

Company number: SC015905

# HENDERSON ALTERNATIVE STRATEGIES TRUST PLC

## INTERIM REPORT

(unaudited)

for the six-month period ended 30 September 2018

**HENDERSON ALTERNATIVE STRATEGIES TRUST PLC**  
**Unaudited Results for the Six-Month Period Ended 30 September 2018**

Following the change of the Company's year end to 31 March from 30 September, this shareholder update reports on a second set of interim results covering the six months to 30 September 2018 and the 12 months ended 30 September 2018.

**INVESTMENT OBJECTIVE**

The Company exploits global opportunities not normally readily accessible in one vehicle to provide long-term growth to shareholders via a diversified, international, multi-strategy portfolio which also offers access to specialist funds including hedge and private equity. The Company aims to outperform the FTSE World Total Return Index on a total return basis (a combination of income and capital growth) in Sterling terms.

Performance	Six months ended		Year ended
	(Unaudited) 30 September 2018	(Unaudited) 31 March 2018	(Audited) 30 September 2017
Net asset value (NAV) per ordinary share	<b>344.8p</b>	329.3p	335.4p
Total return per ordinary share	<b>15.58p</b>	(1.42p)	32.20p
Share price per ordinary share	<b>278.0p</b>	272.0p	291.5p
Market capitalisation	<b>£107.5m</b>	£105.2m	£112.7m
Discount	<b>19.4%</b>	17.4%	13.1%
Dividend	<b>5.00p<sup>1</sup></b>	-	4.75p

**Total Return Performance to 30 September 2018** (including dividends reinvested and excluding transaction costs)

	6 months %	1 year %	3 years %	5 years %	10 years %
NAV <sup>2</sup>	4.7	4.2	31.0	26.3	14.9
Share price <sup>3</sup>	2.2	(3.1)	32.9	22.2	(3.1)
Benchmark <sup>4</sup>	13.8	14.2	72.9	95.1	221.9
Peer Group <sup>5</sup>	3.4	1.9	29.1	30.7	88.8

1. 2018 interim dividend
2. Net asset value total return per ordinary share with income reinvested for six months and one, three and five years, and capital NAV plus income reinvested for ten years
3. Share price total return using mid-market closing price
4. FTSE World Total Return Index in Sterling terms
5. Flexible Investment sector share price total return

Sources: Morningstar Direct, Datastream, Janus Henderson, Association of Investment Companies ('AIC')

**HENDERSON ALTERNATIVE STRATEGIES TRUST PLC**  
**Unaudited Results for the Six-Month Period Ended 30 September 2018**

**CHAIRMAN'S STATEMENT**

**Performance**

Global stock markets in the developed world made strong returns during the six-month period to 30 September 2018, led by the US and in particular technology stocks. In contrast, developing markets saw material losses as a stronger US dollar increased concerns over funding costs, especially in Argentina and Turkey, which saw their borrowing costs spike and currencies plunge. Meanwhile, rising interest rates in the US, and inflation more broadly, led to losses for holders of government bonds. Against this backdrop, the Company generated a 4.7% NAV total return over the period. This compares to a 13.8% total return from its benchmark, the FTSE World Total Return Index (in Sterling). Disappointingly, the Company share price total return was 2.2% during the period, reflecting some widening of the discount. While the NAV return is some way behind the benchmark for the period, deviations are to be expected given the very different composition of the Company's portfolio to the benchmark. The Board believes that the Company's performance should only be judged against the benchmark on a long-term basis.

**Share price discount**

The average share price discount to NAV was 17.8% over the period, beginning slightly narrower than this and ending slightly wider at 19.4%. While we had hoped that the Company's differentiated approach and steady NAV appreciation might lead to a tighter discount, the Board has observed that discounts have widened overall across investment trusts with emerging market, private equity and hedge fund exposure.

**Dividend**

The Board has declared an interim dividend of 5.00p (2017: 4.75p) in respect of the first 12 months (1 October 2017 to 30 September 2018) of the current financial year, payable on 31 January 2019. This represents a 5% increase on the dividend in respect of the prior 12-month period.

With our financial year being extended to 31 March 2019, the Board then intends to declare a final dividend, i.e. in respect of the last 6 months (1 October 2018 to 31 March 2019), in July 2019. Given the relative time periods, the final dividend, all other things being equal, is likely to be a correspondingly smaller amount than the interim dividend.

For future financial years after 31 March 2019, the Board expects to revert to declaring a single dividend in or around July after the end of each financial year. The Board will take account of any special dividends received and, barring any unforeseen circumstances, intends to maintain dividend levels or follow a progressive dividend policy when comparing equivalent 12-month periods, using accumulated revenue reserves where necessary.

The Company's shares will trade ex-dividend on 13 December 2018.

**Outlook**

Volatility picked up markedly in October, thereby reminding investors that markets do not just go up in a straight line. As in January this year, the correction in global stock markets was apparently precipitated by rising US government bond yields, but the sharpness and speed of the fall was surprising to many. The concurrent losses in both equities and fixed income also served as a reminder that a simple balanced portfolio of stocks and bonds may not prove as robust as it has in recent years defined by falling interest rates and quantitative easing. With the US Federal Reserve continuing to raise interest rates and to shrink its balance sheet and the European Central Bank also looking to shift to a less accommodative monetary policy, we can expect uncertain times ahead for mainstream assets. With this in mind, the Board continues to believe that the Company's mandate to invest in alternative and specialist assets and strategies is an attractive one for investors looking to diversify away from more traditional investments.

**Richard Gubbins**  
**Chairman**  
**4 December 2018**

**HENDERSON ALTERNATIVE STRATEGIES TRUST PLC**  
**Unaudited Results for the Six-Month Period Ended 30 September 2018**

**FUND MANAGERS' REPORT**

**Performance**

Market returns in the period under review and immediately following the period in October have aptly illustrated how different our portfolio is to the benchmark. The NAV return of 4.7% versus 13.8% from the benchmark over the period at first glance appears a little underwhelming but is readily understandable given the narrow focus of the market moves, driven by a relatively small group of US equities. The purpose of HAST is to provide investors with something they do not already own elsewhere in their portfolios. This differentiated set of investments enabled us to perform relatively well and retain value in what turned out to be a fairly chastening episode for mainstream markets.

While the small widening in the discount over the period appears to be general noise around the three-year average discount of around 17%, we remain committed to bringing the Company's share price structurally closer to NAV. We believe the most effective ways to achieve this are: ongoing NAV growth, even in challenging markets; active marketing and communication with shareholders; enhanced holdings disclosure; and improved portfolio liquidity.

**Performance contribution**

Positive performance came from a number of themes and idiosyncratic stories. Our healthcare and biotech equity funds made attractive returns, while property funds focused on Germany and Cuba made decent gains. Our listed private equity assets continued to perform well, underpinned by robust underlying NAV returns, while our distressed debt holdings made more progress towards a full realisation of their portfolios. Meanwhile, Mantra Secondary Opportunities underwent a significant valuation uplift and property developer and REIT manager Sigma Capital Group PLC gained strongly as earnings grew rapidly.

On the negative side, our emerging markets exposure was the biggest drag on returns. Losses were experienced on the equity side, via the KLS Sloane Robinson Emerging Markets Fund, and on the debt side, through the Ashmore SICAV Emerging Markets Local Currency Fund. The Schroder GAIA Indus PacificChoice Asia Fund also struggled owing to concerns over trade wars centering on Asian supply chains. On a stock-specific basis, Eurovestech was marked down by roughly a third as a handful of shares were traded at an extremely large discount to the latest NAV. Listed US private equity firm Safeguard Scientifics Inc gave back recent gains as its realisation process got off to a disappointing start.

**Portfolio activity**

Generally speaking, we continued to position the portfolio more defensively. Our view at the outset of the year was that markets had come a long way, valuations looked stretched and the tailwinds of synchronous global growth, low inflation and ultra-easy monetary policy were likely to fade. There was little turnover in names among our core holdings but the emphasis was placed on trimming the winners and backing the laggards that we expect to do well in more volatile markets, either in relative or absolute terms.

The largest new holding, the Bank of America Merrill Lynch Commodities Strategy, represented 4.3% of NAV at investment. This commodities strategy is market-neutral strategy with returns which are not normally dependent on commodity prices appreciating (or depreciating). It is a purely systematic approach which makes returns from various inefficiencies or 'risk premia' in commodity futures markets. It is a strategy with which we are very familiar and which has generated attractive annualised returns over an extended period, with relatively low volatility and minimal correlation to equities, bonds or commodities themselves.

We also took part in a placing for listed UK warehouse fund Urban Logistics REIT PLC. This is a clear structural growth story with the exponential rise in online retail and, although a fairly well understood theme, we think that its highly experienced manager has the wherewithal to continue to generate within its chosen niche double-digit returns over the next few years from keener pricing and good asset management.

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The final 'new' addition was, in reality a re-investment in the Ashmore SICAV Emerging Markets Short Duration Fund. The troubles in emerging markets are widely known, and largely confined to Argentina and Turkey, but sentiment has turned very negative across the asset class and this is usually the time to give managers such as Ashmore capital to allocate where it sees interesting opportunities emerge. We also topped up the Ashmore SICAV Emerging Markets Local Currency Fund. On a longer-term view, we expect to make attractive returns.

Since the beginning of April we also topped up Safeguard Scientifics Inc and the Axiom European Financial Debt Fund Ltd. Safeguard investors have reacted negatively to the first tranche of exits in the company's wind-up plans but we see significant value ahead, while Italian political risk has created some very interesting opportunities in European financial bonds. Axiom raised new capital with which to exploit this. Finally, Mantra Secondary Opportunities and Renewable Energy And Infrastructure Fund II made further capital calls.

In terms of exits, we sold EF Realisation Co Ltd after a very strong run. We knew we might be foregoing some gains when we sold but this was an illiquid holding and there was a material risk that we would end up with an in specie transfer of the holdings in the fund as it neared its wind-up date. 3i Infrastructure PLC, part of our tactical trade in UK infrastructure names, was sold having generated a return of around 12% in just four months. The other full exit was from Blackstone GSO Loan Financing Ltd. This was part of a more general de-risking, where we have reduced exposure to assets and strategies that are more sensitive to investor sentiment, such as structured credit and listed private equity. Meanwhile, we trimmed Baring Vostok, Blackrock European Hedge Fund and Biotech Growth Trust, taking profits and managing position sizes.

#### **CEIBA Investments Ltd**

Since the period end, in October, our Cuban property fund (5.6% of NAV), CEIBA, listed on the Specialist Fund Segment of the Main Market of the London Stock Exchange. It managed to attract £30m of new capital and listed with a market capitalisation of c£137m. These fresh funds will allow CEIBA to undertake some new development and increase the potential returns of the portfolio at a time when Cuba is opening up to foreign investment. The re-listing of CEIBA validates our policy of treating each investment on its own merits and not undertaking a fire sale after taking on the mandate. Under the aegis of a well-respected emerging markets investor such as Aberdeen Standard, we expect CEIBA to go from strength to strength as a listed vehicle. Importantly for the Company, this means that the overall liquidity profile improves and this can have an impact on our rating. This brings the 'Unlisted – without redemption rights' down from 18% to 12% post period end.

#### **Portfolio classifications**

As part of our drive to improve the transparency and clarity of the portfolio, we have decided to re-classify our portfolio holdings. By grouping our investments by commonly understood asset classes, we believe that investors will get a better sense of what is in the portfolio and its key drivers and sensitivities. Some classifications will remain the same, such as Private Equity, Hedge Funds and Property. We now also include Commodities, Public Equity and Credit, while jettisoning the less helpful categories of Specialist Sector and Specialist Geography.

While Public Equity and Credit are not alternative asset classes, the composition of our investments in these sectors will vary greatly from traditional allocations to equities and bonds. Here our focus is on niche strategies and sectors, often managed by dedicated specialists, or in more tactical areas of the broader market, where we see particular value and/or a catalyst. These investments are, however, equities and bonds and it is important to describe them as such to enable investors to understand our portfolio's sensitivity to key factors such as earnings growth, market multiples, credit spreads and interest rates.

This does not impact any of our portfolio maximum limits, which remain in place at: 35% in Private Equity; 30% in Hedge Funds; 20% in Property or any other sector; and 50% in Emerging Markets.

**HENDERSON ALTERNATIVE STRATEGIES TRUST PLC**  
**Unaudited Results for the Six-Month Period Ended 30 September 2018**

**Outlook**

The period after the end of this six-month review saw risk aversion spike. An uptick in market volatility is not necessarily a bad thing for this Company's strategy. While we may see a lot of red on our screens, we also see a lot of opportunity. So too do the underlying managers to whom we allocate capital. This is particularly evident in the Hedge Funds sleeve, where managers run unconstrained mandates and can nimbly increase and decrease risk levels as well as their sizing of holdings in individual stocks. At the other end of the spectrum our Private Equity managers have the luxury of looking through the noise of daily market volatility and focusing on generating attractive long-term returns. Our flexibility to blend assets and strategies with different return drivers and sensitivities allows us to build a robust portfolio. We believe these characteristics will appeal increasingly to new and existing investors as monetary policy becomes less accommodative globally and there is increased uncertainty as to how long this economic cycle will last.

**James de Bunsen and Peter Webster**  
**Fund Managers**  
**4 December 2018**

<b>Investment category</b>	<b>Characteristics</b>
Private Equity	<ul style="list-style-type: none"><li>• Access to early-stage, high-growth companies and buy-outs</li><li>• Historically outperforms listed markets over the long term</li></ul>
Public Equity	<ul style="list-style-type: none"><li>• Allocate selectively to secular growth and tactical opportunities</li><li>• Leverage from multi-asset team to invest by sector or geography</li></ul>
Hedge Funds	<ul style="list-style-type: none"><li>• Access to a diversified pool of different strategies</li><li>• Strategies can protect capital during volatile periods</li></ul>
Credit	<ul style="list-style-type: none"><li>• Bank disintermediation has led to growth in alternative finance providers</li><li>• Caution required as many new strategies yet to be tested</li></ul>
Property	<ul style="list-style-type: none"><li>• Focus away from UK prime commercial property markets</li><li>• Specific growth sectors help reduce beta to global property values</li></ul>
Commodities	<ul style="list-style-type: none"><li>• Potential for uncorrelated returns</li><li>• Market inefficiencies can be exploited</li></ul>

**HENDERSON ALTERNATIVE STRATEGIES TRUST PLC**  
**Unaudited Results for the Six-Month Period Ended 30 September 2018**

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties facing the Company are market related and include market price, foreign exchange, interest rate, liquidity and credit risk. The Company may also be affected by economic and political conditions.

Information on these risks is given in the Annual Report for the year ended 30 September 2017. In the view of the Board these principal risks and uncertainties are applicable to the remainder of the 18-month period ending 31 March 2019 as they were to the period under review.

**RELATED PARTY TRANSACTIONS**

Other than the relationship between the Company and its Directors, the provision of services by Janus Henderson is the only related party arrangement currently in place as defined in the Listing Rules. Other than fees payable by the Company in the ordinary course of business and the provision of sales and marketing services, there have been no material transactions with the Company's related parties 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 financial statements for the period ended 30 September 2018 have been prepared in accordance with FRS 104 Interim Financial Reporting;
- 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 remainder of the 18-month period ending 31 March 2019); and
- c) the Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

**For and on behalf of the Board**  
**Richard Gubbins**  
**Chairman**

**HENDERSON ALTERNATIVE STRATEGIES TRUST PLC**  
**Unaudited Results for the Six-Month Period Ended 30 September 2018**

<b>INVESTMENT PORTFOLIO</b>		<b>Market Value</b>	<b>Portfolio</b>
<b>Investments</b>	<b>Focus</b>	<b>£'000</b>	<b>%</b>
Mantra Secondary Opportunities <sup>4</sup>	Private Equity	7,592	5.9
CEIBA Investments Limited <sup>4&amp;5</sup>	Property	7,292	5.6
BlackRock European Hedge Fund Limited <sup>3</sup>	Hedge Funds	6,886	5.3
Riverstone Energy Limited <sup>1</sup>	Private Equity	5,611	4.3
Bank of America Merrill Lynch Commodity <sup>3</sup>	Commodities	5,553	4.3
Summit Germany Limited <sup>1</sup>	Property	5,359	4.1
Majedie Asset Management Tortoise Fund <sup>3</sup>	Hedge Funds	5,204	4.0
Schroder GAIA Indus PacifiChoice Asia Fund <sup>3</sup>	Hedge Funds	5,199	4.0
KLS Sloane Robinson Emerging Market Equity Fund <sup>3</sup>	Public Equity	4,890	3.8
Polar Capital Global Financials Trust plc <sup>1</sup>	Public Equity	4,750	3.7
<b>Ten largest</b>		<b>58,336</b>	<b>45.0</b>
Baring Vostok Investments Limited Core <sup>2</sup>	Private Equity	4,721	3.6
Harbourvest Global Private Equity Limited <sup>1</sup>	Private Equity	4,572	3.5
Helium Selection Fund <sup>3</sup>	Hedge Funds	4,515	3.5
The Biotech Growth Trust <sup>1</sup>	Public Equity	4,467	3.4
Sagil Latin America Opportunities Fund <sup>3</sup>	Hedge Funds	4,262	3.3
Ashmore SICAV Emerging Markets Local Currency Broad Fund <sup>3</sup>	Credit	3,972	3.1
NB Distressed Debt Investment Fund Limited - Global Shares <sup>1</sup>	Credit	3,692	2.8
Worldwide Healthcare Trust Plc <sup>1</sup>	Public Equity	3,605	2.8
Renewable Energy and Infrastructure Fund II <sup>4</sup>	Private Equity	3,569	2.8
Safeguard Scientifics, Inc <sup>1</sup>	Private Equity	3,383	2.6
<b>Twenty largest</b>		<b>99,094</b>	<b>76.4</b>
Axiom European Financial Debt Fund Limited <sup>1</sup>	Credit	3,159	2.4
Urban Logistics REIT <sup>1</sup>	Property	2,987	2.3
Tetragon Financial Group Limited <sup>1</sup>	Public Equity	2,892	2.2
Ashmore SICAV Emerging Markets Short Duration Fund <sup>3</sup>	Credit	2,604	2.0
Eurovestech plc <sup>2</sup>	Private Equity	2,343	1.8
Sigma Capital Group PLC <sup>1</sup>	Public Equity	2,234	1.7
Standard Life Private Equity Trust Plc <sup>1</sup>	Private Equity	2,077	1.6
Princess Private Equity Holding Limited <sup>1</sup>	Private Equity	2,004	1.6
Toro Limited <sup>1</sup>	Credit	1,938	1.5
Amber Trust SCA <sup>4</sup>	Private Equity	1,528	1.2
<b>Thirty largest</b>		<b>122,860</b>	<b>94.7</b>
Century Capital Partners IV L.P. <sup>4</sup>	Private Equity	1,425	1.1
Firebird Republics Fund SPV <sup>4</sup>	Private Equity	1,342	1.0
NB Distressed Debt Investment Fund Limited - Extended Life Shares <sup>1</sup>	Credit	1,037	0.8
HICL Infrastructure Company Limited <sup>1</sup>	Public Equity	1,017	0.8
International Public Partnerships Limited <sup>1</sup>	Public Equity	971	0.8
ASM Asian Recovery Fund <sup>4</sup>	Hedge Funds	765	0.6
Value Catalyst Fund Limited <sup>4</sup>	Private Equity	99	0.1
Armadillo Investments Limited <sup>4</sup>	Private Equity	70	0.1
Zouk Solar Opportunities Limited <sup>4</sup>	Private Equity	40	0.0
Prosperity Voskhod Fund Limited <sup>4</sup>	Private Equity	3	0.0
<b>Forty largest</b>		<b>129,629</b>	<b>100.0</b>
Other investments	Various	0	
Cash and other net current assets	Cash	3,750	
<b>Net assets</b>		<b>133,379</b>	

1. Listed on major market
2. Listed on minor market
3. Unlisted investment - with redemption rights
4. Unlisted investment - without redemption rights
5. Since the period end CEIBA listed on the Specialist Fund Segment of the Main Market of the London Stock Exchange



**HENDERSON ALTERNATIVE STRATEGIES TRUST PLC**  
**Unaudited Results for the Six-Month Period Ended 30 September 2018**

**Investment by geography on a look-through basis**

	<b>30 September</b>	
	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
Western Europe	<b>31</b>	31
North America	<b>30</b>	31
Developing Markets	<b>21</b>	23
Miscellaneous	<b>10</b>	5
Cash <sup>1</sup>	<b>4</b>	4
Japan, Australia, New Zealand	<b>4</b>	6
	-----	-----
	<b>100</b>	100
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**Investment by sector on a look-through basis**

	<b>30 September</b>	
	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
Property	<b>17</b>	14
Miscellaneous	<b>15</b>	17
Financial Services and Banks	<b>13</b>	11
Healthcare and Education	<b>12</b>	12
Technology and Media	<b>11</b>	11
Personal Goods and Retail	<b>7</b>	9
Oil & Gas	<b>7</b>	8
Infrastructure and Transport	<b>5</b>	3
Cash <sup>1</sup>	<b>4</b>	4
Industrial Goods and Services	<b>3</b>	4
Utilities and Telecoms	<b>3</b>	3
Basic Resources	<b>2</b>	2
Insurance	<b>1</b>	2
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	<b>100</b>	100
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<sup>1</sup> Cash held in underlying investments

**Value of investment by vehicle type**

<b>Category of Listing</b>	<b>30 September</b>	
	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
Listed – major exchange <sup>1</sup>	<b>43</b>	45
Listed – minor exchange	<b>6</b>	7
Unlisted – with redemption rights	<b>33</b>	30
Unlisted – without redemption rights <sup>1</sup>	<b>18</b>	18
	-----	-----
	<b>100</b>	100
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**Value of investment by classification**

<b>Investment Focus</b>	<b>30 September</b>	
	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
Private Equity	<b>31</b>	33
Hedge	<b>21</b>	23
Public Equity	<b>19</b>	17
Property	<b>12</b>	9
Credit	<b>13</b>	18
Commodities	<b>4</b>	-
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	<b>100</b>	100
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<sup>1</sup> Note CEIBA listed post period end, increasing Listed – major exchange to 49% and decreasing Unlisted – without redemption rights to 12%.

**HENDERSON ALTERNATIVE STRATEGIES TRUST PLC**  
**Unaudited Results for the Six-Month Period Ended 30 September 2018**

**CONDENSED INCOME STATEMENT**

	(Unaudited)			(Unaudited)		
	Six months ended			Six-months ended		
	30 September 2018			30 September 2017		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Investment income	748	-	748	938	-	938
Exchange differences	-	(31)	(31)	-	(11)	(11)
Gains on investments held at fair value through profit or loss	-	5,894	5,894	-	3,877	3,877
<b>Total income/gains</b>	<b>748</b>	<b>5,863</b>	<b>6,611</b>	<b>938</b>	<b>3,866</b>	<b>4,804</b>
<b>Expenses</b> (Note 2)						
Management fees	(79)	(318)	(397)	(45)	(405)	(450)
Other expenses	(189)	-	(189)	(239)	-	(239)
<b>Net return before interest and taxation</b>	<b>480</b>	<b>5,545</b>	<b>6,025</b>	<b>654</b>	<b>3,461</b>	<b>4,115</b>
Finance costs	-	-	-	-	-	-
<b>Net return before taxation</b>	<b>480</b>	<b>5,545</b>	<b>6,025</b>	<b>654</b>	<b>3,461</b>	<b>4,115</b>
Taxation	-	-	-	(5)	-	(5)
<b>Net return after taxation</b>	<b>480</b>	<b>5,545</b>	<b>6,025</b>	<b>649</b>	<b>3,461</b>	<b>4,110</b>
<b>Return per ordinary share</b> (Note 3)	<b>1.24p</b>	<b>14.34p</b>	<b>15.58p</b>	<b>1.68p</b>	<b>8.95p</b>	<b>10.63p</b>

**HENDERSON ALTERNATIVE STRATEGIES TRUST PLC**  
**Unaudited Results for the Six-Month Period Ended 30 September 2018**

	(Unaudited) 12 months ended 30 September 2018			(Audited) 12 months ended 30 September 2017		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Investment income	2,607	-	2,607	2,644	-	2,644
Exchange differences	-	69	69	-	(55)	(55)
Gains on investments held at fair value through profit or loss	-	4,051	4,051	-	11,684	11,684
<b>Total income/gains</b>	<b>2,607</b>	<b>4,120</b>	<b>6,727</b>	<b>2,644</b>	<b>11,629</b>	<b>14,273</b>
<b>Expenses (Note 2)</b>						
Management fees	(170)	(681)	(851)	(91)	(821)	(912)
Other expenses	(402)	-	(402)	(442)	-	(442)
<b>Net return before interest and taxation</b>	<b>2,035</b>	<b>3,439</b>	<b>5,474</b>	<b>2,111</b>	<b>10,808</b>	<b>12,919</b>
Finance costs	-	-	-	-	(1)	(1)
<b>Net return before taxation</b>	<b>2,035</b>	<b>3,439</b>	<b>5,474</b>	<b>2,111</b>	<b>10,807</b>	<b>12,918</b>
Taxation	-	-	-	(15)	-	(15)
<b>Net return after taxation</b>	<b>2,035</b>	<b>3,439</b>	<b>5,474</b>	<b>2,096</b>	<b>10,807</b>	<b>12,903</b>
<b>Return per ordinary share</b> (Note 3)	<b>5.26p</b>	<b>8.89p</b>	<b>14.15p</b>	<b>5.23p</b>	<b>26.97p</b>	<b>32.20p</b>

The total columns of this statement represent the Income Statement of the Company, prepared in accordance with FRS 104. The revenue and capital columns are supplementary to this and are published under guidance from the Association of Investment Companies. All revenue and capital returns in the above statement derive from continuing operations. No operations were acquired or discontinued during the six-month period ended 30 September 2018. The Company has no recognised gains or losses other than those recognised in the Income Statement and the Statement of Changes in Equity.

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

**HENDERSON ALTERNATIVE STRATEGIES TRUST PLC**  
**Unaudited Results for the Six-Month Period Ended 30 September 2018**

**CONDENSED STATEMENT OF CHANGES IN EQUITY**

	(Unaudited)					
	12 months ended 30 September 2018					
	Share capital	Share premium	Capital redemption reserve	Other capital reserves	Revenue reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 October 2017	9,670	10,966	8,783	97,255	3,068	129,742
Return attributable to shareholders	-	-	-	3,439	2,035	5,474
Ordinary dividends (Note 4)	-	-	-	-	(1,837)	(1,837)
<b>Balance at 30 September 2018</b>	<b>9,670</b>	<b>10,966</b>	<b>8,783</b>	<b>100,694</b>	<b>3,266</b>	<b>133,379</b>

	(Unaudited)					
	Six months ended 30 September 2018					
	Share capital	Share premium	Capital redemption reserve	Other capital reserves	Revenue reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2018	9,670	10,966	8,783	95,149	2,786	127,354
Return attributable to shareholders	-	-	-	5,545	480	6,025
Balance at 30 September 2018	9,670	10,966	8,783	100,694	3,266	133,379

	(Audited)					
	Year ended 30 September 2017					
	Share capital	Share premium	Capital redemption reserve	Other capital reserves	Revenue reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 October 2016	10,744	10,966	7,709	99,507	3,722	132,648
Return attributable to shareholders	-	-	-	10,807	2,096	12,903
Shares bought back – tender offer	(1,074)	-	1,074	(13,059)	-	(13,059)
Ordinary dividends (Note 4)	-	-	-	-	(2,750)	(2,750)
Balance at 30 September 2017	9,670	10,966	8,783	97,255	3,068	129,742

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

**HENDERSON ALTERNATIVE STRATEGIES TRUST PLC**  
**Unaudited Results for the Six-Month Period Ended 30 September 2018**

**CONDENSED STATEMENT OF FINANCIAL POSITION**

	(Unaudited) 30 September 2018 £'000	(Unaudited) 31 March 2018 £'000	(Audited) 30 September 2017 £'000
<b>Fixed assets</b>			
Investments held at fair value through profit or loss (Note 8)	129,629	122,598	123,690
<b>Current assets</b>			
Investments held at fair value through profit or loss (Note 7)	2,990	1,557	4,718
Debtors	1,132	3,847	1,545
Cash at bank	-	82	155
<b>Total current assets</b>	4,122	5,486	6,418
Creditors: amounts falling due within one year	(372)	(730)	(366)
<b>Net current assets</b>	3,750	4,756	6,052
<b>Total assets less current liabilities</b>	133,379	127,354	129,742
<b>Equity attributable to equity shareholders:</b>			
Called up share capital (Note 5)	9,670	9,670	9,670
Share premium	10,966	10,966	10,966
Capital redemption reserve	8,783	8,783	8,783
Capital reserves	100,694	95,149	97,255
Revenue reserve	3,266	2,786	3,068
<b>Total equity shareholders' funds</b>	133,379	127,354	129,742
<b>Net asset value per ordinary share (pence) (Note 6)</b>	344.84	329.26	335.44

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

**HENDERSON ALTERNATIVE STRATEGIES TRUST PLC**  
**Unaudited Results for the Six-Month Period Ended 30 September 2018**

**CONDENSED CASH FLOW STATEMENT**

	(Unaudited) 12 months ended 30 September 2018 £'000	(Unaudited) Six months ended 30 September 2018 £'000	(Audited) 12 months ended 30 September 2017 £'000
<b>Cash flows from operating activities</b>			
Net return before taxation	5,474	6,025	12,918
Add back: finance costs	-	-	1
Gains on investments held at fair value through profit or loss	(4,051)	(5,894)	(11,684)
Withholding tax on dividends deducted at source	-	-	(15)
Increase in prepayments and accrued income	(457)	(5)	(381)
Increase in accruals and deferred income	6	(29)	32
Exchange movements: cash and cash equivalents	-	15	-
<b>Net cash inflow from operating activities</b>	<b>972</b>	<b>112</b>	<b>871</b>
<b>Cash flows from investing activities</b>			
Purchases of investments held at fair value through profit or loss	(22,350)	(11,736)	(36,122)
Sales of investments held at fair value through profit or loss	21,332	12,990	33,068
Purchases of current asset investments held at fair value through profit or loss	(22,626)	(13,538)	(27,631)
Sales of current asset investments held at fair value through profit or loss	24,354	12,105	45,781
<b>Net cash inflow/(outflow) from investing activities</b>	<b>710</b>	<b>(179)</b>	<b>15,096</b>
<b>Cash flows from financing activities</b>			
Share buybacks	-	-	(13,059)
Equity dividends paid	(1,837)	-	(2,750)
Interest paid	-	-	(1)
<b>Net cash outflow from financing activities</b>	<b>(1,837)</b>	<b>-</b>	<b>(15,810)</b>
Net (decrease)/increase in cash and equivalents	(155)	(67)	157
Cash and cash equivalents at beginning of period	155	82	(2)
Exchange movements	-	(15)	-
<b>Cash and cash equivalents at end of period</b>	<b>-</b>	<b>-</b>	<b>155</b>
Comprising:			
Cash held at bank	-	-	155

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

**HENDERSON ALTERNATIVE STRATEGIES TRUST PLC**  
**Unaudited Results for the Six-Month Period Ended 30 September 2018**

**NOTES**

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

**1. Accounting Policies**

The condensed financial statements have been prepared in accordance with FRS 104 Interim Financial Reporting, issued in March 2015, the revised reporting standard for half-year reporting that was issued following the introduction of FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, which is effective for periods commencing on or after 1 January 2015. The "Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts", in accordance with which the Company's financial statements are also prepared, was updated by the Association of Investment Companies in November 2014 and February 2018 with consequential amendments.

The condensed set of financial statements has been neither audited nor reviewed by the Company's auditors.

As previously announced, the Company has changed its year-end from 30 September to 31 March, with the first period of this new reporting cycle being the 18-month period to 31 March 2019. Accordingly, the next financial statements to be produced will be for the year ended 31 March 2019.

**2. Expenses and Management Fees**

Henderson Investment Funds Limited ('Henderson') received a management fee of 0.60% per annum on the first £250,000,000 of net chargeable assets and 0.55% per annum, in excess thereof, payable quarterly in arrears based on the level of net chargeable assets at the relevant quarter end. Prior to 1 April 2018, the rate was 0.70% per annum, payable quarterly in arrears based on the level of net chargeable assets at the relevant quarter end.

With effect from 1 October 2017, investment management fees and finance costs were allocated 80% to capital and 20% to revenue. Fees had previously been allocated 90% to capital and 10% to revenue. This change reflects the Company's revised view of the appropriate long-term revenue/capital allocation.

**HENDERSON ALTERNATIVE STRATEGIES TRUST PLC**  
**Unaudited Results for the Six-Month Period Ended 30 September 2018**

**3. Return/(loss) per Ordinary Share**

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

	(Unaudited) Six months ended 30 September 2018 £'000	(Unaudited) Six months ended 30 September 2017 £'000
Net revenue return	480	649
Net capital return	5,545	3,461
Total return	<b>6,025</b>	4,110

Weighted average number of ordinary shares in issue during the period

	38,678,638	38,678,638
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	Pence	Pence
Revenue profit per ordinary share	1.24	1.68
Capital return per ordinary share	14.34	8.95
Total return per ordinary share	<b>15.58</b>	10.63

	(Unaudited) 12 months ended 30 September 2018 £'000	(Audited) 12 months ended 30 September 2017 £'000
Net revenue return	2,035	2,096
Net capital return	3,439	10,807
Total return	<b>5,474</b>	12,903

Weighted average number of ordinary shares in issue during the period

	38,678,638	38,678,638
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	Pence	Pence
Revenue profit per ordinary share	5.26	5.23
Capital return per ordinary share	8.89	26.97
Total return per ordinary share	<b>14.15</b>	32.20

**4. Dividends**

An interim dividend of 5.00p per ordinary share has been declared and will be paid on 31 January 2019 to shareholders on the register of members at the close of business on 14 December 2018. The ex-dividend date is 13 December 2018. Based on the number of shares in issue on 3 December 2018 of 38,678,638, the cost of the dividend will be £1,934,000 (2017: £1,837,000).

The final dividend of 4.75p per ordinary share, paid on 7 February 2018, in respect of the year ended 30 September 2017, has been recognised as a distribution in the 12 months to 30 September 2018.

**5. Called-up Share Capital**

At 30 September 2018 there were 38,678,638 ordinary shares in issue (31 March 2018: 38,678,638; 30 September 2017: 38,678,638). During the six-month period ended 30 September 2018 no shares were bought back (31 March 2018: no shares bought back; 30 September 2017: 4,297,626 ordinary shares bought back pursuant to the 10% Tender offer).

The cost of the shares purchased pursuant to the Tender Offer in January 2017, including stamp duty, amounted to £12,952,000, and a further £107,000 of costs were incurred in connection with the Tender Offer.

**6. Net Asset Value per Ordinary Share**

The net asset value per ordinary share is based on the net assets attributable to the equity shareholders of £133,373,000 (31 March 2018: £127,354,000; 30 September 2017: £129,742,000) and on 38,678,638 ordinary shares (31 March 2018: 38,678,638; 30 September 2017: 38,678,638), being the number of ordinary shares (excluding treasury shares) in issue at the period-end.



**HENDERSON ALTERNATIVE STRATEGIES TRUST PLC**  
**Unaudited Results for the Six-Month Period Ended 30 September 2018**

**7. Current Asset Investments**

The Company has a holding in Deutsche Global Liquidity Managed Platinum Fund, a money market fund which is viewed as a readily disposable store of value and which is used to invest cash balances that would otherwise be placed on short-term deposit. At 30 September 2018 this holding had a value of £2,990,000 (31 March 2018: £1,557,000; 30 September 2017: £4,718,000).

**8. 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 valuation techniques used and are defined as follows:

Level 1: reflects financial instruments quoted in active markets.

Level 2: reflects financial instruments whose fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique of which variables include only data from observable markets. These are principally investments in funds with redemption rights, where the price is based on valuations provided by the fund's administrator, or CFDs, where the price is based on the underlying quoted investment price.

Level 3: reflects financial instruments that trade in markets that are not considered to be active but are valued based on fund administrator prices, dealer quotations or alternative pricing sources supported by unobservable inputs. These include monthly priced funds and quarterly priced limited partnerships.

The Company's application of these levels is explained in the Company's Annual Report for the year ended 30 September 2017.

The valuation techniques used by the Company are explained in the accounting policies note in the Company's Annual Report for the year ended 30 September 2017.

<b>30 September 2018 (unaudited)</b>	<b>Level 1 £'000</b>	<b>Level 2 £'000</b>	<b>Level 3 £'000</b>	<b>Total £'000</b>
<b>Investments</b>	<b>62,819</b>	<b>43,085</b>	<b>23,725</b>	<b>129,629</b>
<b>Current asset investments</b>	<b>2,990</b>	<b>-</b>	<b>-</b>	<b>2,990</b>
<b>Total</b>	<b>65,809</b>	<b>43,085</b>	<b>23,725</b>	<b>132,619</b>
31 March 2018 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments	63,349	37,893	21,356	122,598
Current asset investments	1,557	-	-	1,557
Total	64,906	37,893	21,356	124,155
30 September 2017 (audited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments	65,017	37,293	21,380	123,690
Current asset investments	4,718	-	-	4,718
<b>Total</b>	<b>69,735</b>	<b>37,293</b>	<b>21,380</b>	<b>128,408</b>

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

Subsequent to the period end, the Company's holding in CEIBA Investments Limited ('CEIBA') was transferred from Level 3 to Level 1 as CEIBA listed on the London Stock Exchange on 22 October 2018.

**HENDERSON ALTERNATIVE STRATEGIES TRUST PLC**  
**Unaudited Results for the Six-Month Period Ended 30 September 2018**

**9. Transaction Costs**

Purchase transaction costs for the 12 months ended 30 September 2018 were £10,000 (30 September 2017: £41,000). These comprise mainly stamp duty and commission. Sale transaction costs for the 12 months ended 30 September 2018 were £7,000 (30 September 2017: £21,000).

**10. Comparative Information**

The financial information contained in this interim report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the interim periods ended 30 September 2018 and 31 March 2018 has not been audited.

The information for the year ended 30 September 2017 has been extracted from the statutory accounts for that year, which have been filed with the Registrar of Companies. The report of the auditors on those accounts was unqualified and contained no statement under either section 498(2) or section 498(3) of the Companies Act 2006.

**11. Related Party Transactions**

Other than the relationship between the Company and its Directors, the provision of services by Janus Henderson is the only related party arrangement currently in place as defined in the Listing Rules. Other than fees payable by the Company in the ordinary course of business and the provision of sales and marketing services, there have been no material transactions with the Company's related parties affecting the financial position of the Company during the period under review.

**12. Going Concern**

Having considered the Company's investment objective, risk management and capital management policies and the nature of the portfolio and expenditure projections, 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.

**13. General information**

***Company Status***

The Company is an investment trust company, registered in Scotland with company registration number SC015905.

The SEDOL/ISIN number is GB0001216000

The London Stock Exchange (TIDM) Code is HAST

The Company's Legal Entity Identifier (LEI) is 213800J6LLOCA3CUDF69

The Company's Global Intermediary Identification Number (GIIN) is AEFUI2.99999.SL.826

***Directors, Secretary and Registered Office***

The Directors of the Company are Richard Gubbins (Chairman), Graham Oldroyd (Audit Committee Chairman), Jamie Korner (Senior Independent Director) and Mary-Anne McIntyre.

The Corporate Secretary is Henderson Secretarial Services Limited.

The Registered Office is Leven House, 10 Lochside Place, Edinburgh Park, Edinburgh EH12 9DF.

The correspondence address is Janus Henderson Investors, 201 Bishopsgate, London EC2M 3AE.

***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.hendersonalternativestrategies.com](http://www.hendersonalternativestrategies.com)

**14. Financial Report for the Second Six-Month Period Ended 30 September 2018**

An abbreviated version of the Report for the Six-Month Period, the 'Update', will be circulated to shareholders in December 2018. The Update will also be available on the Company's website, or in hard copy form at the Company's registered office.

**HENDERSON ALTERNATIVE STRATEGIES TRUST PLC**  
**Unaudited Results for the Six-Month Period Ended 30 September 2018**

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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) is incorporated into, or forms part of, this announcement.*