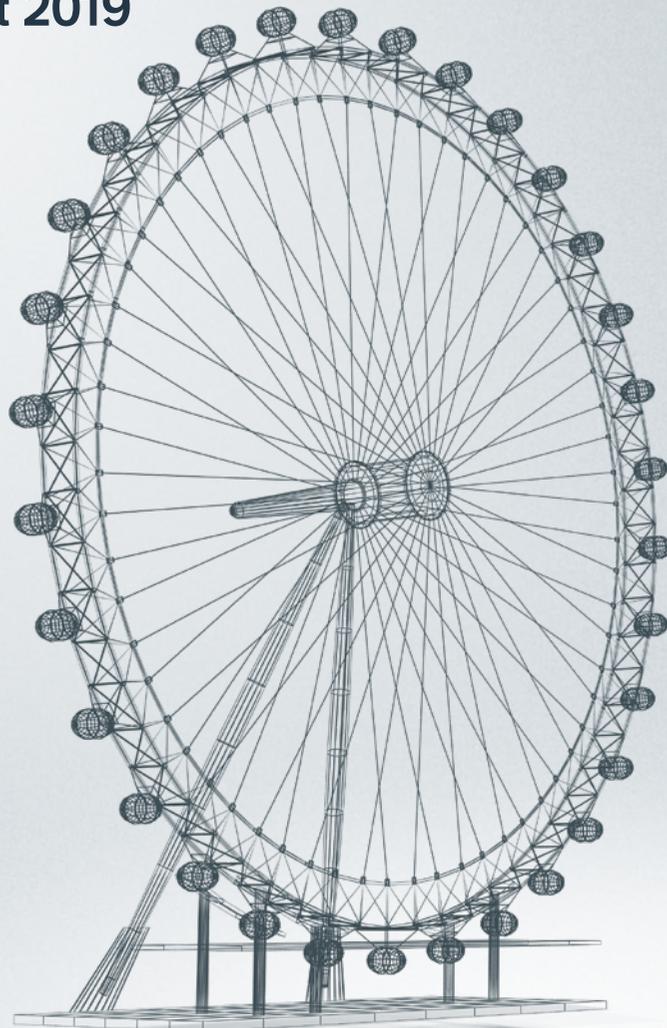


HENDERSON ALTERNATIVE STRATEGIES TRUST PLC

Annual Report 2019



MANAGED BY

Janus Henderson
— INVESTORS —

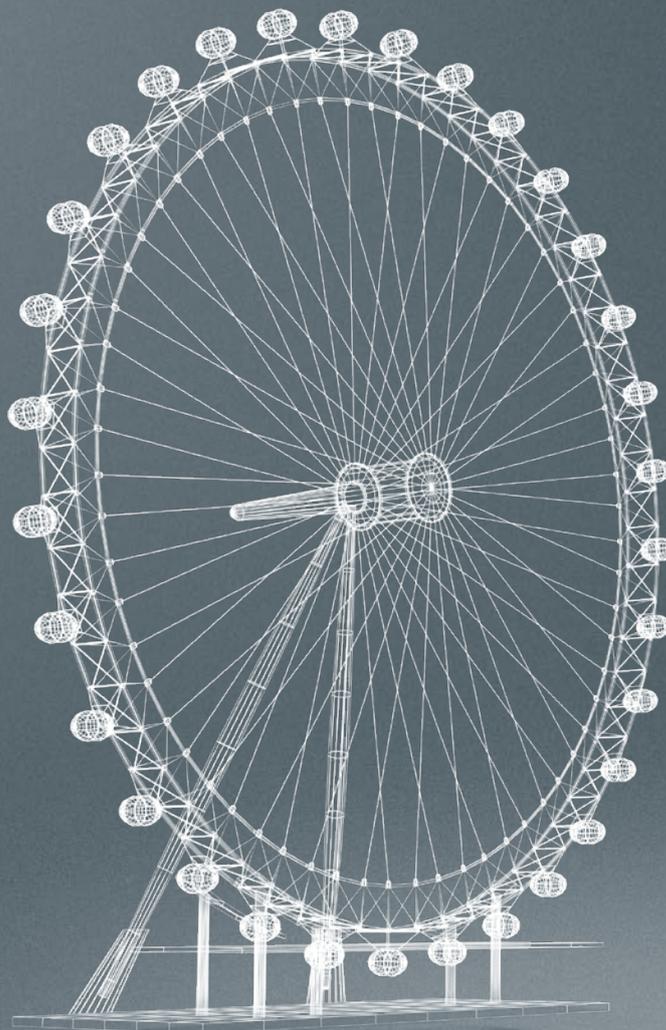
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Strategic Report

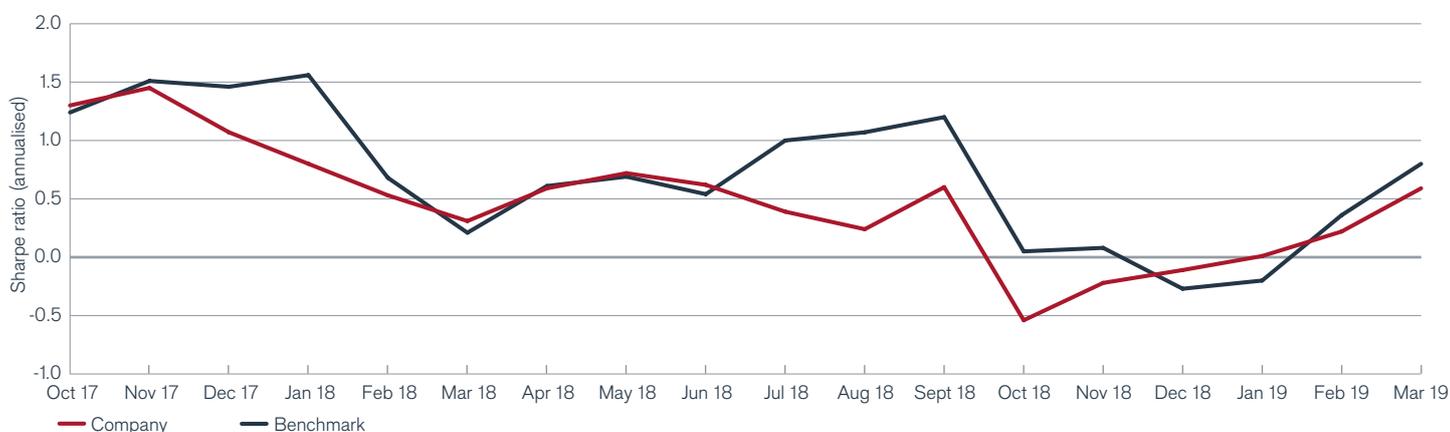
“The Company’s current portfolio is a blend of assets and strategies, less correlated to traditional market instruments, which have proven to be relatively robust in recent market setbacks.”

Richard Gubbins, Chairman



Strategic Report: Performance Highlights¹

Risk adjusted return² compared to the benchmark³



NAV per ordinary share at period end

2019 **335.5p** 2017 **335.4p**

Share price per ordinary share at period end

2019 **270.0p** 2017 **291.5p**

Discount at period end⁴

2019 **19.5%** 2017 **13.1%**

Number of investments at period end⁶

2019 **44** 2017 **54**

Total return per ordinary share

2019 **9.8p** 2017 **32.2p**

Market capitalisation at period end

2019 **£104.4m** 2017 **£112.7m**

Dividend for period⁵

2019 **Interim**
5.00p
Final
2.50p 2017 **4.75p**

Ongoing charge for period⁷

2019 **0.94%**⁸ 2017 **1.02%**

¹ Figures in respect of the 18-month period ended 31 March 2019 compared to the previous year ended 30 September 2017

² Risk adjusted return calculated using the monthly average Sharpe ratio

³ FTSE World Total Return index in Sterling terms

⁴ Discount calculated using year-end audited NAVs including current year revenue

⁵ 2019 final dividend subject to shareholder approval at the annual general meeting on 25 July 2019

⁶ Includes nil-valued securities

⁷ Calculated using the methodology prescribed by the AIC

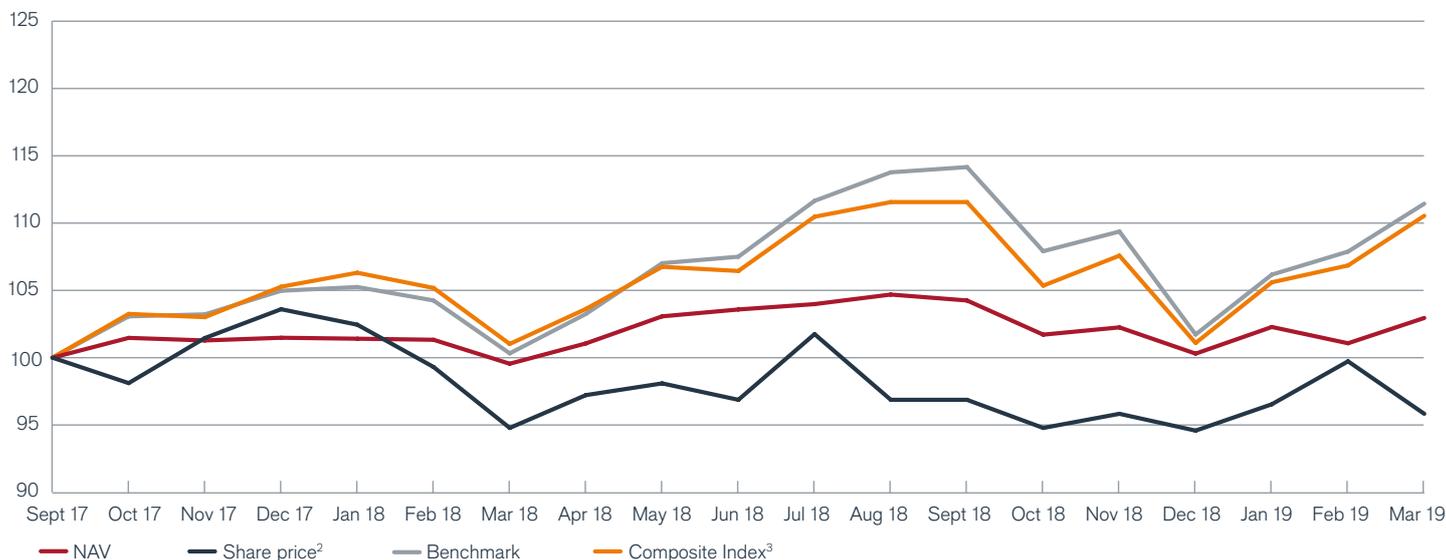
⁸ Annualised for the 18 months ended 31 March 2019

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

A glossary of terms is included on pages 18 and 19

Strategic Report: Performance Highlights¹ (continued)

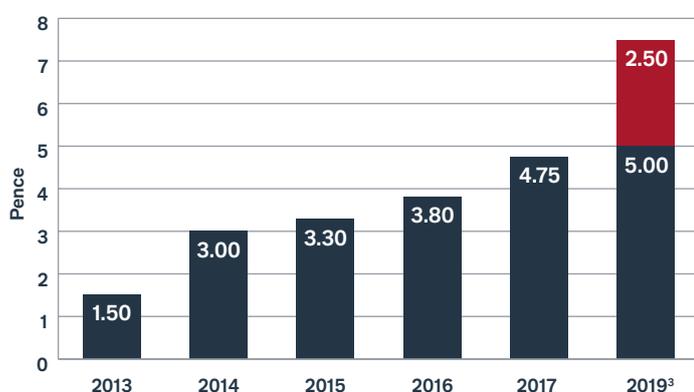
Total return performance for the 18-month period to 31 March 2019 (rebased to 100)



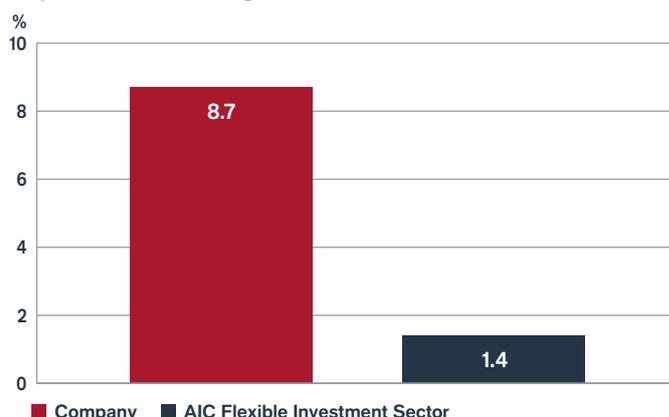
NAV Total return performance

12 months to 31 March 2019 3.4% **18 months to 31 March 2019 3.0%** **12 months to 30 September 2017 10.8%**

Dividend per share⁴



5 year dividend growth (annualised)



¹ Figures in respect of the 18-month period ended 31 March 2019 compared to the previous year ended 30 September 2017

² Share price total return using mid-market closing prices

³ FTSE Developed Total Return Index (75%)/FTSE Emerging Markets Total Return Index (25%)

⁴ 2019 dividend comprises an interim dividend of 5.00p per ordinary share and final dividend of 2.50p per ordinary share subject to approval at the annual general meeting on 25 July 2019

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

A glossary of terms is included on pages 18 and 19

Strategic Report: Business Model

Henderson Alternative Strategies Trust plc (“the Company”) operates as an investment company. It appoints specialised third-party service providers to establish and maintain an investment portfolio in line with the Investment Objective and Policy. The performance of the third-party service providers is monitored and challenged by a Board of independent non-executive directors. The Board is directly accountable to the Company’s shareholders.

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.

Investment Policy

Investments

The portfolio comprises investments which are considered to have attractive medium to long-term (typically 5 years or more) return potential and are of a specialist or alternative asset focus. Specialist investments target particular geographies or sectors and alternative investments focus on the private equity, hedge and property asset classes. Investments may be made in listed or unlisted closed-ended investment funds, open-ended investment funds, listed or unlisted company shares and debt instruments, exchange traded funds, contracts for difference (“CFDs”), and warrants and related instruments.

The Company holds a minimum of 30 individual investments.

Investment of Cash Resources

In the event the Company has significant cash resources it will typically invest in UK government securities or money market funds.

Benchmark

The Company’s performance benchmark, the FTSE World Total Return Index in Sterling terms, is a global equity market index which provides the Company with a total return yardstick for its investment portfolio. Given the flexibility of the Company’s investment mandate, the pursuit of the Company’s Investment Objective may result in the geographical and sector weightings of its investment portfolio differing materially from the composition and content of the benchmark index.

Limits

The following limits address the need for maintaining an appropriate degree of portfolio diversification in relation to asset class, geography, sector, gearing and underlying portfolio liquidity:

- individual investments shall not exceed 10% of total portfolio value;
- investments in private equity funds shall not exceed 35% of total portfolio value;
- investments in hedge funds shall not exceed 30% of total portfolio value;

- investments in property funds shall not exceed 20% of total portfolio value;
- no more than 50% of total portfolio value shall be invested in emerging or frontier markets on a look-through basis;
- no more than 20% of total portfolio value shall be invested in one sector on a look-through basis;
- unlisted investments without redemption rights shall not exceed 20% of total portfolio value;
- borrowings and long-only CFD exposure shall not exceed 20% of the Company’s net asset value on a combined basis; and
- portfolio hedging exposure shall not exceed 20% of the Company’s net asset value.

For the purposes of the above limits, the total portfolio value is the value of all investments in the portfolio excluding cash, cash equivalents and holdings in money market instruments (which would otherwise be held as cash on deposit). The limits apply at the time each investment is made. To the extent a limit is exceeded as a result of changes in the value of investments, the Manager will seek to manage the position in a manner consistent with the best interests of shareholders.

Management Arrangements

The Company has appointed Henderson Investment Funds Limited (“HIFL”) to act as its Alternative Investment Fund Manager in accordance with an agreement effective from 22 July 2014. The agreement is terminable on two months’ notice. HIFL delegates investment management services to Henderson Global Investors Limited. Both entities are authorised and regulated by the Financial Conduct Authority and are part of the Janus Henderson group of companies. References to “Janus Henderson” or the “Manager” refer to the services provided to the Company by the Manager’s group.

The management fee for the period from 1 October 2017 to 31 March 2018 was charged at a rate of 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 April 2018, the management fee is 0.60% per annum of the NAV for assets up to £250m and 0.55% per annum of the NAV for assets in excess of £250m.

The portfolio was jointly managed by Ian Barrass and James de Bunsen up to 30 June 2018, when Ian Barrass retired from the Manager. James de Bunsen continues to manage the Company’s portfolio along with Peter Webster who was appointed as a Fund Manager on 1 July 2018. Alex Barr was appointed as a senior manager with effect from 15 July 2019.

Janus Henderson and its subsidiaries provide accounting, company secretarial and general administrative services. Some of the administration and accounting services are carried out, on behalf of Janus Henderson, by BNP Paribas Securities Services (“BNP”). Henderson Secretarial Services Limited acts as the Corporate Secretary.

Strategic Report: Chairman's Statement



The Chairman of the Company, Richard Gubbins, reports on the 18-month period to 31 March 2019

Performance

This is my first full report to shareholders since the change in our financial year end. The report therefore covers the 18-month period to 31 March 2019, a period marked by the return of volatility to stock markets, which led, at times, to severe falls in the levels of indices. The period saw two particularly sharp sell-offs in 2018 with the market downturn in the autumn being precipitated by the continuing lack of resolution of the trade dispute between the United States and China together with increasing concerns over the Federal Reserve's tightening of monetary policy in both raising interest rates and shrinking its balance sheet at a time when economic data appeared to be deteriorating.

The Federal Reserve's abrupt about-turn in the first quarter of 2019 led to a strong rally in assets of every type, including government bonds, credit and equities, in spite of widespread earnings downgrades and of an apparently weak macro-economic environment. Currently, much of the market's optimism is predicated on satisfactory resolution of the US-China trade dispute and on success in China's attempts to stimulate its economy.

Against this backdrop, the Company generated a 3.0% NAV total return over the period. This compares to an 11.4% total return from its benchmark, the FTSE World Total Return Index (in Sterling). The Company share price total return was -4.2% during the period and reflected both its lack of full participation in the recovery in share prices (having defended well the Company's value in the period of market downturn) and some widening of the discount. By contrast, the three-year numbers are healthier: annualised total return improvements of 9.7% in NAV and 10.8% in share price. Such returns have also been achieved with only slightly more than half the volatility displayed by the portfolio's benchmark index: 5.7% compared to 10.2%.

Share Price Discount

The average share price discount to NAV over the period was 16.5%. As experienced at the time of the previous continuation votes, the discount came in for a spell and then widened again as the potential opportunity for a return of cash from a company winding itself up disappeared. The discount ended the period close to its widest levels at 19.5%. The Board remains of the view that the high quality of the Company's assets, the improved underlying liquidity of the portfolio and its re-invigorated performance over the last three years merit a higher rating.

Dividends

The Company extended its financial reporting period from 30 September to 31 March with the aim of aligning more closely its reporting cycle to the receipt of valuations from the unquoted private equity funds and other unlisted investments held in the portfolio. Owing to such an extension, the Board declared an interim dividend of 5.00p per ordinary share which was paid to shareholders on 31 January 2019.

Having considered the performance of the Company's portfolio for the additional six months in this 18-month financial reporting period to 31 March 2019, the Board is pleased to recommend a final dividend of 2.50p per ordinary share which will be payable to shareholders on 2 August 2019, subject to approval by shareholders. The decision has been made with regard to the level of revenue reserves and brings the total dividend for the period to 7.50p (2017: 4.75p) per ordinary share.

For the current and future financial reporting periods, the Board expects to revert to paying a single final dividend following approval by shareholders at the annual general meeting in each year.

Management Fees

Following a review by the Board of the fees paid to the Manager, the management fee was reduced, with effect from 1 April 2018, from 0.70% per annum of net chargeable assets to 0.60% per annum for assets up to £250m and 0.55% for assets above this amount.

Fund Management Team

The Board was disappointed to receive the news that Mr Ian Barrass intended to retire from the Manager at the end of June 2018. Ian had been instrumental in the transition of the Company's portfolio to Janus Henderson in 2013 and in restructuring the Company's investments. The Board is particularly grateful for Ian's commitment to the portfolio in that time and wish him all the very best. Mr Peter Webster was appointed as a Fund Manager of the Company on 1 July 2018, alongside the existing Fund Manager, Mr James de Bunsen.

In April 2019, the Board was delighted to announce the appointment as a senior manager of Mr Alex Barr, formerly lead manager of Aberdeen Private Equity Fund Limited and most recently Global Head of Private Markets and Real Estate Investment Oversight at Aberdeen Standard Investment Management. Alex has 26 years of experience in financial markets, specialising in alternative assets, and will be joining in July 2019.

Governance

The Financial Reporting Council ("FRC") issued a revised UK Corporate Governance Code in July 2018. This was followed in February 2019 by the publication of an updated Code of Governance which was issued by the Association of Investment Companies ("AIC Code"). The AIC Code mirrors the provisions of the UK Corporate Governance Code and includes additional provisions that are of specific relevance to investment companies. The Board is pleased that the AIC Code continues to receive FRC endorsement and is reviewing its governance arrangements in light of the revised provisions. The revised AIC Code is applicable to reporting periods commencing on or after 1 January 2019.

Outlook

Investors have experienced something of a roller-coaster ride in 2018 and early 2019. The calm of 2017 gave way to a much more febrile mood in 2018 as tighter US monetary policy and rising global trade tensions hit sentiment. The recent market recovery in 2019 recognises a reduction in those former concerns as opposed to expectations of substantial improvement in company earnings or in macro-economic data. While it is possible that this sentiment continues to propel markets higher, the Board believes that some caution is warranted. The Company's current portfolio is a blend of assets and strategies, less correlated to traditional market instruments, which have proven to be relatively robust in recent market setbacks. This highly diversified, multi-alternative approach provides investors with a distinct and attractive investment proposition in potentially volatile times ahead.

Richard Gubbins
Chairman
21 June 2019

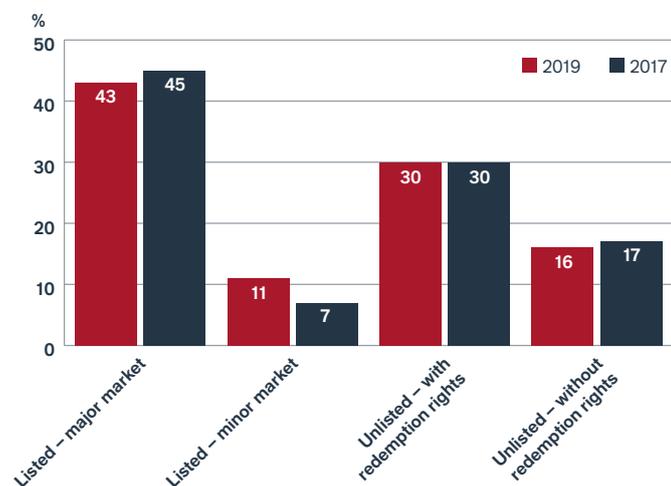
Strategic Report: Portfolio Information

Ten Largest Investments at 31 March 2019

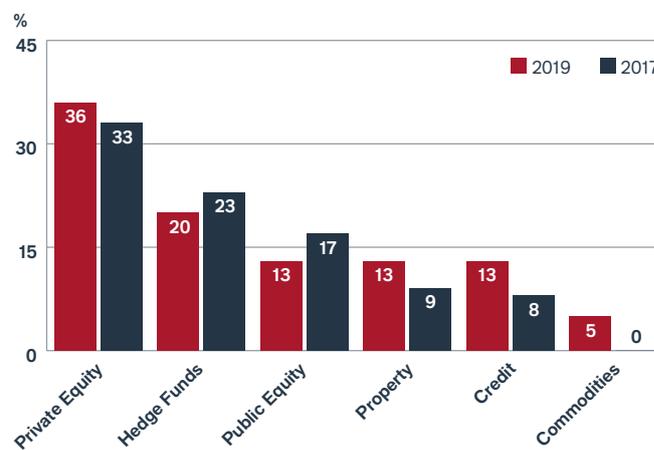
Ranking 2019	Ranking 2017	Company	Focus	Geographical area	Market Value £'000	Portfolio %
1	3	Mantra Secondary Opportunities ⁴	Investment in private equity funds	Global	7,960	7.0
2	1	CEIBA Investments Limited ¹	Investment in Cuban real estate	Cuba	7,246	6.4
3	2	BlackRock European Hedge Fund Limited ³	Long and short investment in listed equities	Europe	7,038	6.2
4	n/a	Bank of America Merrill Lynch Commodity ²	Management of commodity risk	Global	5,783	5.1
5	23	Renewable Energy & Environmental Infrastructure Fund II ⁴	Renewable energy and infrastructure investments	Europe	5,593	5.0
6	12	KLS Sloane Robinson Emerging Market Equity Fund ³	Investments in emerging market securities	Global	5,446	4.8
7	4	Majedie Asset Management Tortoise Fund ³	Long and short investment in listed securities	Global	5,183	4.6
8	13	Sagil Latin America Opportunities Fund ³	Long and short investments in public equity markets in Latin America	Latin America	4,881	4.3
9	8	Baring Vostok Investments Limited Core ²	Direct private equity investments	Russia	4,725	4.2
10	9	Summit Properties ¹ (formerly Summit Germany Limited)	Investment in German real estate	Germany	4,621	4.1
					58,476	51.7

1 Listed on major market (includes London Stock Exchange (full listing and AIM), Euronext and CBOE)
 2 Listed on minor market (includes Luxembourg Stock Exchange, Channel Islands Stock Exchange, ISDX and LMMX)
 3 Unlisted investment – with redemption rights
 4 Unlisted investment – without redemption rights

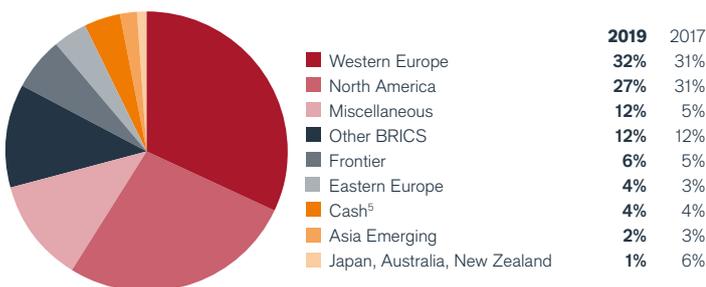
Investment by type at the portfolio level



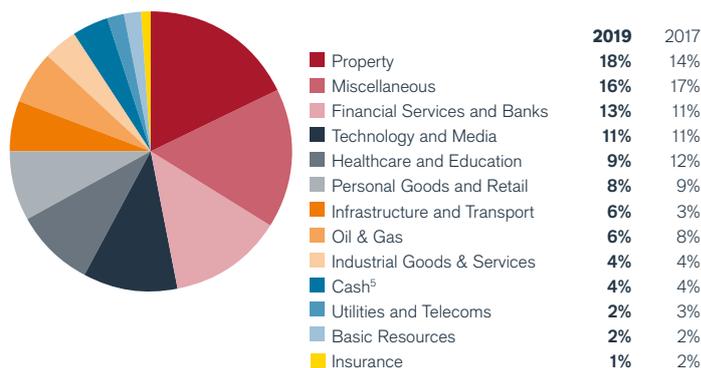
Investment by focus at the portfolio level



Investment by geography on a look-through basis



Investment by sector on a look-through basis



5 Cash held in underlying investments
 Source: Janus Henderson

Strategic Report: Fund Managers' Report



James de Bunsen and Peter Webster, Fund Managers, report on the 18-month period to 31 March 2019

Performance

Whilst we have negotiated relatively successfully some of the extreme movements in equity markets during the period, we have not captured enough of the market upside when conditions have been more benign. In hindsight, we have been too wary about high asset valuations and the ageing economic and market cycles. However, it is not our mandate to replicate the benchmark and we will always lag in periods of strong equity market performance owing to the different composition of the portfolio. It is interesting to look at how regional equity markets fared during the period: while the US equity market rose 15.9%, Europe and Japan fell 2.7% and 1.8% respectively, whilst Emerging Markets and the UK rose just 1.3% and 3.9% respectively*. The Company's benchmark was 57% weighted towards the US equity market at period end, compared to the Company's average exposure below 30%. Such positioning helps to explain much of the shortfall in overall performance in the latest period under review.

We have secured, however, our aim of delivering to shareholders an equity-like return, but with lower volatility, by achieving three-year annualised total returns, after expenses, of 9.7% in net asset value and 10.8% in share price. Such returns are ahead of longer-term returns from equity markets.

Our view is that we are most likely to outperform global equities over the long term by mitigating the negative impact of severe downturns in the market. We should achieve such a result by sensible portfolio construction and by not overpaying for assets. Sensible portfolio construction entails ensuring we have a suitably diversified portfolio of attractively priced assets. Our remit to invest in alternative assets and strategies is very helpful in this regard. Its strength was demonstrated in the challenging fourth quarter of 2018, when the portfolio's fall in value was a fraction of the severe decline seen in global equity markets. Meanwhile our focus on valuation stems from our belief that attempts to forecast economic data and market movements are largely futile. Instead, we follow a disciplined, valuation-driven approach. Thus we look to raise risk exposure when assets look invitingly valued relative to history and take profits when they look expensive. History shows us that valuation is the most important factor in determining realised returns. Of course, we also take account of macro-economic data, investor sentiment and positioning when evaluating opportunities but adherence to a valuation discipline removes much of the guesswork from investing. In the volatile period under review, we have allowed excessive caution to colour the composition of our portfolio and, despite emerging relatively unscathed during the two particularly steep equity

market declines at the beginning and end of 2018, lagged significantly the comparable benchmark return.

We remain convinced that our mandate is not to recreate exposures that investors may include with ease in their investment portfolios, particularly when equity and bond investing has become somewhat commoditised in recent years with the onslaught of very cheap passive index trackers. This portfolio remains a blend of hard-to-access strategies and assets which most investors would find difficult to recreate. It also means that shorter-term returns may vary meaningfully from those of the benchmark.

Performance Contribution

Investment Category	Contribution %	Average Weighting %
Public Equity	1.3	17.7
Private Equity	1.6	30.8
Hedge Funds	0.2	20.9
Property	0.5	10.9
Credit	0.4	13.4
Commodities	0.2	2.3
Cash	0.0	4.0

Source: Janus Henderson

All our investment categories delivered positive performance, led by both Private and Public Equity. Within the portfolio the largest individual contributor was Mantra Secondary Opportunities, which is a fund of secondary private equity funds. The first investment in this fund was made in 2014; since then, it has returned 58% of the capital originally invested and has generated an internal rate of return of 33.4% per annum. Public Equities had the tailwind of a rising stock market but notable returns came from EF Realisation Co Ltd, a special situation stock which looked undervalued compared to its underlying assets. The anomaly was recognised subsequently as such by the market with a strong boost to the share price. In the Hedge Fund category, the Blackrock European Hedge Fund continued to contribute strongly to returns by showing itself to be adept at managing a more volatile environment. Our Commodities strategy made a positive contribution over the period as a whole and was particularly robust in December 2018 when equity markets suffered steep falls. Within Property, CEIBA Investments Ltd and Summit Properties performed well; whilst in Credit our NB Distressed Debt holdings contributed to returns as more assets were realised and capital returned to investors.

* S&P 500, Euro Stoxx 50, Topix, MSCI Emerging Markets, FTSE All Share indices, total returns, local currency, 30/09/17-31/03/19

Strategic Report: Fund Managers' Report (continued)

On the debit side, the largest detractor from performance was Eurovestech, in the Private Equity category. The holding was marked down by roughly a third as a handful of shares were traded at an extremely large discount to the latest NAV. We believe this unwarranted markdown is more a reflection of the lack of liquidity in this de-listed stock, which only trades on a matched-bargain basis, rather than a reflection of the underlying investee companies' performance. Elsewhere, Riverstone Energy performed poorly as volatile oil prices hurt sentiment towards this investor in US shale oil and gas projects. Finally, in Hedge Funds, the Schroder GAIA Indus Pacificchoice Asia Fund had a disappointing period of performance in tracking Asian equity markets downwards without offsetting any of the generalised market weakness.

Portfolio Activity

Private Equity

Within Private Equity, both Mantra Secondary Opportunities and Renewable Energy & Environmental Infrastructure Fund (REEIF) II drew down further capital, thus becoming larger positions over the course of the period. Both funds also wrote up the value of some of their holdings. Mantra is now past its investment period and is regularly realising investments, while REEIF's investment period ends in September 2019.

Having taken some profits in listed private equity names such as Standard Life Private Equity (now sold), Princess Private Equity and Harbourvest Global Private Equity early in the period, in order to reduce our sensitivity to general equity market moves, we took advantage of market volatility in the fourth quarter of 2018 to make a tactical investment in 3i Group. 3i is a leading private equity and infrastructure investor, focused on mid-market businesses in Europe and North America. We have followed the company for some time but have never felt comfortable investing at the high premium to NAV at which its shares have tended to trade. However, following a very constructive meeting with the company in June 2018, we were afforded the opportunity to buy shares amidst the general weakness in UK-listed stocks in January 2019, close to NAV, in contrast to an average premium in the previous 12 months of more than 20% (and which had reached 45% at one stage). We believe the firm is extremely well managed, the current portfolio has attractive growth opportunities and that portfolio valuations are conservative. Its key asset, the European discount retailer Action, continues to perform well and a realisation event is getting closer.

Public Equity

During December 2017 and January 2018 we built a position in Sigma Capital Group PLC, a UK-listed developer of private rental sector (PRS) housing in areas of the UK which require regeneration. Sigma was a 1.7% position at period end. It is rare for us to make direct company investments, but we believed Sigma represented an excellent opportunity. Sigma came to our attention as a result of our Multi-Asset desk's involvement in the £250 million IPO of PRS REIT plc during May 2017. PRS REIT is developing and acquiring a portfolio of PRS housing, mainly in northern and central England. Sigma manages PRS REIT's existing property portfolio, oversees PRS REIT's own development activities and also develops projects which may be offered to PRS REIT for purchase. Properties are typically new-build, two- to four-bedroom houses, for households with average incomes.

With high demand in the UK for competitively priced, good-quality PRS accommodation, PRS REIT is planning to raise substantially

more capital over the next few years. This will clearly be a major financial boost for Sigma as the fund's manager will receive additional management and development fees. We believe that the market continues to undervalue Sigma's growth potential and the operational leverage within its business.

In early 2018 we invested tactically in three UK-listed infrastructure stocks: HICL Infrastructure Company Limited, 3i Infrastructure PLC and International Public Partnerships Limited. All three of these vehicles were impacted negatively in January 2018 by comments made by leading Labour Party figures regarding the possible "nationalisation" of PFI/PPP contracts under a future Labour government. Such an event would, in theory, result in material reductions in their NAVs. The comments triggered a sell-off across the listed infrastructure sector between January and March which, in our view, was overdone. Even if Labour did come to power, we believe it unlikely that such a government could finance the huge cost of buying out the contracts in question.

We added two new holdings during the October 2018 market sell-off. The Euro Stoxx 50 Dividend December 2022 futures contract was a 4.0% position at the period end. HAST made an attractive return from dividend futures in early 2016, when markets had also fallen sharply. Dividend futures are based on the amount of dividends paid out by the Eurozone's 50 largest firms. Dividends tend to be more predictable and stable than earnings (and much more so than share prices). Company managements are loath to cut dividends unless there is an extremely good reason to do so. Dividends also tend to grow in line with nominal GDP growth over time. However, from time to time, particularly during sharp market corrections, dividend future contracts can also fall sharply. This is usually a function of investment banks, which manufacture these products, de-risking in line with their volatility-driven risk models. The same event happened in October, although there was no major negative news flow on dividends. In fact, earnings in Europe have been decent, thereby indicating further increases in dividend pay-outs.

We chose to invest in the 2022 contract as it appeared to have a very attractive risk/return profile. Longer-dated contracts tend to behave similarly to equities but, as the contracts near maturity and the visibility over the actual level of the underlying dividend index becomes much clearer, this sensitivity falls dramatically. Our conservative forecast was for around 12% annualised returns until 2022. While the volatility of the contract might be similar to the EuroStoxx 50 index for the next year or so, this will fall significantly thereafter. We also think that downside risk is limited, given that the contracts are already trading almost 50% below bottom-up forecasts for dividends in 2022 and around 20% lower than 2018 dividends.

We also added a position in litigation and arbitration finance provider Burford Capital. Burford has been operating in this hugely under-penetrated space since 2009 and is acknowledged as the market leader in the sector. Its success rate and returns on capital invested have been very impressive, and the company now has interests in thousands of cases, meaning that risks are highly diversified. We have been following the stock for a while and a 25% price correction for Burford, in the absence of any news, gave us a good entry opportunity. We see this as a non-cyclical investment in a small but rapidly growing alternative asset class.

Hedge Funds

There were no new investments made in Hedge Funds in the period, although we topped up our exposure to SAGIL Latin American

Strategic Report: Fund Managers' Report (continued)

Opportunities Fund, which briefly opened up to new investment but is now at capacity again. The fund managers have continued to add value in what has been a difficult period in Latin American markets. Meanwhile, we sold the Schroder GAIA Indus Pacificchoice Asia Fund in early 2019, following sustained poor performance. We invested originally in the Indus fund in order to gain pan-Asian equity exposure but with the expectation that the fund would protect us against some of the market downside, given its flexibility to short stocks and indices. However, this proved not to be the case and, in fact, the fund underperformed Asian markets in 2018 and also lagged in the market rally of early 2019. We are currently finalising due diligence on a global macro hedge fund, which will bring the exposure in this category back up to previous levels.

Credit

Over the course of the period, we focused on taking profits in higher risk areas of credit as the market looked priced for perfection, with more downside risk than upside return potential. As such we exited Blackstone GSO Loan Financing, Chenavari Capital Solutions and Tetragon Financial Group, and reduced Chenavari Toro, as all of these had exposure to leveraged loans in one format or another. The NB Distressed Debt vehicles also returned capital over the period.

Property

In April 2018, we 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 this niche and highly experienced manager has the wherewithal to continue to generate double-digit returns over the next few years from yield compression and good asset management.

Commodities

One of the largest new holdings was a commodity strategy, which represented 4.3% of NAV at the period end. This is a market-neutral strategy, meaning its returns are not dependent on commodity prices appreciating (or depreciating). It involves a purely systematic process 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 number of years, with relatively low volatility and with minimal correlation to equities, bonds or commodities themselves.

Liquidity

Portfolio liquidity continued to improve over the period. Only 13.4% of the portfolio at period end lacks at least monthly liquidity. Moreover, 9.7% of this exposure is in the two private equity investments (Mantra and REEIF II). Mantra is returning cash regularly and, as mentioned above, REEIF II is approaching the end of its investment period. Meanwhile, in October 2018, our Cuban property fund CEIBA (5.8% of NAV at period end) 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 the company to undertake some new development and increase the potential returns of the portfolio at a time when Cuba is opening up to foreign investment. We also benefitted from liquidity or final distributions from various legacy holdings including Zouk Solar Opportunities Fund, Value Catalysts Fund and ASM Asian Recovery Fund.

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 obtain a better sense of what is in the portfolio, its key drivers and sensitivities. Some classifications will remain unchanged, 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 (see the table on page 10).

While Public Equity and Credit are not alternative asset classes, the composition of these sectors will vary greatly from traditional allocations to equities and bonds. Here our focus is on niche strategies and sectors, often managed by very focused 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 our investors to understand our portfolio's sensitivity to key factors such as earnings growth, market multiples, credit spreads and interest rates.

These changes have no impact on 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.

Outlook

As we write, it appears that there is much good news priced into equities and bonds. It does not follow necessarily that prices should fall from here but it does mean that the good news needs to continue for markets to make fresh highs. Certainly, the Federal Reserve's decision to put interest rate rises on hold was a large and unexpected fillip for markets in early 2019 as there was not much good news from elsewhere. Economic data was decidedly soggy and earnings were being downgraded across the board. Hence the sharp rally in markets was surprising and happened even as investors continued to pull money out of equity mutual funds, despite cash levels remaining historically on the high side. Moreover, bond yields fell sharply, thereby suggesting that the growth outlook was deteriorating significantly. It is very unusual for bond yields to fall and equities to rally sharply simultaneously. Either bond investors are too pessimistic or equity investors are too optimistic. Historically, it has been the bearish bond buyers who have been right more often than equity buyers.

As mentioned at the outset, we do not make market forecasts and we will not start now. We believe some caution is warranted. We believe similarly that we have adequate risk exposure across our six categories, in areas that would benefit in an ongoing environment of positive market sentiment. We, however, are not wholly reliant on such a scenario. We will continue to take profits in assets that are looking more fully valued and recycle the proceeds advantageously into more attractive areas where we identify improving fundamentals. We will also continue to search for less correlated strategies which will provide ballast in more volatile market episodes. We do not need a crystal ball to be confident that there will be more of those around the corner and volatility normally provides opportunity.

James de Bunsen and Peter Webster
Fund Managers
21 June 2019

Strategic Report: Fund Managers' Report (continued)

Investment Categories

Investment Category	Characteristics/Investment approach
Private Equity	<ul style="list-style-type: none"> • Access to early-stage, high-growth and buy-out companies • Historically outperforms listed markets over the long-term
Public Equity	<ul style="list-style-type: none"> • Allocate selectively to secular growth and tactical opportunities • Leverage from multi-asset team to invest by sector or geography
Hedge Funds	<ul style="list-style-type: none"> • Access to a diversified pool of different strategies • Strategies can protect capital during volatile periods
Credit	<ul style="list-style-type: none"> • Bank disintermediation has led to growth in alternative finance providers • Caution required as many new strategies yet to be tested
Property	<ul style="list-style-type: none"> • Focus away from UK prime commercial property markets • Specific growth sector helps reduce beta to global property values
Commodities	<ul style="list-style-type: none"> • Potentially uncorrelated returns across a wide array of raw materials from metals to energy to agricultural commodities

Investment Portfolio at 31 March 2019

Investments	Focus	Market Value £'000	Portfolio %
Mantra Secondary Opportunities ⁴	Private Equity	7,960	7.0
CEIBA Investment Limited ¹	Property	7,246	6.4
BlackRock European Hedge Fund Limited ³	Hedge Funds	7,038	6.2
Bank of America Merrill Lynch Commodity ²	Commodities	5,783	5.1
Renewable Energy & Environmental Infrastructure Fund II ⁴	Private Equity	5,593	5.0
KLS Sloane Robinson Emerging Market Equity Fund ³	Public Equity	5,446	4.8
Majedie Asset Management Tortoise Fund ³	Hedge Funds	5,183	4.6
Sagil Latin America Opportunities Fund ³	Hedge Funds	4,881	4.3
Baring Vostok Investments Limited Core ²	Private Equity	4,725	4.2
Summit Properties ¹	Property	4,621	4.1
Ten largest		58,476	51.7
Helium Selection Fund ³	Hedge Funds	4,368	3.9
Ashmore SICAV Emerging Markets Local Currency Bond Broad Fund ³	Credit	4,001	3.5
Worldwide Healthcare Trust PLC ¹	Public Equity	3,967	3.5
Safeguard Scientifics Inc ¹	Private Equity	3,946	3.5
Riverstone Energy Limited ¹	Private Equity	3,841	3.4
Harbourvest Global Private Equity Limited ¹	Private Equity	3,837	3.4
NB Distressed Debt Investment Fund Limited – Global Shares ¹	Credit	2,856	2.5
Urban Logistics REIT PLC ¹	Property	2,837	2.5
Axiom European Financial Debt Fund Limited ¹	Credit	2,797	2.5
3i Group Limited ¹	Private Equity	2,688	2.4
Twenty largest		93,614	82.8
Burford Capital Limited ¹	Public Equity	2,646	2.4
Ashmore SICAV Emerging Markets Short Duration Fund ³	Credit	2,612	2.3
Eurovestech plc ²	Private Equity	2,343	2.1
Princess Private Equity Holding Limited ¹	Private Equity	2,276	2.0
Sigma Capital Group PLC ¹	Public Equity	2,136	1.9
Toro Limited ¹	Credit	1,719	1.5
Century Capital Partners IV L.P. ⁴	Private Equity	1,487	1.3
Firebird Republics Fund SPV ⁴	Private Equity	1,285	1.1
Amber Trust SCA ⁴	Private Equity	1,229	1.1
NB Distressed Debt Investment Fund Limited – Extended Life Shares ¹	Credit	765	0.7
Thirty largest		112,112	99.2
ASM Asian Recovery Fund ⁴	Hedge Funds	698	0.6
Vix Call Options June 19 ¹	Public Equity	134	0.1
Armadillo Investments Limited ⁴	Private Equity	70	0.1
Other investments	Various	0	0.0
Total Investments		113,014	100.0
Cash and other net current assets		16,738	
Net assets		129,752	

1 Listed on major market (includes London Stock Exchange (full listing and AIM), Euronext and CBOE)

2 Listed on minor market (includes Luxembourg Stock Exchange, Channel Islands Stock Exchange, ISDX and LMMX)

3 Unlisted investment – with redemption rights

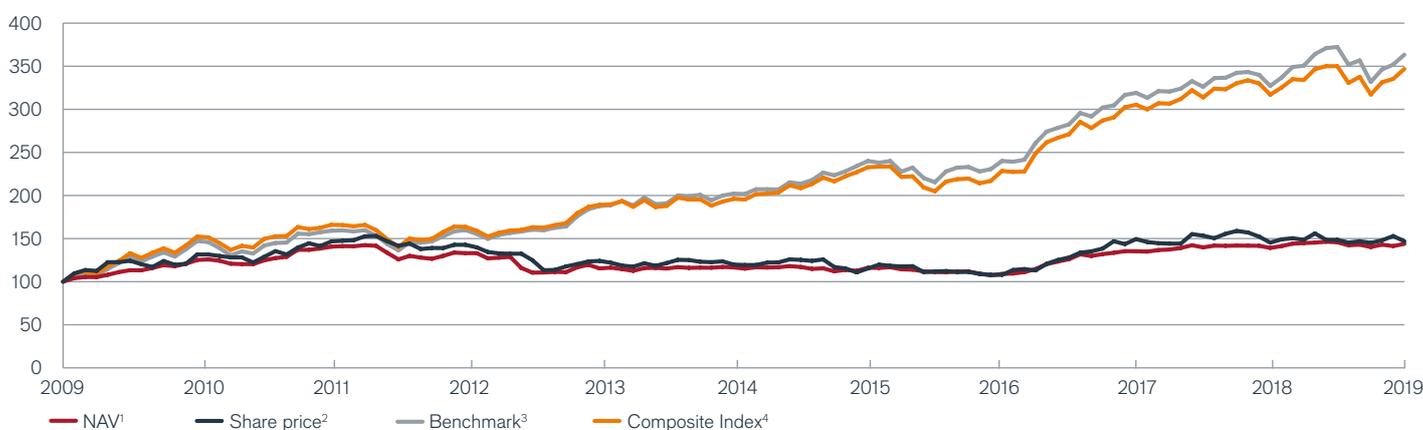
4 Unlisted investment – without redemption rights

Strategic Report: Historical Performance and Financial Information

Total return performance to 31 March 2019

	6 months %	12 months %	18 months %	3 years %	5 years %	10 years %
NAV ¹	-1.2	3.4	3.0	32.1	23.5	43.9
Share price ²	-1.1	1.1	-4.2	36.1	22.6	46.9
Benchmark ³	-2.4	11.1	11.4	51.4	79.9	263.5
Composite Index ⁴	-0.9	9.4	10.5	51.8	76.9	246.9

Ten year historical performance to 31 March 2019 (rebased to 100)



Source: Morningstar Direct, Datastream

Financial Information

At 30 September	Net assets £'000	NAV p	Mid-market price per ordinary share p	Discount/ (premium) %	Profit/ (loss) for year £'000	Revenue return per ordinary share p	Capital return per ordinary share p	Total return per ordinary share p	Dividend p	Expenses ⁵ %
2009	166,521	291.66	259.75	10.9	(20,015)	2.18	(37.23)	(35.50)	2.00	0.91
2010	172,403	319.06	264.50	17.1	15,136	0.78	26.30	27.08	1.00	0.90
2011	170,082	320.85	289.50	9.8	1,215	2.33	(0.07)	2.26	2.00	0.93
2012	135,201	279.83	253.50	9.4	(20,851)	2.01	(42.89)	(40.88)	2.00	0.93
2013	138,580	290.20	245.00	15.6	5,700	0.85	11.07	11.92	1.50	0.84
2014	139,408	291.94	250.88	14.1	1,544	3.53	(0.30)	3.23	3.00	0.93
2015	118,444 ⁶	275.60	221.00	19.8	(6,606)	3.72	(18.61)	(14.89)	3.30	0.97
2016	132,648	308.66	249.13	19.3	15,622	7.50	28.85	36.35	3.80 ⁷	1.00
2017	129,742 ⁸	335.44	291.50	13.1	12,903	5.23	26.97	32.20	4.75	1.02
At 31 March 2019⁹	129,752	335.46	270.00	19.5	3,781	6.34	3.43	9.77	7.50¹⁰	0.94¹¹

1 Net asset value per ordinary share with income reinvested

2 Share price total return per ordinary share using mid-market prices

3 FTSE World Total Return Index in Sterling terms

4 FTSE Developed Total Return Index (75%)/FTSE Emerging Markets Total Return Index (25%)

5 Using total expense ratio methodology for 2011 and previous years (excluding performance fees); ongoing charge methodology thereafter

6 Reduction in net assets of £12,925,142 following tender offer in December 2014

7 Excludes the special dividend of 2.6p per ordinary share

8 Reduction in net assets of £13,059,000 following tender offer in January 2017

9 The Company changed its accounting reference date from 30 September to 31 March in 2018

10 Comprises an interim dividend of 5.00p per ordinary share and final dividend of 2.50p per ordinary share. The final dividend is subject to shareholder approval at the annual general meeting to be held on 25 July 2019

11 Annualised for the 18 months ended 31 March 2019

Sources: Morningstar Direct, Janus Henderson, Datastream

Strategic Report: Corporate Information

Directors

The directors appointed to the Board at the date of this report are:

Richard Gubbins

Position: Chairman of the Board, Nominations Committee and Management Engagement Committee

Date of Appointment: 25 July 2014

Richard is a Senior Consultant and was previously a Senior Corporate Partner of Ashurst LLP. For 20 years he had a senior role in developing business in Emerging Markets (South-East Asia (1996-2000), Russia (2004-2008) and India for nine years). He is a director of Hero Inc. BV, a non-executive director of JP Morgan Mid-Cap Investment Trust PLC and The Masuri Group Limited and he is a senior adviser in Europe to a family office. He is an independent member of the Audit and Risk Management Committee of The England and Wales Cricket Board and a director of The American European Business Association.

Jamie Korner

Position: Senior Independent Director

Date of Appointment: 13 May 2013

Jamie is a recently retired partner of Stanhope Capital LLP. A Cambridge graduate, he joined Inchcape in 1978 following a period in farming. After working at stockbroker Fielding Newson Smith and as a manager of institutional funds at M&G, he moved to Newton Investment Management in 1995. He led the charity and smaller institutional business of Newton until his retirement in 2011. He is a trustee of the Foyle Foundation and other charities.

Graham Oldroyd

Position: Audit Committee Chairman

Date of Appointment: 25 July 2014

Graham was a partner with 23 years' service at European private equity fund manager Bridgepoint until June 2013. He is a non-executive director of Nobina AB (publ.), Sweden, a non-executive director of PHS Group Investments Limited and Chairman of Ideal Standard International NV, a Senior Adviser to MCF Corporate Finance, and a Senior Adviser to fund manager Downing LLP. He is a Church of England Church Commissioner, and a member of the Church Commissioners' Fund Assets Committee. A graduate in Engineering from Cambridge University, he also holds an MBA from INSEAD Business School. He is a Chartered Engineer, a Fellow of the Institution of Mechanical Engineers, and a Member of the Chartered Institute for Securities & Investment.

Mary-Anne McIntyre

Position: Director

Date of Appointment: 1 September 2017

Mary-Anne brings a wealth of experience from the asset management industry having held roles as Chief Distribution Officer at Old Mutual Wealth, Chief Executive Officer, and an executive director, at OpenWork (2010-2015), Head of European Customer Service Operations at Fidelity International (2006-2010) and Managing Director of Customer Services at Invesco Perpetual (1997-2002). She is a qualified Chartered Accountant and formerly the Group Director, Financial Services Group, of Deloitte (1985-1997). Mary-Anne is CEO of Secium Group Holdings, a non-executive director of Canada Life Limited and a member of Javelin Capital Partners LLP. She is currently a member of the Audit and Risk Management Committee of The England and Wales Cricket Board and a former Trustee, latterly Chair, of FitzRoy (2004-2017), a charity that supports people with learning disabilities.

Strategic Report: Corporate Information (continued)

Service Providers

Alternative Investment Fund Manager
Henderson Investment Funds Limited
201 Bishopsgate
London
EC2M 3AE

Corporate Secretary
Henderson Secretarial Services Limited
201 Bishopsgate
London
EC2M 3AE
Telephone: 020 7818 1818

Depository
State Street Trustees Limited
525 Ferry Road
Edinburgh
EH5 2AW

Registrar
Computershare Investor Services PLC
The Pavilions
Bridgewater Road
Bristol
BS99 6ZZ

Corporate Broker
Stifel Nicolaus Europe Limited
150 Cheapside
London
EC2V 6ET

Independent Auditor

Grant Thornton UK LLP
30 Finsbury Square
London
EC2A 1AG

Registered Office

Edinburgh House
4 North St. Andrew Street
Edinburgh
EH12 1HJ

Correspondence Address

201 Bishopsgate
London
EC2M 3AE

Financial Calendar

Annual General Meeting ¹	25 July 2019
Ex-dividend date	11 July 2019
Dividend record date	12 July 2019
Final dividend payable	August 2019
Interim report	November 2019

¹ At 201 Bishopsgate, London EC2M 3AE at 11.30 am

Information Sources

For more information about the Company, visit the website at www.hendersonalternativestrategies.com

HGi

HGi is a content platform provided by Janus Henderson that offers online personalisation where you can “follow” investment experts, topics and the trusts that are of interest to you. By creating your HGi profile you will be updated regularly on the topics that interest you most, bringing you closer to Janus Henderson’s investment expertise.

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<http://HGi.co/rb>



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Investing

Shares can be purchased in the market via a stockbroker or through share dealing platforms. They can also be held through share plans, ISAs or pensions and links to various providers are included on the website. Individuals holding shares through Halifax Share Dealing Limited can write to them at Lovell Park Road, Leeds LS1 1NS or contact them via telephone 03457 225 525, email Customercare.HSDL@halifax.co.uk or visit their website www.halifax.co.uk/sharedealing.

Potential investors are reminded that the value of investments and the income from them may go down as well as up and investors may not receive back the full amount invested. Tax benefits may vary as a result of statutory changes and their value will depend on individual circumstances.

Nominee Share Code

Where notification has been provided in advance, the Company will arrange for copies of shareholder communications to be provided to the operators of nominee accounts. Nominee investors may attend general meetings and speak at them when invited to do so by the Chairman.

Strategic Report: Corporate Information (continued)

Status

The Company is an investment company as defined by Section 833 of the Companies Act 2006 (the "Act"). It has been approved as an investment trust under Section 1158 of the Corporation Tax Act 2010, as amended ("s.1158"), and is a member of the Association of Investment Companies.

The directors are of the opinion that the Company continues to conduct its affairs as an Approved Investment Trust under the Investment Trust (Approved Company)(Tax) Regulations 2011.

The Company maintains a primary listing on the London Stock Exchange and is subject to the Listing Rules, Prospectus Rules and Disclosures Guidance and Transparency Rules issued by the Financial Conduct Authority. The Company is governed by its Articles of Association, amendments to which must be approved by shareholders by way of a special resolution.

Principal Risks

The Board, with the assistance of Janus Henderson, has carried out a robust assessment of the principal risks facing the Company including those that would threaten its business model, future performance, solvency or liquidity. In carrying out this assessment, the Board has considered the market uncertainty arising from the UK's negotiations to leave the EU. The Board has drawn up a matrix of risks and has put in place a schedule of Investment Limits and Restrictions appropriate to the Company's Investment Objective and Policy, in order to mitigate these risks as far as practicable. The significant risks facing the continuing operations of the Company are summarised below:

Risk	Controls and mitigation
Investment Strategy and Performance Poor investment performance Failure of the Manager Loss of Fund Manager or management team	The Board monitors investment performance at each meeting and the Fund Managers are committed to maintaining a diversified portfolio. Market risk is mitigated through the activities set out in note 15 to the financial statements. The Board seeks assurances that the Manager maintains and tests business continuity plans to ensure operations can be maintained in the event of a business disruption. The Board seeks assurances from the Managers that the Multi-Asset team is suitably resourced and that the Fund Managers are appropriately remunerated and incentivised in their roles.
Regulatory/Operational Failure of a key third-party service provider Breach of internal controls Loss of s.1158 status Breach of company law or Listing Rules resulting in suspension	The Board receives regular reporting from its key third-party service providers. The Audit Committee reviews the independently audited reports on the effectiveness of internal controls in place at each of its key third-party service providers, monitors compliance with the investment mandate and receives quarterly internal control reports from the Manager and quarterly reports from the depositary on the safe custody of the Company's assets. The Manager regularly reviews and reports on compliance with s.1158.
Discount The Company's shares trade at an increasingly wide discount to NAV	The Board monitors the level of the Company's discount to NAV per share and reviews the average discount to NAV for the AIC Flexible Investment sector at each meeting. The Board regularly reviews with the Fund Managers and the Company's brokers measures to maintain demand in the Company's shares, including a full range of discount control mechanisms.

The Board considers these risks to have remained unchanged throughout the period under review.

Brexit

The Board has considered the potential effects on the Company of the possible exit of the United Kingdom from the EU ("Brexit"). The main exposures are related to potential currency volatility affecting the value of the Company's holdings until the matter is finally determined.

Strategic Report: Corporate Information (continued)

Viability Statement

The directors have assessed the viability of the Company over a three year period, taking account of the Company's current position and the potential impact of the principal risks and uncertainties as documented in this Strategic Report. The assessment has considered the possible impact of the principal risks and uncertainties facing the Company, in particular the investment strategy risk and the likelihood of their materialising in severe but plausible scenarios, and the effectiveness of any mitigating controls in place.

The directors took into account the nature of the investment portfolio, including its liquidity, redemption restrictions that exist on certain investments, and the income stream that the current portfolio generates in considering the viability of the Company over the next three years and its ability to meet liabilities as they fall due.

The directors conducted this review for a period of three years as they consider this to be an appropriate period over which they do not expect there to be any significant change in the current principal risks and in the adequacy of the mitigating controls. The directors do not envisage any change in the Investment Objective or Policy, or any events that would prevent the Company from continuing to operate over that period as the Company's assets are sufficiently liquid, its commitments are limited and the Company intends to continue to operate as an investment trust. A substantial financial crisis affecting the global economy could have an impact on this assessment.

The ongoing operation of the Company is subject to a continuation vote every three years, with the next vote due to take place in 2021. In the event such a vote was not passed, the directors would follow the provisions in the Articles of Association relating to the winding up of the Company and the realisation of its assets.

Based on this assessment, the directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next three year period.

Future Developments

While the future performance of the Company is mainly dependent on the performance of international financial markets which are subject to various external factors, the Board's intention is that the Company will continue to pursue its stated Investment Objective and Policy. The Chairman's Statement and Fund Managers' Report provide commentary on the outlook for the Company.

Key Performance Indicators

In order to measure the success of the Company in meeting its Investment Objective and Policy, and to evaluate the performance of the Manager, the directors take into account the following Key Performance Indicators ("KPIs"):

Performance measured against the benchmark
The Board reviews and compares the total return of the NAV per share and share price for the Company compared with the

benchmark, the FTSE World Total Return Index on a total return basis in Sterling terms.

Given the fact that the Company's portfolio includes a number of emerging market exposures, an additional informal performance measure has been adopted by the Board which the Company also reports against. This is a composite index comprising the FTSE Developed Total Return Index (75%) and the FTSE Emerging Markets Total Return Index (25%).

The Company has adopted the AIC Flexible Investment Sector as an additional informal measure which assesses performance against other similar vehicles with differentiated and flexible mandates.

Discount to NAV

The Board monitors the performance of the Company's shares and the level of discount at which the shares trade relative to the NAV per ordinary share.

Ongoing charge

The Board reviews the costs of running the Company calculated using the AIC methodology for the ongoing charge.

The charts and data on pages 2, 3 and 12 show how the Company has performed against these KPIs.

Corporate Responsibility

Responsible investment and the UK Stewardship Code

The Board has delegated responsibility to the Manager for voting the rights attached to the shares held in the Company's portfolio. The Manager does so in line with the provisions of its Responsible Investment Policy (the "RI Policy") which sets out its approach to corporate governance, corporate responsibility and Janus Henderson's compliance with the UK Stewardship Code. The Board reviews the RI Policy at least annually and receives reporting on the voting undertaken by the Manager on behalf of the Company.

The Board and the Manager believe that voting at general meetings is an important aspect of corporate stewardship and a means of signalling shareholder views on board policy, practices and performance. Voting recommendations are guided by the best interests of the investee companies' shareholders. The Manager actively votes at shareholder meetings and engages with companies as part of the voting process. Voting decisions are made in consultation with the Fund Managers.

The RI Policy can be found on the Manager's website at www.janushenderson.com.

Employees, social, community, human rights and environmental matters

As an investment company, the Company's own direct environmental impact is minimal. The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emission producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Strategic Report: Corporate Information (continued)

The Company has no employees. The directors are satisfied that, to the best of their knowledge, the Company's principal suppliers, listed on page 14, comply with the provisions of the UK Modern Slavery Act 2015 and maintain adequate safeguards in keeping with the provisions of the Bribery Act 2010 and Criminal Finances Act 2017.

Bribery Act 2010

The Board has reviewed the implications of the Bribery Act 2010, which came into force on 1 July 2011, and confirmed its zero tolerance to bribery and corruption in its business activities. It has received assurances from the Company's main contractors and suppliers that they maintain adequate safeguards to protect against any potentially illegal behaviour by their employees and agents.

Modern Slavery Act 2015

As an investment vehicle the Company does not provide goods or services in the normal course of business, and does not have customers. Accordingly, the directors consider that the Company is not required to make any slavery or human trafficking statement under the Modern Slavery Act 2015.

Criminal Finances Act 2017

The Board has considered the changes made by the Criminal Finances Act 2017 which introduced a new corporate criminal offence of failing to take reasonable steps to prevent the facilitation of tax evasion. The Company maintains a zero tolerance policy towards the provision of illegal services, including the facilitation of tax evasion.

Board

The Company's business is overseen by a Board comprising four non-executive directors, three male and one female. The directors bring a range of knowledge and business experience including legal, private and listed equity investment experience, knowledge of the distribution chain for investment products and broad investment management expertise to discussions regarding the Company's business.

The Board regularly considers the leadership needs and specific skills required to achieve the Company's Investment Objective and to provide effective oversight of the Company's activities. The directors are mindful of diversity, gender, social and ethnic backgrounds, cognitive and personal strengths, and experience when making appointments to the Board. As part of its regular evaluation of the composition of the Board, the Nominations Committee considers a skills matrix to identify the Board's core competencies. Where gaps are identified in the profile, these are considered in the context of a search for a new director or as part of the regular retirement of directors. All appointments to the Board are based on objective criteria and merit and are made following a formal, rigorous and transparent process.

As the Company has no employees, it does not maintain a formal policy on diversity and inclusion, and therefore has nothing further to report in respect of gender representation within the Company.

For and on behalf of the Board

Graham Oldroyd
Director
21 June 2019

Warning to shareholders

Many companies are aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based "brokers" who target UK shareholders offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. They can be very persistent and extremely persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

Please note that it is very unlikely that either the Company or the Company's registrar, Computershare Investor Services PLC, would make unsolicited telephone calls to shareholders and that any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment "advice". If you are in any doubt about the veracity of an unsolicited phone call, please call the Corporate Secretary at the number provided on page 14.

Strategic Report: Glossary

Alternative Investment Fund Managers Directive (“AIFMD”)

Agreed by the European Parliament and the Council of the European Union and transposed into English law with effect from 22 July 2013, the AIFMD classifies certain investment vehicles, including investment companies, as Alternative Investment Funds (“AIFs”) and requires them to appoint an Alternative Investment Fund Manager (“AIFM”) and depositary to manage and oversee the operations of the investment vehicle. The Board of Directors retains responsibility for strategy, operations and compliance and the directors retain a fiduciary duty to shareholders.

AIC Flexible Investment Sector

The AIC sector comprising funds with differentiated and flexible mandates.

Association of Investment Companies (“AIC”)

The Company is a member of the AIC which is the trade body for investment companies and represents the industry in relation to various matters which impact the regulation of such entities.

Benchmark

An index against which performance is compared. For the Company this is the FTSE World Total Return Index in Sterling terms.

Beta

The beta of an investment measures the relationship with the overall market or chosen benchmark.

Composite index

A composite index is a grouping of equities, indices or other factors combined in a standardised way to provide a useful measure of market or sector performance over time.

Contribution

A measure of how much a particular holding or investment category has contributed to the Company’s gross total return before management and administration costs. In calculating the contribution, an average weighting of the value of the holding or category as a percentage of the Company’s portfolio (including cash and money market funds) is applied to the investment return of that holding or category.

Custodian

The custodian is responsible for ensuring the safe custody of the Company’s assets and that all transactions in the underlying holdings are transacted in an accurate and timely manner.

Depositary

With effect from 22 July 2014, all AIFs were required to appoint a depositary which has responsibility for overseeing the operations of the Company including safekeeping, cash monitoring, verification of ownership and valuation of the underlying holdings, and is responsible for the appointment of a custodian. The depositary is strictly liable for the loss of any investments or other assets in its custody unless it has notified that it has discharged its liability in certain markets. The depositary has confirmed that it has not discharged liability in relation to any of the Company’s assets.

Derivative

A contract between two or more parties in relation to an underlying security. The value of a derivative will fluctuate in accordance with the value of the security and is a form of gearing as the fluctuations in value are usually greater than the fluctuations in the underlying security’s value. Examples of derivatives are put and call options, swap contracts, futures and contracts for difference. Foreign exchange, interest rates and commodities may also be traded using derivative contracts.

Dividend dates

When declared or recommended, each dividend will have three key dates applied to it. The payment date is the date on which shareholders will receive their dividend, either by BACS transfer or by receipt of a dividend cheque. The record date applied to the dividend is used as a cut-off for the Company’s registrars to know which shareholders should be paid a dividend. Only shareholders on the Register of Members at the close of business on the record date will receive the dividend. The ex-dividend date is the date on which the shares trade without entitlement to the dividend. The NAV disclosed on this date is quoted as excluding the dividend.

Gearing

Gearing means borrowing money to buy assets with the expectation that the return on investments bought will exceed the interest cost of the borrowings. The gearing percentage reflects the amount of borrowings (e.g. bank loans or overdrafts) the Company has used to invest in the market and is calculated by taking the difference between total investments and equity shareholders’ funds, dividing this by equity shareholders’ funds and multiplying by 100. The Company can also use synthetic gearing through derivatives and foreign exchange hedging.

Investment trusts

Investment trusts are public limited companies, listed on the London Stock Exchange, which provide shareholders with a professionally managed portfolio of investments. Investment trusts are exempt from tax on the capital gains arising on their investments subject to meeting certain criteria. Income, net of expenses and tax, is substantially distributed to shareholders. Investment trusts are also known as investment companies, although the tax legislation retains the reference to investment trusts.

Strategic Report: Glossary (continued)

Liquidity

In the context of the liquidity of shares in the stock market, this refers to the availability of buyers and sellers in the market for the share in question. Where the market in a particular share is described as liquid, that share will be in demand and holders wishing to sell their shares should find ready buyers. Conversely, where the market in a share is illiquid the difficulty of finding a buyer or seller will tend to depress or increase the price that might be negotiated for a sale or purchase. Investment companies can use allotment or buy-back powers to assist the market liquidity in their shares.

Lock-up

A period in which an investor has no redemption rights.

Look-through basis

Statistics provided on a look-through basis are an aggregation of the exposures of each of the Company's underlying portfolio investments.

Market capitalisation (market cap)

The market value of a company, calculated by multiplying the mid-market price per share by the number of shares in issue.

Net asset value ("NAV") per ordinary share

The value of the Company's assets (i.e. investments, cash held and other assets) less any liabilities (i.e. bank borrowings, debt securities and other liabilities) for which the Company is responsible, divided by the number of ordinary shares in issue. The aggregate NAV is also referred to as shareholders' funds on the Statement of Financial Position. The NAV is published weekly.

Ongoing charge

The ongoing charge reflects those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the Company as a collective fund, excluding the costs of acquisition or disposal of investments, financing costs and gains or losses arising on investments. The ongoing charge is based on actual costs incurred in the year as being the best estimate of future costs in accordance with methodology prescribed by the AIC and is the annualised ongoing charge divided by the average net asset value in the period.

Premium/discount

The amount by which the market price per ordinary share of an investment company is either higher (premium) or lower (discount) than the NAV per share, expressed as a percentage of the NAV per share.

Revenue return per share

The revenue return per share is the revenue profit for the period divided by the weighted average number of ordinary shares in issue during the period.

Risk adjusted return

The risk adjusted return is calculated using the monthly average Sharpe ratio. The ratio measures the average return earned in excess of the risk-free rate per unit of volatility. Generally, the greater the value of the Sharpe ratio, the more attractive the risk adjusted return.

Total return performance

This is the return on the share price or NAV taking into account both the rise and fall of share prices and the dividends and interest paid to shareholders. Any dividends received by a shareholder are assumed to have been reinvested in either additional shares (for share price total return) or the Company's assets (for NAV total return).

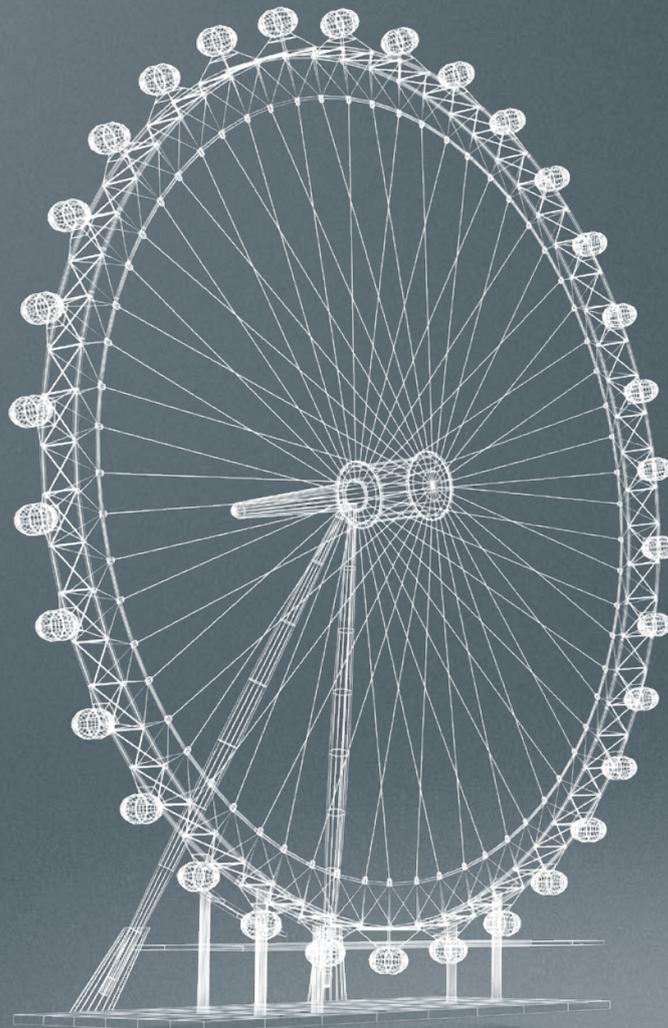
With/without redemption rights

Unlisted investments may or may not have redemption rights. Unlisted investments with redemption rights give the right to the Company, as an investor, to exit these investments periodically. Unlisted investments without redemption rights have no such provisions and are therefore likely to be less liquid in nature.

Yield

The annual dividend expressed as a percentage of the share price.

Corporate Report



Directors' Report

The directors present their report and the audited financial statements for the 18-month period ended 31 March 2019.

The Corporate Governance Statement and Audit Committee Report on pages 25 to 30, and General Shareholder Information on page 52 form part of this Directors' Report.

Share Capital

The Company's share capital comprises ordinary shares of 25p nominal value each. The voting rights of the shares on a poll are one vote for every share held. There are no restrictions on the transfer of the Company's ordinary shares and there are no shares with specific rights with regards to control of the Company.

As at 31 March 2019, there were 38,678,638 shares in issue. No shares have been issued during the period or up to the date of this report and no shares were held in treasury at the end of the period.

At the annual general meeting held on 24 January 2018, shareholders gave the Board authority to allot up to 2,148,812 new ordinary shares and to buy back up to 6,442,142 ordinary shares, which could be cancelled or held in treasury. These authorities will expire at the earlier of the 15 months following the passing of the resolution or the next annual general meeting. The Board has not made use of either authority.

Holdings in the Company's Shares

Declarations of interests in the voting rights of the Company as at 31 March 2019 in accordance with the Disclosure Guidance and Transparency Rules were as follows:

	% of voting rights
1607 Capital Partners, LLC	26.1
Wells Capital Management Inc	8.6
City of London Investment Group plc	6.5

On 29 April and 6 May 2019, 1607 Capital Partners, LLC notified the Company that they had reduced their holding in the issued share capital, and subsequently increased it again, to 26.0%.

Annual General Meeting

The annual general meeting ("AGM") will be held on Thursday 25 July 2019 at 11.30 am at the offices of Janus Henderson Investors, 201 Bishopsgate, London EC2M 3AE. The Notice of Meeting and details of the resolutions to be put to shareholders at the AGM are contained in the separate document sent to shareholders with this report.

The Board encourages shareholders to attend and participate in the AGM. Shareholders have the opportunity to address questions to the Chairman of the Board, the Chairman of the Audit Committee and all other directors at the meeting and the Fund Managers will provide an update on the Company's performance. A summary of the proxy votes received is displayed at the meeting and published on the Company's website. Each substantial issue is dealt with in a separate resolution. Shareholders wishing to lodge questions in advance of the

meeting, or raise issues or concerns at any time, are invited to do so by writing to the Chairman at the correspondence address given on page 14 of this report.

Duration of the Company

The Company's Articles of Association were amended in 2011 and a continuation vote was introduced requiring shareholders' consent to the continuation of the Company every three years ("continuation vote"). The last continuation vote was put to shareholders at the AGM in 2018 and will be put to them again at the AGM in 2021.

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 marketing services (see note 16 on page 51), there have been no material transactions with this related party affecting the financial position of the Company during the period under review.

Directors' Statement as to Disclosure of Information to the Auditors

Each of the directors who were members of the Board at the date of approval of this report confirms that, to the best of his or her knowledge and belief, there is no information relevant to the preparation of the annual report of which the Company's auditors are unaware and he or she has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

Listing Rule 9.8.4

Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the annual report or a cross reference table indicating where the information is set out. The directors confirm that there are no disclosures to be made in this regard.

By order of the Board

Henderson Secretarial Services Limited
Corporate Secretary
21 June 2019

Statement of Directors' Responsibilities

The directors are responsible for preparing the annual report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102, the financial reporting standard applicable in the United Kingdom and Republic of Ireland, and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements respectively; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors consider that the annual report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Statement of Directors' Responsibilities

Each of the directors, who are listed on page 13, confirms that, to the best of their knowledge:

- the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS 102 and applicable law), give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the annual report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the Board

Graham Oldroyd
Director
21 June 2019

The financial statements are published on www.hendersonalternativestrategies.com which is a website maintained by Janus Henderson.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The maintenance and integrity of the website is the responsibility of Janus Henderson; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Directors' Remuneration Report

Remuneration Policy

The Remuneration Policy (the "Policy") sets out the principles applied in the remuneration of the Company's directors. The Policy has been in place since 1 October 2012 and a resolution approving the Policy was last passed at the AGM held on 25 January 2017.

The Company's Policy is that directors' remuneration should:

- reflect the experience of the Board as a whole;
- be fair and comparable to that of other investment trusts that are similar in size, have a similar capital structure and similar Investment Objective;
- be of a sufficient level to promote the long-term success of the Company; and
- not exceed the limit of £150,000 per annum as established by the Company's Articles of Association.

Directors are remunerated in the form of fees which are payable quarterly in arrears. Directors are not eligible for bonuses, pension benefits, share options or other benefits and no long-term incentive schemes are in place. The directors are authorised to claim reasonable expenses from the Company in relation to the performance of their duties. The level of remuneration paid to each director is reviewed annually, although review will not necessarily result in any change to the rate. The Board may amend the level of remuneration paid to individual directors within the parameters of the Policy.

The Policy, irrespective of any changes, should be put to shareholders at intervals of not more than three years, with the next approval due to be sought at the AGM in 2020.

Shareholder's views

Any feedback from shareholders would be taken into account by the Board when setting remuneration levels.

Letters of Appointment

The terms of directors' engagement are set out in letters of appointment. These include a three month notice period and the Company reserves the right to make a payment in lieu of notice. No director has a service contract with the Company.

Recruitment principles

All directors, including any new appointments to the Board, are paid at the same rate, apart from the Chairman of the Board and the Chairman of the Audit Committee who are paid a higher fee in recognition of their additional responsibilities.

Annual Report on Directors' Remuneration

This report is submitted in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended in August 2013 (the "Regulations"). The report also meets the relevant requirements of the Companies Act 2006, the Listing Rules and describes how the Board has applied the principles relating to directors' remuneration.

An ordinary resolution to approve the report will be proposed at the 2019 Annual General Meeting.

The Company's auditors are required to report on certain information contained within this report. Where information set out below has been audited it is indicated as such.

All of the directors are non-executive and the Company has no chief executive officer or employees; as such some of the reporting requirements contained in the Regulations are not applicable and have not been reported on, including the requirement for a future policy table and an illustrative representation of the level of remuneration that could be received by each individual director. All relevant information is disclosed within this report in an appropriate format.

Statement from the Chairman

As the Company has no employees and the Board is comprised of four non-executive directors, a separate Remuneration Committee has not been established. The Board as a whole considers directors' remuneration within the parameters of the Policy approved by shareholders.

Directors' fees remain unchanged during the period and are £33,000 p.a. for the Chairman, £26,000 p.a. for the Chairman of the Audit Committee and £23,000 p.a. for directors. Directors' fees were last increased in 2015.

Directors' interests in shares (audited)

	Ordinary shares of 25p	
	31 March 2019	30 September 2017
Graham Fuller ¹	n/a	10,000
Richard Gubbins	8,977	8,717
Jamie Korner	24,000	24,000
Graham Oldroyd	15,000	15,000
Mary-Anne McIntyre	–	–

¹ Retired from the Board on 24 January 2018

The interests of the directors in the ordinary shares of the Company at the beginning and end of the financial period are shown above. There have been no changes to any of the directors' holdings from 31 March 2019 to the date of this report.

Directors' Remuneration Report (continued)

Performance

The Company's performance is measured against the FTSE World Total Return Index in Sterling (the "Benchmark Index"). The graph compares the mid-market price of the Company's ordinary shares over the ten year period ended 31 March 2019 with the return from the benchmark index over the same period, assuming the investment of £100, with reinvestment of all dividends and income (excluding dealing expenses).

Source: Morningstar Direct and Datastream

— FTSE World Total Return Index in Sterling
— Henderson Alternative Strategies Trust plc share price total return



Directors' Remuneration (audited)

The remuneration paid to the directors who served during the 18 months ended 31 March 2019 and year ended 30 September 2017 was as follows:

	18 months ended 31 March 2019 Total salary and fees £	Year ended 30 September 2017 Total salary and fees £	18 months ended 31 March 2019 Expenses and taxable benefits £	Year ended 30 September 2017 Expenses and taxable benefits £	18 months ended 31 March 2019 Total £	Year ended 30 September 2017 Total £
Graham Fuller ¹	7,283	23,000	–	–	7,283	23,000
Richard Gubbins ²	49,500	33,000	324	–	49,824	33,000
Jamie Korner	34,500	23,000	–	–	34,500	23,000
Graham Oldroyd	39,000	26,000	136	185	39,136	26,185
Mary-Anne McIntyre ³	34,500	1,875	666	–	35,166	1,875
	164,783	106,875	1,126	185	165,909	107,060

Notes:

The table above omits other columns set out in the relevant regulations because no payments of other types such as performance related pay, vesting performance related pay and pension related benefits were made

1 Retired on 24 January 2018

2 Chairman and highest paid director

3 Appointed on 1 September 2017

No other remuneration or compensation was paid or payable by the Company during the period to any of the current or former directors or third parties specified by any of them.

Relative Importance of Spend on Pay

In order to show the relative importance of spend on pay, the table below sets out the total level of remuneration compared to the distributions paid to shareholders by way of dividends and share buybacks.

	18-month period to 31 March 2019 £	12-month period to 30 September 2018 £	Change £
Total remuneration	165,909	107,060	58,849
Ordinary dividends paid	3,771,167	2,750,481	1,020,686
Buy back of Ordinary Shares pursuant to tender offer	–	12,951,996	(12,951,996)

Statement of Voting at AGM

A binding ordinary resolution adopting the Remuneration Policy was approved at the AGM held on 25 January 2017. The votes cast by proxy in favour of the resolution were 25,734,736 (98.17%), votes cast against the resolution were 468,670 (1.79%) and 11,889 (0.04%) were placed at the discretion of the chairman of the meeting to vote. A total of 8,381 votes were withheld.

An ordinary resolution adopting the Annual Report on Directors' Remuneration was approved at the AGM held on 24 January 2018. The votes cast by proxy in favour of the resolution were 24,182,740 (97.91%), votes cast against the resolution were 494,815 (2.00%) and 21,651 (0.09%) were placed at the discretion of the chairman of the meeting to vote. A total of 2,542 votes were withheld.

The percentage of votes in favour, against and discretionary excludes the number of votes withheld.

For and on behalf of the Board

Graham Oldroyd
Director
21 June 2019

Corporate Governance Statement

Applicable Corporate Governance Codes

The Company maintains a premium listing on the London Stock Exchange and is therefore required to report on how the principles of the UK Corporate Governance Code ("UK Code") have been applied. Being an investment company, a number of the provisions of the UK Code are not applicable as the Company has no executive directors or internal operations. The Board has therefore considered the principles and recommendations of the Code of Corporate Governance published by the Association of Investment Companies in July 2016 ("AIC Code"). The AIC Code addresses the principles set out in the UK Code as well as additional principles and recommendations on issues that are of specific relevance to investment companies. The Financial Reporting Council ("FRC") has endorsed the AIC Code and confirmed that, by following it, the boards of investment companies should fully meet their obligations in relation to the UK Code and paragraph 9.8.6 of the Listing Rules.

The FRC published an updated UK Code in July 2018, which was followed by the publication of an updated AIC Code in February 2019. The 2019 AIC Code continues to be endorsed by the FRC and is applicable to financial reporting periods commencing on or after 1 January 2019.

Copies of the AIC Code and the UK Code can be found on the respective organisations' websites: www.theaic.co.uk and www.frc.org.uk. The AIC Code includes an explanation of how it adapts the principles and provisions set out in the UK Code to make them relevant for investment companies.

Statement of Compliance

The Board has considered the principles and provisions of the AIC Code, which address those set out in the UK Code, as well as additional provisions that are of specific relevance to investment companies.

The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to the Company's shareholders in terms of its governance arrangements.

The Company has complied with the principles and provisions of the AIC Code throughout the period. As the Company is an investment company, it has no chief executive or other executive directors and therefore has no need to consider the remuneration of executive directors. In addition, the Company does not have any internal operations and therefore does not maintain an internal audit function. However, the Audit Committee considers the need for such a function at least annually (see page 27 for further information).

The Board

Responsibilities of the Board

The Board is responsible for providing leadership, setting the Investment Objective and Policy, appointing the Company's third-party service providers, establishing robust internal control and risk management systems and monitoring the performance delivered by service providers within the established control framework.

The Board meets formally at least four times a year, with additional Board or committee meetings arranged when required. The directors have regular contact with the Manager between formal meetings.

The Board has a formal schedule of matters specifically reserved for its decision, which includes strategy, approval of the Company's financial results, the setting of investment and gearing limits within which the Manager has discretion to act, oversight of management decisions, and the internal control and risk management systems.

At each meeting the Board reviews the Company's investment performance and considers financial analyses and other reports of an operational nature. The Board monitors compliance with the Company's Investment Objective and Policy, and the Investment Limits and Restrictions.

The Board has engaged third-party service providers to deliver the operations of the Company. Management of the investment portfolio has been delegated contractually to Janus Henderson, which also provides the day-to-day accounting, company secretarial, administrative, sales and marketing activities. The Company has appointed a depositary (as explained on page 18) who in turn appoints the custodian who is responsible for the safe custody of the Company's assets. The Company has also appointed a registrar to maintain the Register of Members and assist shareholders with queries in respect of their holdings. Each of these principal contracts was entered into after full and proper consideration by the Board of the quality and cost of the services offered, including the control systems in operation in so far as they relate to the affairs of the Company. The Board and its committees maintain oversight of the third-party service providers through regular and ad hoc reporting.

The Manager ensures that the directors receive, in a timely manner, all relevant management, regulatory and financial information. The Fund Managers and other representatives of the Manager attend each Board meeting enabling the directors to probe further on matters of concern. The directors have access to the advice and services of the Corporate Secretary through its appointed representative who is responsible to the Board for ensuring that Board and Committee procedures are followed and that applicable rules and regulations are complied with. The proceedings at all Board and committee meetings are fully recorded through a process that allows any director's concerns to be recorded in the minutes. The Chairman is able to attend meetings of all the chairmen of the investment trust companies managed by Janus Henderson which provides a forum to discuss industry matters. The Board and the Manager operate in a supportive, co-operative and open environment.

The Corporate Secretary, Henderson Secretarial Services Limited, is a subsidiary of Janus Henderson with its own reporting lines and audited internal controls. There are processes and controls in place to ensure that there is a clear distinction between the two entities particularly when dealing with any conflicts or issues between the Company and Janus Henderson. Any correspondence from shareholders addressed to the Chairman or the Company received at Janus Henderson's offices is forwarded to the Chairman of the Board in line with the procedures in place.

The Company has adopted a procedure for directors to take independent professional advice in the furtherance of their duties at the expense of the Company.

Corporate Governance Statement (continued)

Directors

At the date of this report the Board comprises four non-executive directors. Their biographies are set out on page 13 and demonstrate the breadth of investment management, financial services and professional experience relevant to their positions as directors. The Company has appointed a Senior Independent Director who is also available to shareholders.

Appointment, retirement and tenure

The Company's Articles of Association provide that the total number of directors should not be fewer than three or more than nine. The Board may appoint a director at any time during the year and any director so appointed should stand for election by shareholders at the next AGM. The appointment of new directors is considered by the Nominations Committee, which makes recommendations to the Board. Directors are expected to serve two terms of three years which may be extended to a third term at the discretion of the Board, subject to satisfactory performance evaluation and ongoing re-election by shareholders.

Each director receives a letter of appointment, copies of which are available for inspection at the Company's registered office during normal business hours and at the Company's AGM. These include a three month notice period and reserve the Company the right to make a payment in lieu of notice.

The Articles of Association require each director to retire and submit themselves for re-election at least every three years. Following publication of the UK Code in July 2018, and the updated AIC Code in February 2019, the Board has considered and chosen to adopt early the provision that all directors should stand for annual re-election by shareholders. All directors will therefore stand for re-election at the upcoming AGM.

Following consideration of the individual performance of each director, an assessment of their independence and their ability to commit an appropriate amount of time to the Company's business, the Nominations Committee concluded that each director continued to contribute effectively to deliberations on the Company's business. The Board is therefore recommending the reappointment of all directors at the 2019 Annual General Meeting.

Under provisions of the Articles of Association, shareholders may remove a director before the end of their term by passing a special resolution at a meeting. A special resolution requires more than 75% of the votes cast, in person or by proxy, to be in favour of the resolution.

Directors' independence

The independence of the directors is determined with reference to the AIC Code. The Nominations Committee considers the independence of each director at least annually by reviewing the directors' other appointments and commitments, as well as their tenure of service and any connection they may have with the Manager.

There were no contracts subsisting during or at the end of the year in which any director is or was materially interested and which is or was significant in relation to the Company's business. No director has a contract of service with the Company and there are no

agreements between the Company and its directors concerning compensation for loss of office.

Following evaluation, the Nominations Committee determined that all directors continued to be independent in character and judgement and that their individual skills, broad business experience and knowledge and understanding of the Company were of benefit to shareholders.

Directors' conflicts of interest

The Company's Articles of Association permit the Board to consider and, if it sees fit, to authorise situations where a director has an interest that conflicts, or may possibly conflict, with the interests of the Company ("situational conflicts"). The Board has a formal system in place for directors to declare situational conflicts to be considered for authorisation by those directors who have no interest in the matter being considered. In deciding whether to authorise a situational conflict, the non-conflicted directors should act honestly and in good faith with a view to acting in the best interests of the Company and may impose limits or conditions when giving the authorisation, or subsequently, if they think this is appropriate.

Any situational conflicts considered, and any authorisations given, are recorded in the minutes. The prescribed procedures have been followed in deciding whether, and on what terms, to authorise situational conflicts and the Board believes that the system it has in place for reporting and considering situational conflicts continues to operate effectively.

Directors' professional development

Newly appointed directors are offered a bespoke induction programme which covers the legal and regulatory framework for investment companies and the operations of the Manager, including the compliance and risk management frameworks, accounting, sales and marketing, and other administrative services provided by the Manager.

Directors are provided on a regular basis with key information on the Company's policies, regulatory and statutory requirements and internal controls. Changes affecting directors' responsibilities are advised to the Board as they arise. Directors are able to attend external training courses and industry seminars at the expense of the Company and each director's individual training requirements are considered by the Chairman as part of the annual performance evaluation process.

Directors' insurance and indemnification

Directors' and officers' liability insurance cover is in place which indemnifies the directors against certain liabilities arising from the carrying out of their duties. Under the Company's Articles of Association and, subject to the provisions of English legislation, a qualifying third-party provision indemnity may be provided to directors in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their positions as directors, in which they are acquitted or judgement is given in their favour by the Court. The Company has granted an indemnity to each director to the extent permitted by law in respect of liabilities that may attach to them in their capacity as directors of the Company.

Corporate Governance Statement (continued)

Directors' attendance at meetings

The following table sets out the number of Board and committee meetings held during the 18-month period under review and the number of meetings attended by each director. In addition to the meetings below, the Board held a separate strategy session during the period.

	Board	AC	MEC	NC
Number of meetings	7	3	1	1
Graham Fuller ¹	2	n/a	n/a	n/a
Richard Gubbins	7	3	1	1
Jamie Korner	7	3	1	1
Graham Oldroyd	7	3	1	1
Mary-Anne McIntyre	6	3	1	1

¹ Retired from the Board on 24 January 2018

AC: Audit Committee

MEC: Management Engagement Committee

NC: Nominations Committee

Performance evaluation

The Chairman led the performance evaluation of the Board, its committees and each individual director. The assessment was conducted through individual discussions between the Chairman and each director, with the outcome reported to the Nominations Committee. Following completion of the evaluation and discussion by all directors, it was concluded that the Board size and composition remained appropriate for the Company, that the Board retained a good balance of skills and business experience and the committees continued to support the Board in fulfilling its duties.

The Senior Independent Director led the performance evaluation of the Chairman. Individual discussions were held with each director and the outcomes reported to the Nominations Committee and feedback provided to the Chairman.

Internal Controls

The Board has overall responsibility for the Company's system of internal control and for reviewing its effectiveness. The Audit Committee supports the Board in the continuous monitoring of the internal control and risk management framework.

The Board has established an ongoing process for identifying, evaluating and managing the principal risks faced by the Company. The process accords with the FRC's guidance on Risk Management, Internal Control and Related Business and Financial Reporting published in September 2014. The system was in operation throughout the period and up to the date of this report. The system is designed to meet the specific risks faced by the Company and takes account of the nature of the Company's reliance on its service providers and their internal controls. The system therefore manages rather than eliminates the risk of failure to achieve the Company's business objectives and provides reasonable, but not absolute assurance against material misstatement or loss.

The key components of the internal control framework include:

- the establishment of clearly defined investment criteria which specify levels of authority and exposure limits. The Board reviews reports on compliance with the criteria at each meeting.

- the Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its performance. The forecasts are reviewed by the Board at each meeting.
- the contractual agreements with the Manager and other third-party service providers, and adherence to them, are reviewed on a regular basis through reporting to the Board and formal evaluation of the overall level of service provided at least annually.
- the review of controls at the Manager and other third-party service providers. The Board receives quarterly reporting from the Manager and depositary, reviews annual assurance reports on the effectiveness of the control environments at the Company's key service providers and, if applicable, the Board agrees any required actions.
- annual review meetings with the depositary and other service providers as necessary to consider performance against key indicators and the reasons for any failure to meet agreed service levels.
- review of additional reporting provided by:
 - the Manager's Enterprise Risk team on the control environment in operation at the Manager and their view of the control environments in place at the third-party service providers used by the Company.
 - the Manager's Internal Audit team on areas of operation which are relevant to the Company.

The Board has reviewed the Company's system of internal controls for the 18-month period ended 31 March 2019. During the course of its review the Board has not identified or been advised of any failings or weaknesses relating to the Company's portfolio that have been determined as significant.

Internal Audit Function

The Company is an investment company, has no employees and delegates all executive activities to third-party service providers, principally among them, the investment manager, Janus Henderson. The Board places reliance on the Company's framework of internal control and the reporting received from the Manager's Internal Audit department, and other specialist functions, in terms of assurance reporting. The Manager's Internal Audit department provides regular reporting to the Board and presents at least annually to the Audit Committee. The Manager's Enterprise Risk team support the Audit Committee in considering the independently audited reports on the effectiveness of internal controls in place at the Company's third-party service providers. The Board has therefore concluded that it is not necessary at the present time for the Company to have its own internal audit function. Systems are in operation to safeguard the Company's assets and shareholders' investments, to maintain proper accounting records and to ensure that financial information used within the business, or published, is reliable.

Committees of the Board

The Board has three committees; the Audit Committee, the Nominations Committee and the Management Engagement Committee. The terms of reference for each Committee are kept under regular review by the Board and are available on the Company's website.

Corporate Governance Statement (continued)

Audit Committee

The Audit Committee is chaired by Graham Oldroyd and the membership comprises all of the directors. The Audit Committee report can be found on pages 29 to 30.

Nominations Committee

The Nominations Committee is responsible for ensuring the Board retains an appropriate balance of skills, experience and diversity, has a formal, rigorous and transparent approach to the appointment of directors and maintains an effective framework for succession planning.

The Committee is chaired by the Chairman of the Board. All of the directors are members of the Committee.

In discharging its duties over the course of the period, the Committee considered:

- the composition of the Board and each of its committees, taking account of the skills, experience and knowledge of each director and whether the diversity of these continued to contribute to the success of the Company;
- the outcomes of the Board performance evaluation with a view as to whether adjustments should be made to the number of directors or knowledge and skills represented on the Board;
- the tenure of each of the directors, giving consideration as to whether the Board retained a sufficient balance of length of service without becoming complacent;
- the independence of the directors taking account of the guidelines established by the AIC Code as well as the directors' other appointments;
- the time commitment of the directors and whether this had been sufficient over the course of the period;
- succession planning for appointments to the Board taking account of the provisions of the Articles regarding the retirement and rotation of directors, the tenure of the current directors and recommendations of the AIC Code published in 2019; and
- the performance and contribution of all directors standing for re-election at the 2019 Annual General Meeting.

Following completion of its reviews, the Committee concluded that no changes to the composition of the Board were required at present and that each director continued to commit sufficient time to fulfilling their duties. Taking account of the performance of individual directors, the Committee recommended to the Board that it should support the re-appointment of all the directors at the 2019 Annual General Meeting.

Management Engagement Committee

The Committee is responsible for reviewing the arrangements with the Manager on a regular basis, ensuring that the terms of engagement are fair and reasonable and that their continued appointment, given the Company's performance over both short and longer terms, is in the best interests of the Company and its shareholders. The Committee also reviews the performance and cost effectiveness of the Company's other service providers.

The Committee is chaired by the Chairman of the Board. All directors are members of the Committee.

In discharging its duties over the course of the period, the Committee considered:

- the investment performance of the Company, taking account of the benchmark, composite benchmark and performance of competitors in the closed-ended and open-ended sectors, the share price, level of premium/discount and gearing;
- the quality and experience of the team involved in managing all aspects of the Company's business;
- communications from the Manager in respect of the retirement of Mr Barrass and succession planning in this respect;
- the fee structures of its closed-ended competitors and other, similar sized investment companies;
- the key clauses of the Investment Agreement, how the Manager had fulfilled these and whether these continued to be appropriate;
- the appropriateness of the current management fee arrangements following the adoption of a revised fee arrangement that became effective from 1 April 2018; and
- the performance and fees of the Company's other third-party service providers, including the brokers, depositary, registrar, sales, marketing and research providers and legal counsel.

Continued appointment of the Manager

Following completion of its reviews, the Committee concluded that the continued appointment of the Manager remained in the best interests of the Company and the shareholders, and therefore recommended to the Board the re-appointment of the Manager for a further year.

Relations with Shareholders

Shareholder relations are given high priority by the Board. The primary medium by which the Company communicates with its shareholders is through the annual report and interim results which aim to provide shareholders with a clear understanding of the Company's activities and performance, and with meetings with the Fund Managers. This information is supplemented by the weekly calculation and publication of the NAV per share through a regulatory information service and a monthly fact sheet which is available on the website. Janus Henderson provides information on the Company and Fund Managers through videos on the website, via various social media channels and through its HGI content platform, more details of which are included on page 14.

General presentations to shareholders and analysts follow the publication of the annual results. All meetings between the Fund Managers and shareholders are reported to the Board.

By order of the Board

Henderson Secretarial Services Limited
Corporate Secretary
21 June 2019

Audit Committee Report

Role

The Audit Committee is responsible for ensuring the integrity of the Company's financial reporting, evaluating the effectiveness of the systems of internal control and risk management and monitoring the effectiveness and objectivity of the external auditor.

All directors are members of the Committee, including the Chairman of the Board. The Committee considered the provisions of the revised AIC Code issued in February 2019, and those of the UK Code issued in July 2018 from which it stems, relating to the membership of the Audit Committee. Taking account of the size of the Board as a whole (four directors in total), the absence of any executive directors and the collaborative manner in which the Board and its committees work, it was not considered practical or constructive to exclude the Chairman from the membership of the Committee. The Chairman of the Board was determined to be independent at the time of his appointment.

The Board is satisfied that at least one member has recent and relevant financial experience and the Committee as a whole has competence relevant to the sector in which the Company operates.

Meetings

The Committee meets at least twice a year. The Company's auditors, the Fund Managers and the Manager's Financial Reporting Manager are invited to attend meetings of the Committee on a regular basis. Other representatives of the Manager and BNP may also be invited to attend if deemed necessary by the Committee.

Responsibilities

In discharging its duties over the course of the period, the Committee considered:

- the appropriateness of the Company's accounting policies;
- the interim results for the six months to 31 March 2018 and 12 months to 30 September 2018, as well as the annual report for the 18-month period to 31 March 2019, including the disclosures made therein in relation to internal controls and risk management, the Company's viability, use of the going concern basis for their preparation, transactions with related parties and consideration as to whether the report was fair, balanced and understandable and provided the information necessary for shareholders to assess the Company's position, performance, business model and strategy in order to make recommendations to the Board;
- the appropriate level of dividend to be paid by the Company for recommendation to the Board;
- the quality and effectiveness of the accounting records and management information maintained on behalf of the Company, as well as the controls in place over these records by relying on meetings with and reports from the Manager;
- the principal risks facing the Company and the mitigating measures in place to manage these;
- reports on the effectiveness of the internal controls in place at Janus Henderson and the Company's other principal third-party service providers;
- the appointment and evaluation of the effectiveness and objectivity of the external auditors;
- the nature, scope and cost of the statutory audit and reviewing the auditors' findings in this respect;
- the need for an internal audit function, in order to make a recommendation to the Board; and
- the whistleblowing arrangements that Janus Henderson has in place for its staff to raise concerns, in confidence, about possible improprieties, including in relation to the Company.

Effectiveness of the External Audit

The Committee's process for evaluating the effectiveness of the external audit comprises two components: consideration is given to the findings of the FRC's Audit Quality Inspection Report and a post-audit assessment is carried out led by the Committee Chairman.

The auditors are able to present and discuss the findings of the latest Audit Quality Inspection Report and report on the progress made by the firm in terms of addressing the areas identified for improvement in the prior year's report. In assessing the effectiveness of the audit process, the Committee Chairman invites views from the directors, Fund Managers and other members of the Manager's staff in assessing the robustness of the audit, level of challenge offered by the audit team, the quality of the audit team and timeliness of delivering the tasks required for the audit and reporting for the Committee.

Following completion of the assessment, the Audit Committee remained satisfied with the effectiveness of the audit provided by Grant Thornton UK LLP and therefore recommended their continuing appointment to the Board. The auditors have indicated their willingness to continue in office. Accordingly, resolutions re-appointing Grant Thornton UK LLP as auditors to the Company and authorising the Audit Committee to determine their remuneration will be proposed at the upcoming AGM.

Audit Committee Report (continued)

Significant Issues

In relation to the annual report for the 18-month period ended 31 March 2019 the following significant issues were considered by the Committee:

Significant issue	How the issue was addressed
Valuation and ownership of the Company's portfolio	Actively traded investments are valued using stock exchange prices provided by third-party pricing vendors. Investments that are unquoted or not actively traded are valued using a variety of techniques to determine their fair value; all such valuations are reviewed by Janus Henderson's Global Pricing Committee and by the Committee at least twice each year. Ownership of listed investments is verified by reconciliation to the custodian's records; for unquoted investments, verification is via additional reconciliation to the records of the investee entities.
Recognition of Income	Income received is accounted for in line with the Company's accounting policies (as set out on page 39). The Committee considers whether the allocation between capital and income remains appropriate and considers the treatment of special dividends throughout the period.
Compliance with Section 1158 of the Corporation Tax Act 2010	The Committee reviews the Manager's procedures for ensuring compliance with the relevant regulations for ensuring the Company maintains its investment trust status and regularly seeks confirmation of compliance with the relevant regulations.
Maintaining internal controls	The Committee carries out the annual assessment of the effectiveness of the Company's internal control and risk management systems by reviewing the framework and summary of the reporting received throughout the course of the financial reporting period. The assurance report for one of the Company's third-party service providers was qualified by the respective service auditor. The Committee reviewed the instances giving rise to the qualification and sought confirmation that the exceptions identified had no impact on the Company.

Appointment and Tenure of the Auditors

Regulations currently in force require the Company to rotate audit firms after a period of 10 years, which may be extended where audit tenders are carried out or where more than one audit firm is appointed to carry out the audit. Grant Thornton UK LLP were appointed as the auditors in 2013 following a formal tender process and presented their first report in respect of the year ended 30 September 2014. This is the fifth year they have acted as the auditors and the third year the current audit partner, Christopher Smith, has been in place. Subject to the audit remaining effective and the continuing agreement from shareholders on the appointment of the auditors, the Committee envisages carrying out an audit tender process towards the end of the current partner's tenure so as to comply with the regulations.

Auditors' Independence

The Committee monitors the auditors' independence through three aspects of its work: the approval of a policy regulating the non-audit services that may be provided by the auditors to the Company; assessing the appropriateness of the fees paid to the auditors and by reviewing the information and assurances provided by the auditors on their compliance with the relevant ethical standards.

Grant Thornton UK LLP confirmed that all of its partners and staff involved with the audit were independent of any links to the Company, and that these individuals had complied with their ethics

and independence policies and procedures which are fully consistent with the FRC's Ethical Standards.

Policy on the Provision of Non-Audit Services

The Committee has approved, and keeps under regular review, the policy on the provision of non-audit services by the auditors. The policy sets out that the Company's auditors will only be considered for non-audit work where this is not prohibited by the current regulations and where it does not appear to affect the independence and objectivity of the auditors. In addition, the provision of any non-audit services by the auditors is not permitted to exceed 70% of the average annual statutory audit fee for the three consecutive financial periods preceding the financial period to which the cap applies. Such services require approval in advance by the Audit Committee, or Audit Committee Chairman, following due consideration of the proposed services.

Since the appointment of Grant Thornton UK LLP in 2013, the auditors have not provided any non-audit services to the Company.

Graham Oldroyd
Chairman of the Audit Committee
21 June 2019

Independent Auditors' Report to the Members of Henderson Alternative Strategies Trust plc

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of Henderson Alternative Strategies Trust Plc (the "Company") for the period ended 31 March 2019, which comprise the Income Statement, the Statement of Changes in Equity, the Statement of Financial Position, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report page 15 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation, page 15 of the annual report, that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity;

- the directors' statement, page 22 of the financial statements, about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the directors' explanation, page 16 of the annual report, as to how they have assessed the prospects of the company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Overview of our audit approach



Grant Thornton

- Overall materiality: £1,298,000, which represents approximately 1% of the company's net assets;
- Key audit matters were identified as valuation and existence of investments held at fair value through profit or loss and completeness and occurrence of investment income; and
- Our audit approach was a risk-based substantive audit focused on investments at the period end and investment income recognised during the period. There was no change in our approach from the prior period.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report to the Members of Henderson Alternative Strategies Trust plc (continued)

Key Audit Matter	How the matter was addressed in the audit
<p>Valuation and Existence of Investments held at Fair Value through Profit or Loss</p> <p>The company's investment objective is to exploit global opportunities to provide long-term growth to shareholders via a diversified, international, multi- strategy investment portfolio, which also offers access to specialist funds including hedge funds and private equity funds. The investment portfolio at the period end had a carrying value of £113m, of which £61m of investments were quoted on recognised stock exchanges and £52m were unquoted. As different valuation approaches are applied to the different types of investments, there are risks that the investment valuation recorded in the Statement of Financial Position may be incorrect. Also, there is a risk that the investments recorded might not exist.</p> <p>We therefore identified valuation and existence of investments held at fair value through profit or loss as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>Unquoted investments</p> <p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> • understanding management's process to value unquoted investments through discussions with management and examination of control reports on third party administrators • assessing whether the accounting policy for unquoted investments is in accordance with the requirements of United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice (SORP) issued by Association of Investment Companies (AIC); • considering whether the techniques applied for valuing unquoted investments were in accordance with published guidance, principally the International Private Equity and Venture Capital Valuation Guidelines; • agreeing the valuation of unquoted investments to period end fair values as per Net Asset Value (NAV) statements received directly from the investee funds. This also provided evidence over the existence of the investments; • agreeing the nominal holding to the custodian confirmation; and • substantively testing a sample of additions and disposals of unquoted investments during the period by agreeing such transactions to bank statements and notifications from the investee funds. <p>Quoted investments</p> <p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> • assessing whether the accounting policy for quoted investments is in accordance with the requirements of UK GAAP and SORP issued by the AIC; • agreeing the valuation of investments to an independent source of market prices; • agreeing the nominal holding to the custodian confirmation; and • substantively testing a sample of additions and disposals of quoted investments during the period by agreeing such transactions to a list of trade confirmations and bank statements as applicable. <p>The company's accounting policy on investments is shown in note 1(g) to the financial statements and related disclosures are included in note 8. The Audit Committee identified valuation and existence as a significant issue in its report on page 30, where the Audit Committee also described the action that it has taken to address this issue.</p> <p>Key observations</p> <p>Our testing did not identify any material misstatements in the valuation of the company's investment portfolio as at the period end nor were any issues noted with regards to the existence of the underlying investments at the period end.</p>
<p>Completeness and occurrence of investment income</p> <p>The company measures performance on a total return basis and investment income is one of the significant components of this performance measure in the Income Statement.</p> <p>Under International Standard on Auditing (UK) 240 'The auditor's responsibilities relating to fraud in an audit of financial statements', there is a presumed risk of fraud in revenue recognition.</p> <p>We therefore identified completeness and occurrence of investment income as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> • assessing whether the company's accounting policy for revenue recognition is in accordance with the requirements of UK GAAP and SORP issued by the AIC and its consistent application on revenue recognised during the period; • substantively testing income transactions to assess if they were recognised in accordance with the policy; • for investments held during the period, obtaining the ex-dividend dates and rates for dividends declared during the period from an independent source and agreeing the expected dividend entitlements to those recognised in the Income Statement and agreeing dividend income recognised by the company to an independent source. For unquoted investments, the occurrence of investment income was also tested by obtaining distribution notices issued during the period directly from the investee funds; and • assessing the categorisation of corporate actions and special dividends to identify whether the accounting treatment is correct. <p>The company's accounting policy on income, including its recognition is shown in note 1(c) to the financial statements and related disclosures are included in note 2. The Audit Committee identified recognition of income as a significant issue in its report on page 30, where the Audit Committee also described the action that it has taken to address this issue.</p> <p>Key observations</p> <p>Our testing did not identify any material misstatements in the amount of revenue recognised during the period.</p>

Independent Auditors' Report to the Members of Henderson Alternative Strategies Trust plc (continued)

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our work and in evaluating the results of that work.

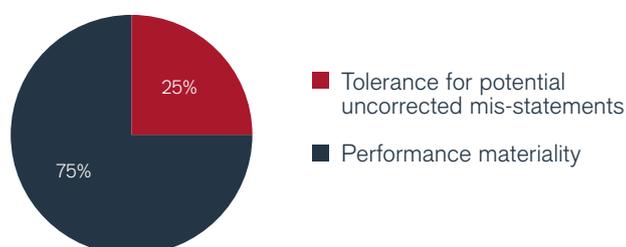
We determined materiality for the audit of the financial statements as a whole to be £1,298,000, which is approximately 1% of the company's net assets. This benchmark is considered the most appropriate because net assets, which primarily comprise the company's investment portfolio, are considered to be the key driver that investors use to assess the company's performance.

Materiality for the current period is higher than the level that we determined for the period ended 30 September 2017 to reflect increased value of the company's net assets, including its investment portfolio, at period end.

We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

Overall materiality



We also determine a lower level of specific materiality for certain areas such as investment income, management fee and directors' remuneration.

We determined the threshold at which we will communicate misstatements to the audit committee to be £64,900. In addition we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

An overview of the scope of our audit

Our audit approach was a risk-based approach founded on a thorough understanding of the company's business, its environment and risk profile and in particular included:

- obtaining an understanding of relevant internal controls at both the company and third-party service providers. This included obtaining and reading internal controls reports prepared by the third-party service providers on the description, design and operating effectiveness of the internal controls at the investment manager, custodian and administrator; and
- performing substantive audit procedures on specific transactions, which included journal entries, significant balances and individual material balances and disclosures, the extent of which was based on various factors including our evaluation of the design and implementation of controls that address significant audit risk.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- we obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following laws and regulations were most significant: FRS102, section 1158 to section 1164 of the Corporation Tax Act 2010, Companies Act 2006 and AIC SORP
- we understood how the company is complying with those legal and regulatory frameworks by, making inquiries to management and the corporate secretary. We corroborated our inquiries through our review of board minutes and papers provided to the Audit Committee
- we assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - challenging assumptions and judgments made by management in its significant accounting estimates
 - designing audit procedures to identify unusual journal transactions during the period and testing journal entries posted at the period end.
 - assessing the extent of compliance with the relevant laws and regulations as part of our audit procedures
- we did not identify any key audit matters relating to irregularities, including fraud, as a result of our audit procedures

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report set out on pages 2 to 30, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditors' Report to the Members of Henderson Alternative Strategies Trust plc (continued)

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- Fair, balanced and understandable set out on page 22 – the statement given by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- Audit committee reporting set out on pages 29 to 30 – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or
- Directors' statement of compliance with the UK Corporate Governance Code set out on pages 25 to 28 – the parts of the directors' statement required under the Listing Rules relating to the company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Our opinions on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 22, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the members on 24 February 2014. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 5 years.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Christopher Smith
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
21 June 2019

Income Statement

Notes		18-month period ended 31 March 2019			Year ended 30 September 2017		
		Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
8	Gains on investments at fair value through profit or loss	–	2,285	2,285	–	11,684	11,684
	Exchange differences	–	32	32	–	(55)	(55)
2	Investment income	3,312	–	3,312	2,644	–	2,644
	Gross revenue and capital gains	3,312	2,317	5,629	2,644	11,629	14,273
3	Investment management fees	(247)	(989)	(1,236)	(91)	(821)	(912)
4	Other expenses	(611)	–	(611)	(442)	–	(442)
	Net return before finance costs and taxation	2,454	1,328	3,782	2,111	10,808	12,919
	Finance costs	–	(1)	(1)	–	(1)	(1)
	Net return before taxation	2,454	1,327	3,781	2,111	10,807	12,918
5	Taxation	–	–	–	(15)	–	(15)
7	Net return after taxation	2,454	1,327	3,781	2,096	10,807	12,903
7	Return per ordinary share	6.34p	3.43p	9.77p	5.23p	26.97p	32.20p

The Total column of this statement represents the Income Statement of the Company. The Revenue return and Capital return columns are supplementary to this and are prepared under guidance published by the AIC. The Company had no recognised gains or losses other than those recognised in the Income Statement. No operations were acquired or discontinued in the period. All revenue and capital items in the above statement derive from continuing operations.

Statement of Changes in Equity

Notes	18-month period ended 31 March 2019	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
	Balance at 1 October 2017	9,670	10,966	8,783	97,255	3,068	129,742
6	Net return after taxation	–	–	–	1,327	2,454	3,781
	Ordinary dividends	–	–	–	–	(3,771)	(3,771)
	Balance at 31 March 2019	9,670	10,966	8,783	98,582	1,751	129,752

Notes	Year ended 30 September 2017	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
	Balance at 1 October 2016	10,744	10,966	7,709	99,507	3,722	132,648
	Net return after taxation	–	–	–	10,807	2,096	12,903
	Shares bought back – tender offer	(1,074)	–	1,074	(13,059)	–	(13,059)
6	Ordinary dividends	–	–	–	–	(2,750)	(2,750)
	Balance at 30 September 2017	9,670	10,966	8,783	97,255	3,068	129,742

Statement of Financial Position

Notes		31 March 2019 £'000	30 September 2017 £'000
	Fixed Assets		
8	Investments held at fair value through profit or loss	113,014	123,690
	Current assets		
8	Investments held at fair value through profit or loss	14,810	4,718
9	Debtors	2,600	1,545
	Cash and cash equivalents	–	155
	Total current assets	17,410	6,418
10	Creditors: amounts falling due within one year	(672)	(366)
	Net current assets	16,738	6,052
	Total assets less current liabilities	129,752	129,742
	Capital and reserves		
11	Share capital	9,670	9,670
	Share premium account	10,966	10,966
	Capital redemption reserve	8,783	8,783
12	Capital reserve	98,582	97,255
12	Revenue reserve	1,751	3,068
	Total equity shareholders' funds	129,752	129,742
7	Net asset value per ordinary share	335.46p	335.44p

The financial statements on pages 35 to 51 were approved and authorised for issue by the Board of Directors on 21 June 2019.

Graham Oldroyd
Director

Cash Flow Statement

	18-month period ended 31 March 2019 £'000	Year ended 30 September 2017 £'000
Cash flows from operating activities		
Net return before taxation	3,781	12,918
Add back: finance costs	1	1
Gains on investments held at fair value through profit or loss	(2,285)	(11,684)
Withholding tax on dividends deducted at source	–	(15)
Increase in prepayments and accrued income	(867)	(381)
Increase in other creditors	283	32
Exchange movements: cash and cash equivalents	8	–
Net cash inflow from operating activities	921	871
Cash flows from investing activities		
Purchases of investments held at fair value through profit or loss	(31,458)	(36,122)
Sales of investments held at fair value through profit or loss	44,231	33,068
Purchases of current asset investments held at fair value through profit or loss	(43,283)	(27,631)
Sales of current asset investments held at fair value through profit or loss	33,191	45,781
Net cash inflow from investing activities	2,681	15,096
Cash flows from financing activities		
Shares bought back	–	(13,059)
Equity dividends paid	(3,771)	(2,750)
Interest paid	(1)	(1)
Net cash outflow from financing activities	(3,772)	(15,810)
Net (decrease)/increase in cash and cash equivalents	(170)	157
Cash and cash equivalents at beginning of period	155	(2)
Exchange movements	(8)	–
(Bank overdraft)/cash and cash equivalents	(23)	155

Notes to the Financial Statements

1 Accounting Policies

a) Basis of preparation

The Company is a registered investment company as defined in Section 833 of the Companies Act 2006 and is incorporated in the United Kingdom. It operates in the United Kingdom and is registered at the address on page 14.

The financial statements have been prepared in accordance with the Companies Act 2006, FRS 102 – the Financial Reporting Standard applicable in the UK and Republic of Ireland and with the Statement of Recommended Practice Financial Statements of Investment Trust Companies and Venture Capital Trusts (“SORP”) issued in November 2014 and updated in February 2018 for consequential amendments.

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the periods presented. There have been no significant changes to the accounting policies compared to those set out in the Company's Annual Report for the year ended 30 September 2017.

The financial statements have been prepared under the historical cost basis except for the measurement at fair value of investments. In applying FRS 102, financial instruments have been accounted for in accordance with Section 11 and 12 of the Standard. All of the Company's operations are of a continuing nature.

On 26 February 2018, the Company announced that it was changing its financial year end from 30 September to 31 March with the aim of aligning more closely its reporting cycle to the receipt of valuations from the unquoted funds and other unlisted investments held in the portfolio. Therefore, the current financial accounting period for which financial statements have been prepared has been extended to an 18 month period ending on 31 March 2019. The comparative amounts presented in the financial statements (including the related notes) are therefore not entirely comparable.

b) Going concern

Having considered the Company's Investment Objective, risk management and capital management policies, 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 twelve months from the date of approval of the financial statements. Having assessed these factors, the principal risks and other matters discussed in connection with the viability statement, the Board has determined that it is appropriate for the financial statements to be prepared on a going concern basis.

c) Income

Investment income is included in the Income Statement and taken to the revenue return on an ex-dividend basis except where, in the opinion of the directors, the dividend is capital in nature in which case it is taken to the 'Gains or losses on investments held at fair value through profit or loss' in the capital return column. Deposit interest is included on an accrual basis.

d) Expenses and interest

Expenses and interest payable are accounted for on an accruals basis.

e) Investment management fees and finance costs

The investment management fee and interest payable have been allocated 20% to revenue and 80% to capital. The allocation is in line with the long-term historic split of returns, in the form of income and capital gains respectively, from the investment portfolio. For the year to 30 September 2017, the investment management fee and interest payable were allocated 10% to revenue and 90% to capital.

f) Taxation

The taxation charge represents the sum of current and deferred taxation. Current taxation is based on the results showing in the accounts and is calculated using the prevailing taxation rates. Deferred taxation is accounted for in respect of all material timing differences to the extent that it is probable that an asset or liability will crystallise. Timing differences are differences arising between the Company's taxable profits and its results as stated in the accounts which are capable of reversal in one or more subsequent periods.

The tax currently payable is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for the current period's tax is calculated using the applicable rate of corporation tax for the accounting period.

In line with the recommendations of the AIC SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the Income Statement is the 'marginal basis'. Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue return column of the Income Statement, then no tax relief is transferred to the capital return column.

Deferred taxation is provided on all timing differences that have originated but not been reversed by the Statement of Financial Position date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits

Notes to the Financial Statements (continued)

1 Accounting Policies (continued)

f) Taxation (continued)

from which the future reversal of timing differences can be deducted. Any liability to deferred tax is provided at the average rate of tax expected to apply based on tax rates and laws that have been enacted or substantively enacted at the Statement of Financial Position date. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

g) Investments

The Company's investments are categorised as "fair value through profit or loss". All investments are held at fair value. For listed investments, this is deemed to be quoted bid prices as at 31 March 2019 or closing prices for SETS stocks sourced from the London Stock Exchange.

Derivative financial instruments are initially recorded at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. Changes in fair value of derivative financial instruments are recognised in the Income Statement.

Unquoted investments are valued at fair value based on the latest available information, principally net asset value, and with reference to the International Private Equity and Venture Capital Valuation Guidelines, December 2018.

Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Income Statement as "Gains or losses on investments held at fair value through profit or loss".

Transaction costs incurred on the purchase and disposal of investments are included in gains or losses on investments held at fair value through profit and loss as disclosed in note 8. All purchases and sales are accounted for on a trade date basis.

h) Use of estimates

The preparation of financial statements requires the Company to make judgements, estimates and assumptions that affect amounts reported for assets and liabilities at the Statement of Financial Position date and the amounts reported for revenues and expenses during the period. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. The results form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. However, the nature of estimation means that the actual outcomes could differ from those estimates, possibly significantly. The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates relate to the fair value of unquoted investments where there is no appropriate market price. See notes 8 and 15 on pages 44 and 47 respectively, for more information.

Critical accounting judgements and key sources of estimation uncertainty used in preparing the financial information are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting estimates will, by definition, seldom equal the related actual results.

The key estimates, and assumptions, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities relate to the valuation of the Company's unquoted level 3 investments (see note 15 on page 49). 16.2% of the Company's portfolio is comprised of level 3 investments (30 September 2017: 17.3%). These are all valued in line with accounting policy 1(g) on page 40. Under the accounting policy the reported net asset value methodology has been adopted in valuing those investments, as described further on page 49.

As the Company has judged that it is appropriate to use reported NAVs in valuing the unquoted investments as set out in note 15, the Company does not have any key assumptions concerning the future, or other key sources of estimation uncertainty in the reporting period, which may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Whilst the Board considers the methodologies and assumptions adopted in the valuation of unquoted investments are supportable, reasonable and robust, because of the inherent uncertainty of valuation the values used may differ significantly from the values that would have been used had a ready market for the investment existed and the differences could be significant. These values may need to be revised as circumstances change and material adjustments may still arise as a result of a reappraisal of the unquoted investments' fair value within the next year.

i) Foreign currencies

The results and financial position of the Company are expressed in pounds Sterling, which is the functional and presentational currency of the Company. Sterling is the functional currency because it is the currency of the primary economic environment in which the Company operates.

Transactions recorded in overseas currencies during the period are translated into Sterling at the appropriate daily exchange rates. Monetary assets and liabilities and equity investments held at fair value through profit or loss which are denominated in foreign currencies at the Statement of Financial Position date are translated into Sterling at the exchange rates ruling at that date.

Any gains or losses on the translation of foreign currency balances, whether realised or unrealised, are taken to the capital or to the revenue return of the Income Statement, depending on whether the gain or loss is of a capital or revenue nature.

Notes to the Financial Statements (continued)

1 Accounting Policies (continued)

j) Capital and reserves

Called up share capital represents the nominal value of ordinary shares issued.

The share premium account represents the premium above nominal value received by the Company on issuing shares net of issue costs.

The revenue reserve represents accumulated revenue profits retained by the Company that have not currently been distributed to shareholders as a dividend.

The capital redemption reserve represents the nominal value of ordinary shares that have been repurchased and cancelled.

Gains and losses on realisations of fixed asset investments, and transaction costs, together with appropriate exchange differences, are dealt with in the Capital Reserve. A portion of the investment management fee and finance costs, together with any tax relief, is also taken to this reserve. Increases and decreases in the valuation of fixed asset investments are dealt with in this reserve. The cost of share buybacks is also charged directly to this reserve.

k) Distributable reserves

The Company's realised capital reserve and revenue reserve may be distributed by way of a dividend.

l) Dividends payable

Interim dividends are recognised in the period in which they are paid and final dividends are recognised when approved by shareholders. Dividends are dealt with in the Statement of Changes in Equity.

2 Investment Income

	18-months ended 31 March 2019 £'000	Year ended 30 September 2017 £'000
Income from equity shares and securities		
UK investment income	352	286
Overseas income	2,843	2,297
Property income distributions	75	32
	3,270	2,615
Other income		
Interest from money market funds	40	27
Other income	2	2
	42	29
Total income	3,312	2,644

3 Investment Management Fees

	18-months ended 31 March 2019 £'000	Year ended 30 September 2017 £'000
Revenue		
Investment management fee	247	91
Capital		
Investment management fee	989	821
Total	1,236	912

Details of the fee basis are contained in the Strategic Report on page 4.

With effect from 1 October 2017, investment management fees and finance costs are 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.

For the period 1 October 2017 to 31 March 2018, the management fee was charged at a rate of 0.70% per annum, payable quarterly in arrears based on the net asset value at the relevant quarter end. With effect from 1 April 2018, the rate was reduced to 0.60% per annum on the first £250,000,000 of the net asset value and 0.55% per annum in excess thereof.

Notes to the Financial Statements (continued)

4 Other Expenses

	18-months ended 31 March 2019 £'000	Year ended 30 September 2017 £'000
Revenue		
General expenses	357	263
Directors' fees	165	107
Auditor's remuneration – fees payable to the Company's auditor for the audit of the Company's statutory accounts ¹	39	38
Depositary charges	50	34
	611	442

¹ These figures include VAT. Fees for audit services excluding VAT were £32,300 (2017: £31,450)

5 Taxation

a) Analysis of the charge for the period

	18-months ended 31 March 2019 £'000	Year ended 30 September 2017 £'000
Overseas withholding taxes	–	30
Overseas tax reclaimable	–	(15)
Current tax charge for the period (see note 5b)	–	15

b) Factors affecting the tax charge for the period

	18-months ended 31 March 2019 £'000	Year ended 30 September 2017 £'000
Net return before taxation	3,781	12,918
Corporation tax at 19% (2017: 19.5%)	718	2,519
Non-taxable dividends	(512)	(461)
Non-taxable gains on investments	(92)	(2,278)
Gains on disposal of non-qualifying offshore funds	–	8
Movement in unutilised management expenses	(108)	201
Non-taxable exchange differences	(6)	11
Overseas withholding tax	–	15
Current tax charge	–	15

The Company's profit for the accounting period is taxed at an effective rate of 19.0% (2017: 19.5%).

The Company is subject to taxation on gains arising from the realisation of investments in non-qualifying offshore funds but is otherwise exempt from taxation on chargeable gains. Excess management expenses are available to be offset against future taxable profits including any profits on the disposal of interests in non-qualifying offshore funds. The position at the period end is as follows:

	31 March 2019 £'000	30 September 2017 £'000
Excess management expenses	7,722	6,494
Unrealised appreciation on non-qualifying offshore funds	(6,632)	(4,833)
Excess management expenses	1,090	1,661

No provision for deferred taxation has been made in the current or prior accounting period. The Company has not provided for deferred tax on capital gains or losses arising on the revaluation and disposal of investments as it is exempt from tax on these items because of its investment trust status except for those arising from the realisation of investments in non-qualifying offshore funds. The Company has not recognised a deferred tax asset totalling £185,000 (2017: £282,000) based on a prospective corporation tax rate of 17% (2017: 17%). The deferred tax asset arises as a result of having unutilised management expenses in excess of unrealised appreciation on non-qualifying offshore funds. These expenses will only be utilised, to any material extent, if the Company has profits chargeable to corporation tax in the future, because changes are made to the tax treatment of the capital gains made by investment trusts, where disposals of non-qualifying offshore funds would otherwise result in a tax charge or there are other changes to the Company's investment profile which require them to be used.

Notes to the Financial Statements (continued)

6 Dividends on Equity Shares

	18-months ended 31 March 2019 £'000	Year ended 30 September 2017 £'000
2016 special dividend 2.60p	–	1,117
2017 final dividend 4.75p (2016: 3.80p)	1,837	1,633
2019 interim dividend 5.00p	1,934	–
	3,771	2,750

The proposed final dividend of 2.50p per share is subject to approval by shareholders at the annual general meeting and has not been included as a liability in these financial statements. This dividend of £967,000, combined with the interim dividend of 5.00p per ordinary share paid on 31 January 2019, together totalling £2,901,000 (2017: £1,837,000) is the basis on which the requirements of s.1158 of the Corporation Tax Act 2010 are considered. The revenue available for distribution by way of dividend for the period is £2,454,000 (2017: £2,096,000).

All dividends have been paid or will be paid out of revenue profits and the revenue reserve.

7 Returns/Net Asset Value per Ordinary Share

The return per ordinary share is based on the net return attributable to the ordinary shares of £3,781,000 (2017: £12,903,000) and on 38,678,638 ordinary shares (2017: 40,068,008) being the weighted average number of ordinary shares in issue during the period. The return per ordinary share can be further analysed between revenue and capital, as below:

	18-months ended 31 March 2019 £'000	Year ended 30 September 2017 £'000
Net revenue return	2,454	2,096
Net capital return	1,327	10,807
Net total return	3,781	12,903
Weighted average number of ordinary shares in issue during the period	38,678,638	40,068,008

	18-months ended 31 March 2019 Pence	Year ended 30 September 2017 Pence
Revenue return per ordinary share	6.34	5.23
Capital return per ordinary share	3.43	26.97
Total return per ordinary share	9.77	32.20

The Company does not have any dilutive securities, therefore the basic and diluted returns per share are the same.

The net asset value per share is based on the net assets of £129,752,000 (2017: £129,742,000) divided by the number of shares in issue at the end of the period 38,678,638 (2017: 38,678,638). The net asset value per ordinary share at 31 March 2019 was 335.46p (2017: 335.44p)

The movements during the period of the assets attributable to the ordinary shares were as follows:

	18-months ended 31 March 2019 £'000	Year ended 30 September 2017 £'000
Total net assets at 1 October	129,742	132,648
Total net return after taxation	3,781	12,903
Ordinary dividends paid	(3,771)	(2,750)
Ordinary shares bought back – tender offer	–	(13,059)
Net assets attributable to the ordinary shares at period end	129,752	129,742

Notes to the Financial Statements (continued)

8 Fixed Assets – Investments at Fair Value Through Profit or Loss

	31 March 2019 £'000	30 September 2017 £'000
Listed investments	61,163	65,017
Unlisted investments	51,851	58,673
	113,014	123,690

	Listed on major market £'000	Listed on minor market £'000	Total listed £'000	Unlisted £'000	31 March 2019 £'000	30 September 2017 £'000
Valuation as at 1 October	55,854	9,163	65,017	58,673	123,690	111,935
Investment holding (losses)/gains as at 1 October	(66)	7,076	7,010	(1,216)	5,794	1,434
Cost as at 1 October	55,920	2,087	58,007	59,889	117,896	110,501
Purchases of investments at cost	19,695	5,600	25,295	6,163	31,458	33,614
Proceeds from sales of investments	(33,845)	(891)	(34,736)	(9,579)	(44,315)	(33,543)
Net gains/(losses) on sale of investments	4,074	560	4,634	(1,212)	3,422	7,324
Transfers from listed to unlisted	(7,155)	–	(7,155)	7,155	–	–
Transfers from unlisted to listed	4,457	–	4,457	(4,457)	–	–
Cost as at period end	43,146	7,356	50,502	57,959	108,461	117,896
Investment holding gains as at period end	5,166	5,495	10,661	(6,108)	4,553	5,794
Valuation as at period end	48,312	12,851	61,163	51,851	113,014	123,690
Net gains/(losses) on sale of investments	4,074	560	4,634	(1,212)	3,422	7,324
Movement in investment holding gains/(losses)	5,232	(1,581)	3,651	(4,892)	(1,241)	4,360
Total gains on investments	9,306	(1,021)	8,285	(6,104)	2,181	11,684
Gains on index futures	104	–	104	–	104	–
Total gains on investments held at fair value through profit or loss					2,285	11,684

The above analysis is based on the classification noted on page 11.

Transfers from listed to unlisted represent investments which have de-listed.

Transfers from unlisted to listed represent investments which are now listed.

Transaction costs

In the 18 months to 31 March 2019 transaction costs on the acquisition and disposal of portfolio investments amounted to £50,000 (acquisitions £34,000 and disposals £16,000). In the year to 30 September 2017 these costs amounted to £62,000 (acquisitions £41,000 and disposals £21,000).

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 31 March 2019 this holding had a value of £14,810,000 (2017: £4,718,000).

9 Debtors

	31 March 2019 £'000	30 September 2017 £'000
Sales for future settlement	955	871
Accrued income	986	602
Prepayments and other receivables ¹	659	72
	2,600	1,545

¹ Includes derivatives margin cash of £537,000 (2017: nil)

Notes to the Financial Statements (continued)

10 Creditors: Amounts Falling Due Within One Year

	31 March 2019 £'000	30 September 2017 £'000
Other creditors	649	366
Bank overdraft	23	–
	672	366

11 Share Capital

	Shares in issue	Nominal value of total shares in issue £'000
Allotted, issued and fully paid ordinary shares of 25p		
At 1 October 2017	38,678,638	9,670
At 31 March 2019	38,678,638	9,670
Allotted, issued and fully paid ordinary shares of 25p		
At 1 October 2016	42,976,264	10,744
Shares bought back and cancelled	(4,297,626)	(1,074)
At 30 September 2017	38,678,638	9,670

In January 2017, a tender offer, for up to 10% of the Company's shares, was fully subscribed. As a result, 4,297,626 ordinary shares were bought back and subsequently cancelled. The cost of the purchases amounted to £12,952,000 and a further £107,000 of costs were incurred in connection with the tender offer. The total costs of £13,059,000 were charged to Capital Reserve as shown in note 12.

No shares were bought back in the period to 31 March 2019, nor in the period to 20 June 2019 subsequent to the period end.

Every shareholder has the right to one vote for each share held.

12 Retained Earnings

	18-months ended 31 March 2019 £'000	Year ended 30 September 2017 £'000
Capital reserve		
At 1 October	97,255	99,507
Movement in investment holding (losses)/gains	(1,241)	4,360
Gains on index futures	104	–
Gains on realisation of investments at fair value	3,422	7,324
Currency gains/(losses)	32	(55)
Finance costs	(1)	(1)
Management fees charged to capital	(989)	(821)
Shares bought back – tender offer	–	(13,059)
At period end	98,582	97,255

The capital reserve includes investment holding gains amounting to £4,553,000 (2017: £5,794,000) as disclosed in note 8.

	18-months ended 31 March 2019 £'000	Year ended 30 September 2017 £'000
Revenue reserve		
At 1 October	3,068	3,722
Net revenue after taxation	2,454	2,096
Dividends paid	(3,771)	(2,750)
At period end	1,751	3,068

Notes to the Financial Statements (continued)

13 Substantial Interests

The Company is aware of the following interests of 10% or more of units, shares or capital in the following investment funds.

Company	2019 % held	2017 % held
Eurovestech	17.25	17.25
Mantra Secondary Opportunities	11.09 ¹	11.09 ¹

¹ The Company holds 11.09% of the total fund and 63.49% of the US\$ share class

The Company is not aware of any other substantial interests in the investee undertakings that require disclosure.

14 Financial Information on Significant Unlisted Investments

In accordance with the SORP, the following information is provided for the unlisted investments in the Company's ten largest investments as at 31 March 2019.

Company	% of capital owned	Cost £'000	Income recognised by the Company £'000	Investment income £'000	Pre-tax profits/ (losses) £'000	Net assets attributable £'000
Mantra Secondary Opportunities	11.09 ¹	3,580	–	9,993	7,058	71,534
BlackRock European Hedge Fund Limited	0.25	3,876	–	25,879	(196,493)	1,752,855
Renewable Energy & Environmental Infrastructure Fund II	4.40	5,225	–	4,749	26,291	101,765
KLS Sloane Robinson Emerging Market Equity Fund	5.00 ²	5,692	–	1,283	(26,485)	106,559
Majedie Asset Management Tortoise Fund	1.27	5,278	–	34,126	(24,568)	1,013,176
Sagil Latin America Opportunities Fund	1.27	4,014	–	29,848	7,967	344,302

In accordance with the SORP, the following information is provided for the unlisted investments in the Company's ten largest investments as at 30 September 2017.

Company	% of capital owned	Cost £'000	Income recognised by the Company £'000	Investment income £'000	Pre-tax profits/ (losses) £'000	Net assets attributable £'000
CEIBA Investments Limited	7.24	4,457	402	10,135	19,850	126,403
BlackRock European Hedge Fund Limited	0.29	4,290	–	26,461	(200,907)	1,792,236
Mantra Secondary Opportunities	11.09 ¹	3,646	–	3,871	6,256	53,041
Majedie Asset Management Tortoise Fund	0.41	5,278	–	17,274	216,801	1,015,094
Schroder GAIA Indus Pacificchoice Asia Fund	6.60	4,476	–	293	(1,806)	68,271
Helium Selection Fund	1.34	4,191	–	30,518	36,947	1,259,802

¹ The Company holds 11.09% of the total fund and 63.49% of the US\$ share class

² The Company holds 5.00% of the total fund and 59.3% of the GBP share class

Investment income, pre-tax profits and net assets attributable (to all unitholders across all share classes) are taken from the latest audited accounts of the investees and translated into Sterling at the 31 March 2019 and 30 September 2017 exchange rates.

Notes to the Financial Statements (continued)

15 Financial Instruments

Risk management policies and procedures

As an investment trust the Company invests in equities and other investments for the long-term so as to secure its Investment Objective as stated in the Strategic Report. In pursuing its Investment Objective, the Company is exposed to a variety of financial risks that could result in either a reduction in the Company's net assets or a reduction in the profits available for distribution by way of dividends.

These financial risks, market risk (comprising equity price risk, currency risk and interest rate risk), liquidity risk and credit risk, and the directors' approach to the management of these risks, are set out below.

Appropriate guidelines for the management of the Company's financial instruments and gearing have been established by the Board of directors. Specifically, gearing (borrowings and gross exposure of long-only CFDs) will not normally exceed 20% of net assets.

Market risk

Market risk exists where there are changes in share prices, equity valuations, interest rates and the liquidity of financial instruments. The Company addresses this risk by owning a diversified portfolio of investments covering a range of market capitalisation, sectors and geographic regions. Market price risk management is part of the Company's management process and is typical of equity related investment. The portfolio is managed so as to minimise the effects of adverse price movements and results from detailed and continuing analysis with an objective of maximising overall returns to shareholders.

Liquidity risk

Liquidity risk exists where the Company is a forced seller of its investments at times where there may not be sufficient demand for these assets. Although some holdings are unlisted or trade on illiquid markets and are by their nature less liquid than larger companies, the Company maintains a long-term investment view and is rarely required to sell its investments in a forced manner.

Interest rate risk

Interest rate risk exists where the returns generated from the investments are less than the cost of borrowing. This risk has been mitigated by operating with a relatively small level of gearing at most times. The level will only be increased where an opportunity exists to add to net asset value performance.

Credit risk

Credit risk exists where a counterparty fails to discharge an obligation or commitment entered into with the Company. Janus Henderson monitors counterparty risk as part of the overall investment management process. This risk is reduced by using counterparties that are substantial, well financed organisations which are reviewed on a regular basis. Most investment transactions are conducted on-market and are delivery versus payment. The Company's principal counterparties are State Street and option broker UBS. Janus Henderson only uses trade execution broker organisations that are authorised by the Financial Conduct Authority. The Board believes the counterparties are of high credit quality and therefore the Company has minimal exposure to credit risk.

Currency risk

Currency risk is the risk that the value of the investments will fluctuate as a result of the changes in foreign currency exchange rates. Janus Henderson measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's assets, liabilities, income and expenses.

Sensitivity analysis

The following table details the impact on returns and net assets of the Company to changes in the principal drivers of performance, namely investment returns, foreign currencies and interest rates. The calculations are based on the balances at the respective Statement of Financial Position dates and are not representative of the period as a whole.

Notes to the Financial Statements (continued)

15 Financial Instruments (continued)

	31 March 2019 £'000	30 September 2017 £'000
Investment portfolio		
10% increase in price of investments	11,301	12,369
10% decrease in price of investments	(11,301)	(12,369)
Other assets/liabilities		
Interest rate +0.5%	84	30
Interest rate -0.5%	(84)	(30)
Foreign currency		
US Dollar strengthens by 5% against Sterling	1,914	2,614
US Dollar weakens by 5% against Sterling	(1,914)	(2,614)
Euro strengthens by 5% against Sterling	1,062	1,327
Euro weakens by 5% against Sterling	(1,062)	(1,327)

The Company's investment policy is to hold investments and cash balances with gearing being provided by a bank overdraft, the use of long-only CFDs and other related instruments. All financial assets and liabilities are carried at fair value. The fair value is the same as the carrying value of all financial assets and liabilities.

The Company has the following foreign currency exposures.

	31 March 2019 £'000	30 September 2017 £'000
Fixed asset investments		
– US Dollar	38,277	52,278
– Euro	19,806	26,541
Bank		
– Euro	463	–
Debtors		
– Euro	980	601
Exchange rate		
– US Dollar	1.303	1.342
– Euro	1.161	1.135

Where appropriate, gearing is utilised in order to enhance net asset value. The Company does not invest in fixed rate securities other than where the Company has substantial cash resources. In this situation, the Company has typically held short dated UK Government Securities or money market funds. Investments, which comprise mainly equity investments, are valued as detailed in the Company's accounting policies.

The Company only operates short-term gearing, which, combined with the use of long-only CFDs, is limited to 20% of the Company's net asset value. Borrowing is undertaken through an unsecured variable rate bank overdraft with interest being charged based on prevailing interest rates. The fair value is not materially different from the carrying value of all financial assets and liabilities as disclosed in notes 8, 9 and 10.

	31 March 2019 £'000	30 September 2017 £'000
Classification of financial instruments at fair value		
Level 1	61,029	65,017
Level 2	33,663	37,293
Level 3	18,322	21,380
Total	113,014	123,690

Level 1 reflects financial instruments quoted in active markets.

Notes to the Financial Statements (continued)

15 Financial Instruments (continued)

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 whose 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 funds' administrators. The Vix Call Option has been included within Level 2.

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

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Valuation as at 1 October 2017	65,017	37,293	21,380	123,690
Investment holding gains/(losses) as at 1 October	7,144	4,020	(5,370)	5,794
Cost as at 1 October	57,873	33,273	26,750	117,896
Purchases of investments at cost	25,162	4,270	2,026	31,458
Proceeds from sale of investments	(34,736)	(7,678)	(1,901)	(44,315)
Net gains/(losses) on sale of investments	4,771	131	(1,480)	3,422
Transfers from level 1 to level 3	(7,155)	–	7,155	–
Transfers from level 3 to level 1	4,457	–	(4,457)	–
Cost as at 31 March	50,372	29,996	28,093	108,461
Investment holding gains/(losses) as at 31 March	10,657	3,667	(9,771)	4,553
Valuation as at 31 March 2019	61,029	33,663	18,322	113,014

Transfers from Level 1 to Level 3 represent investments which are no longer quoted in an active market.

Transfers from Level 3 to Level 1 represent investments which are now quoted in an active market.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Valuation as at 1 October 2016	59,910	32,257	19,768	111,935
Investment holding (losses)/gains as at 1 October	(2,159)	9,988	(6,395)	1,434
Cost as at 1 October	62,069	22,269	26,163	110,501
Purchases of investments at cost	10,594	17,146	5,874	33,614
Proceeds from sale of investments	(21,644)	(6,520)	(5,379)	(33,543)
Net gains on sale of investments	4,767	2,494	63	7,324
Transfers from level 2 to level 1	2,087	(2,087)	–	–
Transfers from level 2 to level 3	–	(29)	29	–
Cost as at 30 September	57,873	33,273	26,750	117,896
Investment holding gains/(losses) as at 30 September	7,144	4,020	(5,370)	5,794
Valuation as at 30 September 2017	65,017	37,293	21,380	123,690

Transfers from Level 2 to Level 1 represent investments which are now quoted in an active market.

Transfers from Level 2 to Level 3 represent investments which have been delisted.

The gains and losses included in the above table have all been included within gains on investments in the Income Statement on page 35. The directors believe that the use of reasonably possible alternative assumptions for its Level 3 holdings would not result in a valuation significantly different from the valuation included in these financial statements.

The Board has granted Janus Henderson a limited authority to invest in CFDs to achieve some degree of gearing and/or hedging without incurring the gross cost of investment. No CFDs were held during the period. In addition, the board has granted limited authority to invest in other derivative instruments. At 31 March 2019, the Company held a Volatility Index Call Option listed on the Chicago Board Options Exchange, which is included within level 2 and which had a valuation of £134,000. In addition, the Company held a Euro Stoxx Index Dividend future (expiring 16 December 2022) at 31 March with a nominal exposure of £5,098,000 and which had realised gains of £104,000 as disclosed in note 8. The futures position provides further gearing and leverage.

Notes to the Financial Statements (continued)

15 Financial Instruments (continued)

Unlisted investment disposals

The following material disposals of unlisted investments have taken place during the period.

Investment	Proceeds £'000	Cost £'000	Value at 30 September 2017 £'000
Ashmore SICAV Emerging Markets Short Duration Fund	2,424	2,521	2,582
Schroder GAIA Indus Pacificchoice Asia Fund	4,525	4,476	5,232

The following material disposals of unlisted investments took place during the prior year.

Investment	Proceeds £'000	Cost £'000	Value at 30 September 2016 £'000
Firebird Republics Fund Limited	4,082	496	3,586

Classification of financial instruments

The Board requires Janus Henderson to operate within certain risk ranges of normal exposure, as detailed in the Directors' Report and Fund Managers' Report.

	31 March 2019 £'000	30 September 2017 £'000
Contractual maturity analysis		
Creditors – due not later than one month	(649)	(366)
Bank overdraft	(23)	–
Total creditors maturity due not later than one month	(672)	(366)

	31 March 2019 £'000	30 September 2017 £'000
Maximum credit risk analysis		
As at the period end the Company's maximum credit risk exposure was as follows:		
Cash and cash equivalents	–	155
Money market funds	14,810	4,718
Accrued income	986	602
Prepayments and other receivables	659	72
Sales for future settlement	955	871
Total maximum credit risk	17,410	6,418

Capital management policies

The Company's management objectives are to provide shareholders with long-term capital growth, deploying the proceeds of ordinary shareholders' equity and making tactical use of a restricted level of gearing.

	31 March 2019 £'000	30 September 2017 £'000
Capital and reserves:		
Share capital	9,670	9,670
Share premium	10,966	10,966
Capital redemption reserve	8,783	8,783
Capital reserve	98,582	97,255
Revenue reserve	1,751	3,068
Total shareholders' funds	129,752	129,742

The Company's objectives for managing capital are detailed in the Strategic Report and have been complied with throughout the period. The Company normally restricts effective gearing (borrowings, gross exposure of long-only CFDs and other related instruments) to 20% of net assets, maintains a minimum share capital of £50,000 (as a public company) and adheres to the capital restrictions imposed by relevant company and tax legislation.

Notes to the Financial Statements (continued)

16 Transactions With the Manager and Related Parties

Under the terms of an agreement effective from 22 July 2014 the Company has appointed subsidiaries of Janus Henderson Group plc ("Janus Henderson") to provide investment management, accounting, secretarial and administration services. Janus Henderson has contracted BNP Paribas Securities Services to provide accounting and administration services.

Details of the fee arrangements for these services are given on page 4. The total of management fees paid or payable to Janus Henderson under this agreement in respect of the period ended 31 March 2019 was: £1,236,000 (2017: £912,000). The amount outstanding at 31 March 2019 was £384,000 payable to Janus Henderson (2017: £227,000).

In addition to the above services, Janus Henderson facilitates marketing activities with third parties which are recharged to the Company. Janus Henderson also provides sales and marketing services which until 31 December 2017 were charged to the Company at an annual cost of £24,000 including VAT. Since 1 January 2018 there has been no separate charge for these services. Total amounts paid to Janus Henderson in respect of sales and marketing, including VAT, for the period ended 31 March 2019 amounted to £125,000 (2017: £69,000).

Fees paid to the directors are considered to be related party transactions. Details of the amounts paid are included in note 4 on page 42. These amounts do not include national insurance contributions on the directors' fees of £18,000 (2017: £10,000) which are included in general expenses. Directors' shareholdings are shown on page 23.

17 Commitments

The company had outstanding commitments of £3.4 million (30 September 2017: £5.0 million) in respect of undrawn commitments to funds and nil contingencies at 31 March 2019 (30 September 2017: nil).

General Shareholder Information

AIFMD Disclosures

In accordance with the Alternative Investment Fund Managers Directive ("AIFMD"), information in relation to the Company's leverage and remuneration of Janus Henderson, as the Company's Alternative Investment Fund Manager ("AIFM") are required to be made available to investors. These disclosures, including those on the AIFM's remuneration policy, are contained in a separate document, the AIFMD Disclosures, which can be found on the Company's website www.hendersonalternativestrategies.com.

BACS

Dividends can be paid by means of BACS (Bankers' Automated Clearing Services); mandate forms for this purpose are available from the registrar. Alternatively, shareholders can write to the registrar, Equiniti Limited (the address is given on page 14), to give their instructions; these must include the bank account number, the bank account title and the sort code of the bank to which payments are to be made.

Common Reporting Standard

With effect from 1 January 2016, tax legislation under The Organisation for Economic Co-operation and Development Common Reporting Standard for Automatic Exchange of Financial Account Information was introduced. The legislation requires the Company to provide personal information to HMRC on certain investors who purchase shares in investment trusts. This information is provided annually to the local tax authority of the tax residencies of a number of non-UK based certificated shareholders and corporate entities.

Equality Act 2010

Copies of this report and other documents issued by the Company are available from the Corporate Secretary. If needed, copies can be made available in a variety of formats, including Braille or larger type as appropriate.

You can contact the registrar, which has installed textphones to allow speech and hearing impaired people who have their own textphone to contact them directly, without the need for an intermediate operator, by dialling 0371 384 2457. Specially trained operators are available during normal business hours to answer queries via this service. Alternatively, if you prefer to go through a "typetalk" operator (provided by the Royal National Institute for Deaf People) dial 18001 followed by the number you wish to dial.

FATCA

The Foreign Account Tax Compliance Act ("FATCA") is a United States federal law enacted in 2010 whose intent is to enforce the requirement for United States persons (including those living outside the US) to file yearly reports on their non-US financial accounts. As a result of HMRC's change of interpretation on the meaning of shares and securities "regularly traded on an established securities market", investment trusts now need to monitor each year the trading volume and frequency of their shares and securities to assess whether they have financial accounts. The Company will therefore need to make an annual assessment, before the FATCA return is due, to determine if the shares represent financial accounts and, where they do, will identify and report US reportable accounts to HMRC, as required.

GDPR

The General Data Protection Regulation ("GDPR") came into force on 25 May 2018. It aims to protect and empower individual data privacy and reshape the way organisations approach data privacy. A privacy statement can be found on the website www.janushenderson.com.

ISA

The Company intends to continue to manage its affairs in order to qualify as an eligible investment for holdings through a stocks and shares ISA.

Non-Mainstream Pooled Investments ("NMPI") status

The Company currently conducts its affairs so that its ordinary shares of 25p each can be recommended by IFAs to ordinary retail investors in accordance with the Financial Conduct Authority's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Packaged Retail and Insurance-based Investment Products Regulation ("PRIIPs")/ Key Information Document

Investors should be aware that the PRIIPs Regulation requires the Manager, as the PRIIP manufacturer, to prepare a key information document ("KID") in respect of the Company. This KID must be made available by the Manager to retail investors prior to them making any investment decision and is available on the Company's website. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by law and will indicate different cost numbers than those provided in the Company's financial statements. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

Performance details/share price information

Details of the Company's share price and NAV per ordinary share can be found on the website www.hendersonalternativestrategies.com. The Company's NAV per ordinary share is published daily.

Shareholder details

Shareholders who hold their shares in certificated form can check their shareholding with the registrar, Equiniti Limited, via www.shareview.co.uk. Please note that to gain access to your details on the Equiniti site you will need the holder reference number shown on your share certificate.

Share price listings

The market price of the Company's ordinary shares is published daily in The Financial Times, which also shows figures for the estimated NAV per ordinary share and discount.

Henderson Alternative Strategies Trust plc
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Registration Number SC015905
Registered Office: Edinburgh House, 4 North St. Andrew Street, Edinburgh EH2 1HJ

ISIN/SEDOL Number: Ordinary Shares: GB0001216000/0121600
London Stock Exchange (TIDM) Code: HAST
Global Intermediary Identification Number (GIIN): AEFUI2.99999.SL.826
Legal Entity Identifier (LEI) 213800J6LLOCA3CUDF69

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MANAGED BY
Janus Henderson
INVESTORS

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The Association of
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