline of 1.0% for the Benchmark Index. As we would expect, stock selection decisions (as opposed to sector or country) were the key driver of outperformance. NAV performance was also ahead of the peer group (AIC Europe Sector), which was up 1.1% over the half year period.

Over the 12 months to 31 January 2020, the NAV total return was 21.3% and the share price total return slightly more, at 23.4%. These figures showed significant outperformance against the Benchmark Index total return, which was up 15.0%, and the NAV total return of the peer group, where the average was up 16.8%.

Share capital
Notwithstanding very strong investment performance over the last year, that the discount to NAV remained close to 10% during the half year. In this environment it was not possible to issue any shares; in the opinion of the Board, it has not been in the interests of shareholders to repurchase any shares either.

Gearing
Gearing increased from a very low level at the Company's year-end to 6.9% at 31 January. As at the close of business on 1 April 2020, gearing was 6.2%. The Board regularly reviews whether to take on longer term debt; however, we have again decided that very low cost, flexible gearing works well for the Company, and we have maintained a £25m borrowing facility, which has recently been renewed.

Dividend
The Board is pleased to declare a maintained interim dividend of 8.0p per ordinary share payable on 24 April 2020 to shareholders on the Register of Members on 14 April 2020; the shares will go ex-dividend on 9 April 2020.

Setting an appropriate dividend is currently challenging. Shareholders should be aware that the dividend outlook for European companies is deteriorating as the current Coronavirus-related crisis unfolds and this will have a negative impact on the income generated from the portfolio in the current year. However, the interim dividend has historically represented a relatively low proportion of the total dividend, and we are mindful that, as an investment trust, we have more flexibility than open-ended funds in respect of dividend payments.

Events post 31 January 2020
As our Fund Manager explains in his statement, some changes have been made to the Company's portfolio, but – and this is of profound importance – this has been done within the existing investment framework. To remind shareholders, the investment process seeks to identify companies with a competitive advantage which can sustain above average earnings growth over the long term, or companies which are assessed as making the changes to enable them to reach this position. Of course, no equity portfolio can be completely shielded from the type of downturn we have just seen,

especially when its specific nature was impossible to anticipate. However, the investment process has ensured that the portfolio has little exposure to highly geared, highly cyclical or commodity-related companies which have been particularly hard-hit in the last two months. Changes to the portfolio in response to the unfolding crisis have had a net positive impact. On the other hand, the fact that the portfolio has been geared during this downturn has detracted value, though the bottom line is that the NAV total return is still 3.4% ahead of the (ungeared) Benchmark Index total return. Having reviewed the approach to gearing, the Board has reconfirmed that the Fund Manager continues to have responsibility for day to day gearing levels.

An active approach

In previous reports, I have highlighted the extent of the value added by the *active* management of the portfolio. The portfolio outperformed the Benchmark Index materially in the 'good times' of 2019, and thus far has continued to do so in the 'bad times' we find ourselves in now. The value of being able to hold a portfolio materially different from the index, and of having a Fund Manager able to respond to extreme events in real time, cannot be over-emphasised.

Outlook

Unforecastable events produce volatility in financial markets, especially equities. It is too early to predict the extent of Covid-19-induced changes across the corporate and wider landscape. Events of this nature underscore the value of active management, driven by a clear and sustainable investment approach. As in any crisis, there will be opportunities, and we believe that the search for growth, quality and consistency will stand the Company in good stead for the longer term.

Nicola Ralston
Chairman
2 April 2020

Fund Manager's report

The period formally covered by this report (the six months to the end of January 2020) was a successful period for the Company. Despite some negative macro/geopolitical developments (the ongoing US/China trade spat and the emerging news of the Covid-19 virus towards the end of the period), European equity markets were strong in local currency terms but marginally negative in sterling terms due to the appreciation of sterling against most currencies over this period. The Company performed very well, with the NAV climbing by 3.1% whilst the FTSE World Europe (ex UK) Index fell 1.0%, both in sterling terms. Our performance during the period was driven by a number of high-conviction positions; these were a mix of long-standing holdings, such as **Novo Nordisk**, **Roche** and **Munich Re.**, and much more recent additions, such as **Cellnex**, **RWE** and **Delivery Hero**.

However, since the end of this period, markets have fallen very materially as the Covid-19 virus has spread globally, causing complete shutdowns in multiple regions. I therefore feel that this report should focus on these events, how the Company has performed in this environment and how we are positioned for a post-virus world.

The very nature of a novel virus is that no-one really knows how fast and efficiently it will spread and to what extent we can introduce measures, including perhaps vaccines eventually, to slow its spread and its impact. The uncertainty associated with Covid-19 has had a material impact on the markets that we operate in and on the specific companies in the portfolio. It is hard to think of a time when sentiment has changed so far, so fast, as it has in the last few weeks. In its simplest form, my strategy has always been to invest in high quality, high return and resilient companies, or companies that I think can one day meet this criteria (the former I call 'Compounders' and the latter 'Improvers'). This is naturally a strategy biased towards the kind of company that should not be significantly impacted by an unforeseen event that has macroeconomic consequences; I would always hope to see our strategy performing better than most in an uncertain environment. I am pleased to report that in the initial stages of this crisis (I am writing this report at the end of March) the portfolio has indeed performed well in relative terms; the NAV total return has fallen 15.8% so far this year, whilst the market has fallen 20.2% (for the period 1 January 2020 to 1 April 2020).

By describing the nature of some of the larger holdings which have performed well in the current environment, I can hopefully bring to light the advantages of our bias to quality. It goes without saying however, that if there were to be an abrupt and sharp improvement in macroeconomic sentiment, ownership of the very same companies may make it hard for the portfolio to outperform for a period of time. Nonetheless, I firmly believe that owning higher quality companies is the correct investment strategy for long term focused investors.

Novo Nordisk, our second largest position, is one that epitomises a truly resilient business. This Danish specialist pharmaceutical company, has been a consistent performer for a number of years. For over a century, the company has been almost solely focused on diabetes care; having been market leaders in insulin production, Novo has become a clear market leader in new areas of diabetes care and is shifting its attention towards obesity and Alzheimer's, two potentially massive end markets. Demand for Novo's products is almost entirely un-impacted by changes in the economic environment, which makes the company very resilient in almost all market conditions. In addition, the management team are very focused on long term shareholder returns; they can be trusted not to be tempted into a large, risky deal with spurious short term benefits and they have a preference for operating with as little debt as possible; these are additional reasons for why the company has proved to be resilient in tough market conditions. Often, in times of crisis, it is highly levered companies that bear the brunt of the selling.

Hermès, another long standing position in the Trust and currently our twentieth largest position is an example of a business that in the short term can be impacted by oscillations in consumer sentiment and macroeconomic developments, but in the long term, should be resilient. Clearly, if consumers are not allowed out of their houses and non-essential shops are forced to close, then Hermès will sell less product for a period of time. However, one of the key attractions of this business is management's insistence on protecting the long term health of the brand. They will not respond to a tough environment by discounting their products (and thus their brand), they will continue to invest to grow awareness of the unrivalled heritage of the brand and they will not cut costs in order to support short term earnings. All of these behaviour traits mean that that I expect Hermès to emerge from the crisis as strongly as they came into it and the long term earnings power of the business, which I believe should be the basis for the valuation of the company, should not be impacted.

Another example is **Cellnex**, the Spanish telecoms-towers business, a relatively recent purchase for the Company and our seventh largest position. This company buys or builds telecoms infrastructure and forms multi-year contracts with the telecoms companies for the usage of this infrastructure. This is a very resilient business model in a relatively uneconomically-sensitive industry. We find the earnings and cash flow predictability of this company to be highly attractive. This kind of company should be resilient in times of macroeconomic stress and, in fact, may be presented with additional opportunities to purchase more infrastructure assets should some potential sellers of these assets start to feel financial stress.

All three of the companies above typify my approach and all three have held up well in the recent crisis. It is exposure to these kinds of business that explains why the portfolio has been able to perform materially better than the market in a very tough environment.

As the Covid-19 virus has continued to spread across the globe, we have been spending a lot of time thinking about what a post-virus world will look like and what structural changes to consumer and corporate behaviour we can expect. There are many different themes to consider, but I will focus on three for the moment. First, it is clear to us that we are likely to see an increasing **virtualisation of business life**. Management teams will realise that more flexible working arrangements can bring multiple benefits; we will see more people working from home, smaller office spaces, more meetings being conducted online and less corporate travel. Second, we are likely to see an **even faster adoption of e-commerce**, with consumers increasingly preferring to transact online rather than in crowded shopping centres. There will be some individuals who have found themselves during this crisis period ordering a takeaway using a mobile app for the first time, or opting for daily essentials to be delivered rather than collecting them in person; these new habits are likely to become entrenched. Third, factory-heavy businesses will realise that it is becoming ever more important to **automate as much of their production as possible** to enable them to survive in these kinds of environments.

There are ways in which we can take advantage of these themes. With regards to the virtualisation of business life, we see telecommunication services companies, telecom infrastructure companies and semiconductor companies benefitting in the long term. I hold **Telecom Italia**, **Cellnex**, **ASML** and **STMicroelectronics**, all of which should be well placed in this environment. With regards to the faster adoption of e-commerce, payments companies as well as the more obvious internet businesses should prosper. I hold two French payments companies, **Ingenico** and **Worldline,** and we own the German internet-based property portal **Scout 24**. Finally, the portfolio has limited exposure to businesses that could benefit from increased factory automation, but I may consider ways to gain exposure. There are of course many other structural changes that will occur and, as you would expect, I am spending time considering these.

Giving an outlook at moments like this is a hard task; it is impossible to ascertain the moment when panic turns to greed and markets could yet see new lows. However, with the global, coordinated effort to slow the coronavirus pandemic, it is possible to simultaneously take the threat very seriously indeed and yet be optimistic about the future. In my view, it will pay to be sceptical in the short term, but optimistic in the long term. For long-term investors, volatility is an opportunity, not a risk. I am confident in our positioning and will continue to retain balance in our exposures by predominantly considering two types of investment opportunities: first, in companies where we see high and sustainable returns that are undervalued by the market, and second, in companies where I can see a material improvement in medium term business prospects.

I am writing this text whilst – like many others - working from home. This will continue for weeks or even months. Fortunately this does not affect my ability to manage the portfolio; I am meeting companies virtually, speaking to my team as often as I would do in the office and continuing to communicate with shareholders. Thanks to good organisation and up to date technology I have access to all the resources I need, a positive factor for shareholders.

Jamie Ross
Fund Manager
2 April 2020

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

- Investment activity and performance
- Portfolio and market
- Regulatory
- Operational and cyber

Information on these risks and how they are managed is given in the Annual Report for the year ended 31 July 2019. In the view of the Board the majority of these principal risks and uncertainties were unchanged over the last six months and are as applicable to the remaining six months of the financial year as they were to the six months under review.

DIRECTORS' RESPONSIBILITY STATEMENT
The Directors (as listed in note 12) confirm that, to the best of their knowledge:

(a) the condensed financial statements for the half year ended 31 January 2020 have been prepared in accordance with FRS 104 "Interim Financial Reporting" and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;

(b) the Interim Management Report includes 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 and condensed financial statements include 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
Nicola Ralston
Chairman
2 April 2020

Investment portfolio as at 31 January 2020

Investment	Country	Sector	Valuation £'000	% of portfolio
Roche	Switzerland	Pharmaceuticals and Biotechnology	14,278	4.8
Munich Re.	Germany	Insurance	13,783	4.6
Koninklijke DSM	Netherlands	Specialist Nutrition and Materials Supplier	13,515	4.6
Novo Nordisk	Denmark	Pharmaceuticals and Biotechnology	13,159	4.4
Nestlé	Switzerland	Food Producer	13,026	4.4
SAP	Germany	Enterprise Software	10,362	3.5
Cellnex	Spain	Telecommunications	9,467	3.2
Total	France	Oil and Gas Producers	9,096	3.1
Deutsche Telekom	Germany	Telecommunications	8,376	2.8
Telecom Italia	Italy	Fixed Line Telecommunications	8,290	2.8
Top 10			**113,352**	**38.2**
Vivendi	France	Media	7,920	2.7
Equinor	Norway	Oil and Gas Producers	7,818	2.6
Partners Group	Switzerland	Private Equity Asset Manager	7,652	2.6
Getlink	France	Industrial Transportation	7,615	2.6
STMicroelectronics	France	Technology Hardware and Equipment	7,141	2.4
Amundi	France	Bank and Asset Manager	6,934	2.3
Delivery Hero	Germany	General Retailers	6,931	2.3
Prosus	Netherlands	Software and Computer Services	6,771	2.3
Moncler	Italy	Luxury Goods	6,687	2.3
Legrand	France	Electrical Installations	6,643	2.2
Top 20			**185,464**	**62.5**
RWE	Germany	Gas, Water and Multiutilities	6,502	2.2
Scout24	Germany	Software and Computer Services	6,403	2.2
Bawag	Austria	Banks	6,398	2.2
Bayer	Germany	Healthcare and Agricultural Products	6,282	2.1
Crédit Agricole	France	Banks	6,258	2.1
Dassault Systèmes	France	Application Software	5,789	2.0
Hermès	France	Luxury Goods	5,758	1.9
Deutsche Börse	Germany	Financial Services	5,722	1.9
UBS	Switzerland	Banks	5,625	1.9
Grifols	Spain	Blood Plasma Products	5,219	1.8
Top 30			**245,420**	**82.8**
Vestas Wind Systems	Denmark	Wind Turbines	5,148	1.8
Rubis	France	Gas and Multiutilities	5,112	1.7
SIG	Switzerland	Containers and Packaging	4,768	1.6
SGS	Switzerland	Industrial Testing, Verification and Certification	4,716	1.6
RELX	Netherlands	Data Provider	4,488	1.5
Epiroc	Sweden	Industrial Engineering	4,249	1.4
ASSA Abloy	Sweden	Construction and Materials	4,247	1.4
Ingenico	France	Technology Hardware and Equipment	4,195	1.4
Linde	Germany	Industrial Gases	4,102	1.4
ING	Netherlands	Banks	3,860	1.3
Top 40			**290,305**	**97.9**
Aeroports	France	Industrial Transportation	3,845	1.3
ATOS	France	Software and Computer Services	2,430	0.8
Total			**296,580**	**100.0**

In addition to the above, the Company has a nil value position in OW Bunker. OW Bunker is unquoted.

Market capitalisation of the portfolio by weight at 31 January 2020

Market cap	% Portfolio Weight	% Benchmark Weight
>€20bn	56.7	65.6
€10bn - €20bn	31.8	17.0
€5bn - €10bn	12.9	12.2
€1bn - €5bn	5.9	5.2
Cash	-7.3	-

Source: Morningstar for the AIC, Janus Henderson

Performance drivers over the six months ended 31 January 2020

	%
Benchmark Return	-1.0
Sector Allocation	0.9
Stock Selection	3.5
Currency Movements (relative to index)	-0.2
Effect of Cash and Gearing	0.3
Effect of Ongoing Charge	-0.4
NAV Total Return	3.1

Source: Morningstar for the AIC, Janus Henderson

Classification of holdings as at 31 January 2020

	Compounders Average	Improvers Average	Special Opportunities Average	Company Average[1]	Index Average[1]
Market Capitalisation (£'000)	39,375	19,724	24,761	31,553	10,674
Price/book (x)	7.0	1.9	2.9	4.6	3.3
Trailing 12 month dividend yield (%)	2.1	4.0	3.0	2.6	3.1
Trailing 12 month price/earnings (x)	27.9	18.2	30.2	25.5	23.6
Forward 2020 price/earnings (x)	22.5	8.8	25.0	18.8	21.0
Historical 3 year earnings per share growth per annum (%)	8.0	45.1	4.1	16.7	13.0
Return on equity (%)	23.4	4.8	5.8	15.8	13.8
Operating margin (%)	23.8	9.9	17.4	18.9	16.5
Long Term Debt to Capital (%)	30.4	36.9	46.7	34.3	33.3
Number of Securities	24	13	5	42	497
Weight (%)	62.0	33.0	12.3		

Source: Factset/Fundamentals in sterling using arithmetic averages

Cash is not included

[1] Cellnex Telecom fundamentals are omitted due to large distortions

Top ten contributors to and detractors from absolute performance

	Contribution to NAV %
Top ten contributors	
Novo Nordisk	0.82
Cellnex	0.70
Roche	0.64
Munich Re.	0.59
STMicroelectronics	0.42
Delivery Hero	0.38
RWE	0.35
Bayer	0.34
Getlink	0.33
SIG	0.30
Top ten detractors	
Moncler	-0.12
ASSA Abloy	-0.15
Prosus	-0.21
Nestlé	-0.22
Telecom Italia	-0.29
Vivendi	-0.29
Deutsche Telekom	-0.31
Total	-0.40
Koninklijke Philips	-0.43
Koninklijke DSM	-0.50

Condensed Income Statement

	(Unaudited) Half year ended 31 January 2020			(Unaudited) Half year ended 31 January 2019			(Audited) Year ended 31 July 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
Gains/(losses) from investments held at fair value through profit or loss	**-**	**8,309**	**8,309**	-	(24,624)	(24,624)	-	11,687	11,687
Investment income	**1,049**	**-**	**1,049**	834	-	834	7,830	-	7,830
Other income	**3**	**-**	**3**	8	-	8	10	-	10
Gross revenue and capital gains/ (losses)	**1,052**	**8,309**	**9,361**	842	(24,624)	(23,782)	7,840	11,687	19,527
Management fee (note 4)	**(180)**	**(720)**	**(900)**	(157)	(628)	(785)	(329)	(1,318)	(1,647)
Other administrative expenses	**(226)**	**-**	**(226)**	(220)	-	(220)	(468)	-	(468)
Net return before finance costs and taxation	**646**	**7,589**	**8,235**	465	(25,252)	(24,787)	7,043	10,369	17,412
Finance costs	**(10)**	**(40)**	**(50)**	-	-	-	(7)	(28)	(35)
Net return before taxation	**636**	**7,549**	**8,185**	465	(25,252)	(24,787)	7,036	10,341	17,377
Taxation on net return	**(89)**	**-**	**(89)**	(85)	-	(85)	(904)	-	(904)
Net return after taxation	**547**	**7,549**	**8,096**	380	(25,252)	(24,872)	6,132	10,341	16,473
Return per ordinary share - basic and diluted (note 2)	**2.6p**	**35.6p**	**38.2p**	1.8p	(119.2p)	(117.4p)	29.0p	48.8p	77.8p

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

All revenue and capital items in the above statement derive from continuing operations.

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

The Company had no recognised gains or losses other than those disclosed in the Condensed Income Statement and the Condensed 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 January 2020 (Unaudited)	**Called up share capital £'000**	**Share premium account £'000**	**Capital redemption reserve £'000**	**Other capital reserves £'000**	**Revenue reserve £'000**	**Total shareholders' funds £'000**
As at 1 August 2019	**1,060**	**41,032**	**263**	**223,402**	**8,372**	**274,129**
Net return after taxation	**-**	**-**	**-**	**7,549**	**547**	**8,096**
Final dividend for 2019 paid	**-**	**-**	**-**	**-**	**(4,873)**	**(4,873)**
As at 31 January 2020	**1,060**	**41,032**	**263**	**230,951**	**4,046**	**277,352**

Half year ended 31 January 2019 (Unaudited)						
As at 1 August 2018	1,060	41,032	263	213,061	8,700	264,116
Net return after taxation	-	-	-	(25,252)	380	(24,872)
Final dividend for 2018 paid	-	-	-	-	(4,767)	(4,767)
As at 31 January 2019	1,060	41,032	263	187,809	4,313	234,477

Year ended 31 July 2019 (Audited)						
As at 1 August 2018	1,060	41,032	263	213,061	8,700	264,116
Net return after taxation	-	-	-	10,341	6,132	16,473
Final dividend for 2018 paid	-	-	-	-	(4,767)	(4,767)
Interim dividend for 2019 paid	-	-	-	-	(1,695)	(1,695)
Refund of unclaimed dividends over 12 years old	-	-	-	-	2	2
As at 31 July 2019	1,060	41,032	263	223,402	8,372	274,129

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

Condensed Statement of Financial Position

	(Unaudited) 31 January 2020 £'000	(Unaudited) 31 January 2019 £'000	(Audited) 31 July 2019 £'000
Fixed asset investments held at fair value through profit or loss	**296,580**	236,592	275,693
Current assets			
Debtors	**1,558**	1,265	1,639
Cash at bank and in hand	**4,716**	1,050	1,775
	6,274	2,315	3,414
Creditors: amounts falling due within one year (note 6)	**(25,502)**	(4,430)	(4,978)
Net current liabilities	**(19,228)**	(2,115)	(1,564)
Net assets	**277,352**	234,477	274,129
Capital and reserves			
Called up share capital	**1,060**	1,060	1,060
Share premium account	**41,032**	41,032	41,032
Capital redemption reserve	**263**	263	263
Capital reserves	**230,951**	187,809	223,402
Revenue reserve	**4,046**	4,313	8,372
Equity shareholders' funds	**277,352**	234,477	274,129
Net asset value per ordinary share - basic and diluted (note 3)	**1,309.2p**	1,106.8p	1,293.9p

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

NOTES TO THE 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", issued 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 31 July 2019. These financial statements have been neither audited nor reviewed by the Company's auditors.

As an investment fund the Company has the option, which it has taken, not to present a cash flow statement. A cash flow statement is not required when an investment fund meets all the following conditions: substantially all of the entity's investments are highly liquid and are carried at market value; and where a statement of changes in equity is provided.

2. **Return per ordinary share**

The return per ordinary share is based on the following figures:

	(Unaudited) Half year ended 31 January 2020 £'000	(Unaudited) Half year ended 31 January 2019 £'000	(Audited) Year ended 31 July 2019 £'000
Revenue return	**547**	380	6,132
Capital return	**7,549**	(25,252)	10,341
	----------	----------	----------
Total	**8,096**	(24,872)	16,473
	======	======	======
Weighted average number of ordinary shares	**21,185,541**	21,185,541	21,185,541
Revenue return per ordinary share	**2.6p**	1.8p	29.0p
Capital return per ordinary share	**35.6p**	(119.2p)	48.8p
	-----------	-----------	----------
Total return per ordinary share	**38.2p**	(117.4p)	77.8p
	======	======	======

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

3. **Net asset value per ordinary share**

Net asset value per ordinary share is based on 21,185,541 (half year ended 31 January 2019: 21,185,541; year ended 31 July 2019: 21,185,541) ordinary shares in issue.

4. **Management and performance fees**

Management fees are charged in accordance with the terms of the management fee agreement, and provided for when due. With effect from 1 January 2019, the performance fee arrangements were removed. No performance fee had been earned at the date on which the arrangements were removed or at 31 January 2019 and 31 July 2019.

From 1 January 2019, the base management fee has been calculated at the rate of 0.65% per annum of net assets up to £300 million and 0.55% for net assets above £300 million, payable quarterly in arrears. Prior to 1 January 2019, the base management fee was calculated at the rate of 0.65% per annum of net assets up to £250 million and 0.55% for net assets above £250 million, payable quarterly in arrears.

5. **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 January 2020	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Equity investments	296,580	-	-	**296,580**
Total financial assets carried at fair value	296,580	-	-	**296,580**

Financial Assets held at fair value through profit or loss at 31 July 2019	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	275,693	-	-	275,693
Total financial assets carried at fair value	275,693	-	-	275,693

Financial Assets held at fair value through profit or loss at 31 January 2019	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	236,592	-	-	236,592
Total financial assets carried at fair value	236,592	-	-	236,592

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 31 July 2019.

6. **Bank loan**

At 31 January 2020, the Company had drawn down £23,552,000 (half year ended 31 January 2019: £1,745,000; year ended 31 July 2019: £3,641,000) of its £25 million multi-currency loan facility.

7. **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 12 months from the date of approval of the financial statements. Having assessed these factors and the principal risks, the Board has determined that it is appropriate for the financial statements to be prepared on a going concern basis.

8. **Related party transactions**

The Company's transactions with related parties in the period under review were with its Directors and the Manager. There have been no material transactions between the Company and its Directors during the half year and the only amounts paid to them were in respect of expenses and remuneration for which there were no outstanding amounts payable at the half year end. Directors' shareholdings are disclosed in the Annual Report.

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 material transactions with the Manager affecting the financial position of the Company during the half year under review.

9. **Dividends**

An interim dividend of 8.0p (2019: 8.0p) per ordinary share has been declared payable from revenue on 24 April 2020 to shareholders on the Register of Members on 14 April

2020. The Company's shares will be quoted ex-dividend on 9 April 2020. Based on the number of shares in issue on 2 April 2020, the cost of the dividend is £1,695,000.

10. **Share capital**
At 31 January 2020, there were 21,205,541 shares in issue, of which 20,000 are held in treasury, resulting in 21,185,541 shares being entitled to a dividend. During the period ended 31 January 2020, no shares were issued or repurchased (half year ended 31 January 2019 and year ended 31 July 2019: no shares were issued or repurchased). No shares have been issued or repurchased since 31 January 2020.

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 January 2020 and 31 January 2019 has not been audited or reviewed by the Company's auditors. The figures and financial information for the year ended 31 July 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 report of the auditors which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

12. **General information**

Company status
Henderson EuroTrust plc
Registered as an investment company in England and Wales.
Registration Number: 2718241
Registered Office: 201 Bishopsgate, London EC2M 3AE

SEDOL Number: 0419929
ISIN number: GB0004199294
London Stock Exchange (TIDM) Code: HNE
Global Intermediary Identification Number (GIIN): P560WP.99999.SL.826
Legal Entity Identifier (LEI) Number: 213800DAFFNXRBWOEF12

Directors and Corporate Secretary
The Directors of the Company are Nicola Ralston (Chairman), Katya Thomson (Chairman of the Audit Committee), Stephen King, Rutger Koopmans and David Marsh. 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.hendersoneurotrust.com.

13. **Half Year Report**
The Half Year Report is available in typed format on the Company's website, www.hendersoneurotrust.com or from the Company's registered office, 201 Bishopsgate, London EC2M 3AE. An abbreviated version, the 'Update', will be circulated to shareholders in early April.

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 report.