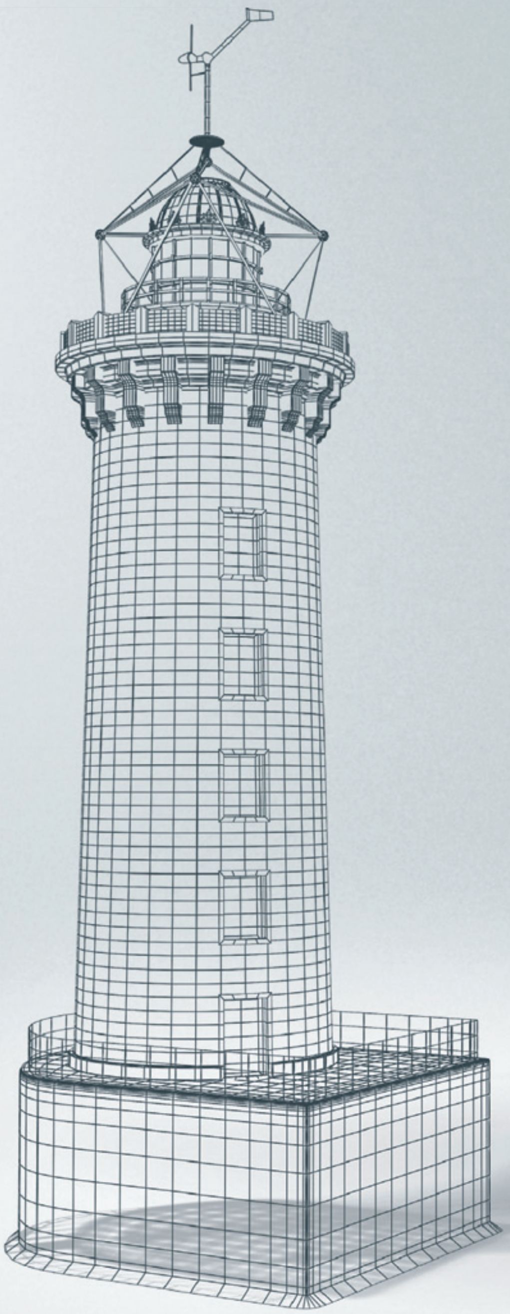
HENDERSON EUROTRUST PLC

Seeking growth, quality and consistency

Annual Report 2018



MANAGED BY Janus Henderson INVESTORS

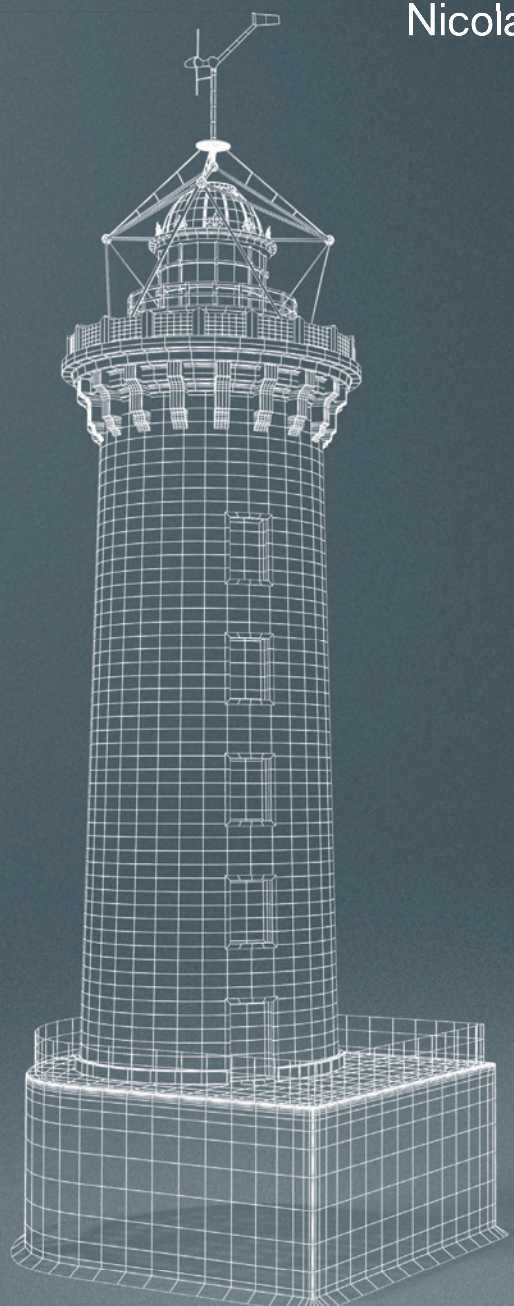
Contents

The image on the front cover is based on the Kéréon lighthouse which is situated between Île d'Ouessant and Pointe St Mathieu on the north west coast of France.

Strategic Report

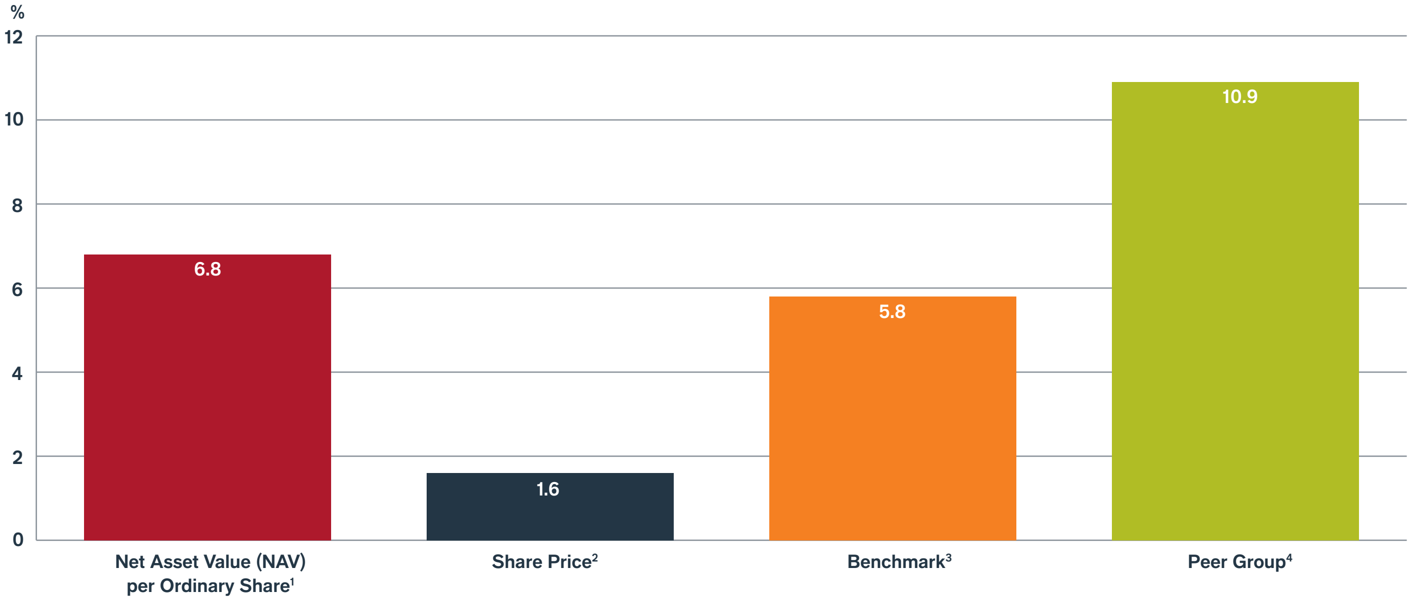
"This year was another successful one for the Company, in which we have – yet again – proven that an active management style and a stable investment policy, even in turbulent times, can add value versus an index benchmark."

Nicola Ralston, Chairman

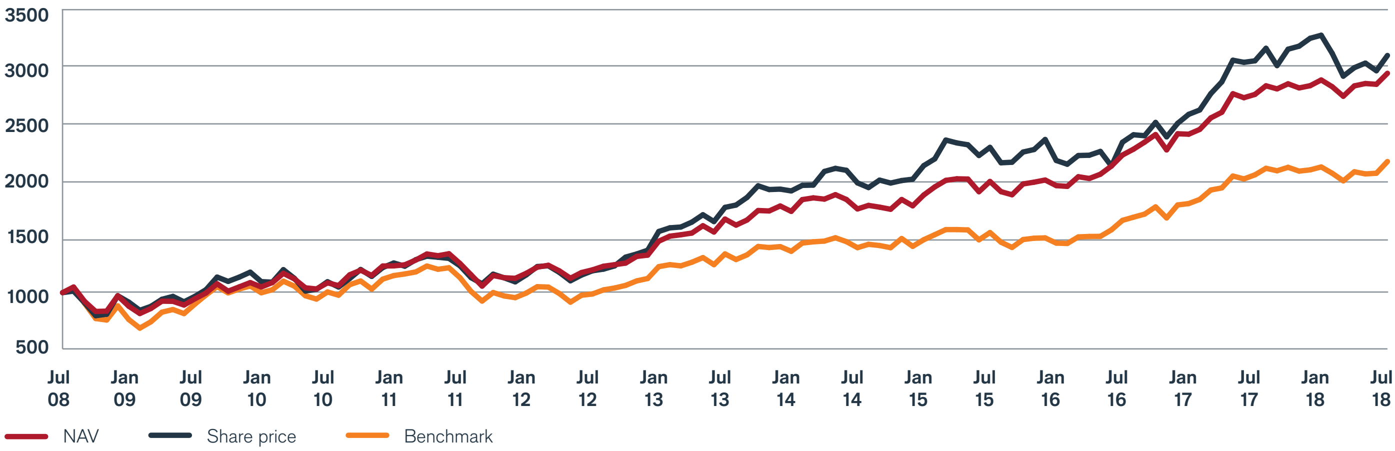


Strategic Report: Performance Highlights

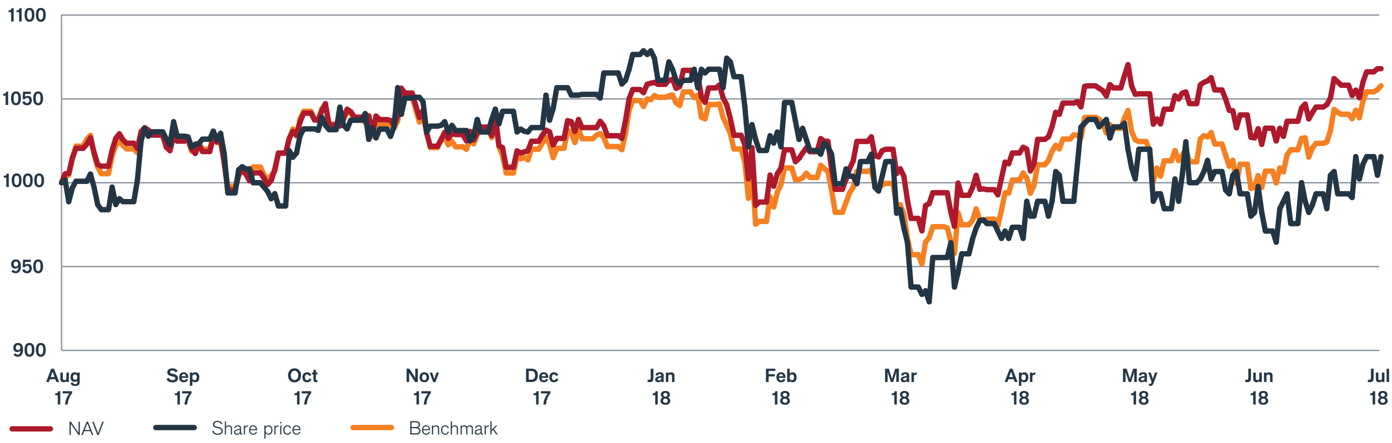
Total Return Performance for year ended 31 July 2018



Total Return Performance over the last ten years (rebased to 1000)



Total Return Performance over the last year (rebased to 1000)



Strategic Report: Performance Highlights (continued)

NAV per share at year end

2018 **£12.47** 2017 £11.93

Share price at year end

2018 **£11.45** 2017 £11.53

Dividends for year[5]

2018 **30.5p** 2017 25.0p

Dividend yield[9]

2018 **2.7%** 2017 2.2%

Ongoing charge for year including performance fee[6]

2018 **0.81%** 2017 0.85%

Gearing at year end

2018 **£nil** **(0.0%)** 2017 £0.2m (0.1%)

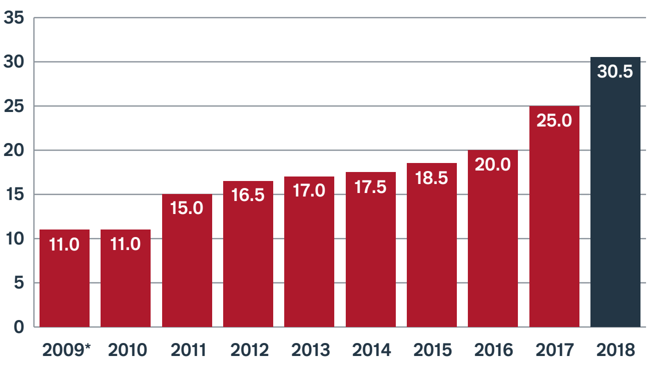
Number of investments[7]

2018 **46** 2017 51

Discount[10]

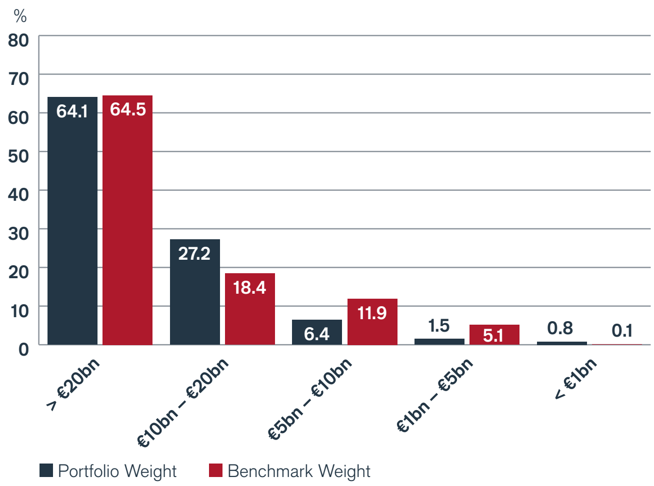
2018 **8.2%** 2017 3.3%

Historical dividend[8]



*Includes a special dividend of 2.0p

Market capitalisation of the portfolio at 31 July 2018[11]



1 Net asset value per ordinary share total return (including dividends reinvested and excluding transaction costs). This is based on preliminary estimates made by the AIC, which is the industry recognised source for performance data, and does not reflect any subsequent change in the year end NAVs reflected in this report
2 Share price total return (including dividends reinvested and excluding transaction costs)
3 FTSE World Europe (ex UK) Index
4 AIC Europe Sector (Peer Group)
5 Including the 8.0p interim dividend paid on 27 April 2018 and the 22.5p final dividend which will be put to shareholders for approval at the Annual General Meeting on 14 November 2018
6 The ongoing charge excluding the performance fee is 0.81% (2017: 0.85%)
7 Excluding OW Bunker and one option
8 Ten year historical dividends
9 Based on the share price at the year end
10 Calculated using published daily NAVs including current year revenue
11 Market capitalisation weightings of the portfolio and the benchmark
Sources: Morningstar for the AIC, Janus Henderson, Datastream
A glossary of terms including Alternative Performance Measures is included on pages 19 and 20

Strategic Report: Business Model

Strategy

Henderson EuroTrust plc's (the "Company") strategy is to meet its investment objective. This is achieved through the appointment of external management which operates in accordance with the Company's investment policy.

Investment objective

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

Management

The Company qualifies as an Alternative Investment Fund in accordance with the Alternative Investment Fund Managers Directive ("AIFMD").

The Company has an independent Board of Directors which has appointed Henderson Investment Funds Limited ("HIFL") to act as its Alternative Investment Fund Manager. HIFL delegates investment management services to Henderson Global Investors Limited ("HGIL") in accordance with an agreement which was effective from 22 July 2014 and can be terminated on six months' notice. Both entities are authorised and regulated by the Financial Conduct Authority. References to the Manager within this report refer to the services provided by both entities. Both entities are wholly owned subsidiaries of Janus Henderson Group plc, referred to as Janus Henderson.

The investment management agreement with HIFL is reviewed annually.

Fees

For the year under review, the base management fee is calculated at the rate of 0.65% per annum of net assets up to £250m and 0.55% for net assets above £250m, payable quarterly in arrears, with an additional annual performance related element. The performance fee is paid to Janus Henderson in respect of the calculation period at the rate of 15% of any outperformance of the NAV total return per ordinary share in excess of the total return over the same period of the Company's benchmark (FTSE World Europe (ex UK) Index). Only performance in excess of a 1% hurdle is remunerated. No performance fee is payable if either the share price or the net asset value per ordinary share is lower at the end of the year than at the beginning ("the absolute return floor"). There is a cap on the performance fee of 0.35% of average assets (calculated as the average of month end net assets). Any underperformance is carried forward and must be made up before any further performance fee can be paid. Any excess performance above the cap or unrewarded outperformance as a consequence of the absolute return floor will be carried forward and can be set against underperformance but not used to earn or enhance a performance fee payment.

Fund Manager

The portfolio is managed by Tim Stevenson and Jamie Ross. Tim has specialised in European investment since 1982 and joined Janus Henderson in 1986. Tim was a director of the Company from 1992 until November 2010; he has been the Fund Manager since 1994. Jamie Ross was appointed as Deputy Fund Manager in March 2017 and as Joint Fund Manager with effect from 5 October 2018. Jamie has been at Janus Henderson for over ten years.

Janus Henderson and its subsidiaries also provide accounting, company secretarial and general administrative services. Some of the administration and accounting services are carried out, on behalf of the Manager, by BNP Paribas Securities Services. Melanie Stoner FCIS acts as Company Secretary on behalf of the Corporate Secretary, Henderson Secretarial Services Limited.

Investment policy

Asset allocation

The portfolio will contain between 40 and 60 stocks.

The Company seeks to invest in large and medium-sized companies which are perceived to be undervalued in view of their growth prospects or on account of a significant change in management or structure.

The Company will not hold more than 10% of the share capital of any company at the time of investment.

The Company will not invest more than 15% of gross assets in any one company or group of companies.

The Company can hold investments from any combination of European countries and the portfolio is not constructed with a yield target.

The Company may invest in companies that are not listed on a stock exchange although in aggregate these may not amount to more than 10% of the portfolio.

Derivatives

The Company may use financial instruments known as derivatives for the purpose of efficient portfolio management while maintaining a level of risk consistent with the risk profile of the Company.

Gearing

The Company's Articles allow borrowings up to 100% of shareholders' funds. In normal circumstances, the Directors would expect the Company to be substantially fully invested but it may hold cash and cash instruments up to 20% or be geared up to 30% of the total assets.

Strategic Report: Chairman's Statement

The Chairman of the Company, Nicola Ralston, reports on the year ended 31 July 2018

Introduction

This year was another successful one for the Company, in which we have – yet again – proven that an active management style and a stable investment policy, even in turbulent times, can add value versus an index benchmark. We have added a new "strapline" to the front page of the Annual Report, 'Seeking growth, quality and consistency'. Our aim is to set out, as succinctly as possible, how the Company aims to achieve its investment objective. I comment on this further below. We plan to use this in our marketing of the Company, to provide a clear signpost to current and potential investors.

Performance

I am pleased to report that the net assets of the Company rose by 6.8% on a total return basis, outperforming our benchmark, the FTSE World Europe (ex UK) by 1.0% in Sterling terms, net of all fees and costs. Over the last ten years, net asset performance has exceeded the index benchmark in all but one year.

The share price total return performance, including dividends, was a positive figure of 1.6%. The share price ended the year 0.7% below the previous year end, as the discount to Net Asset Value ("NAV") widened from 3.3% to 8.2%.

Dividends

The Board proposes a final dividend to be paid from revenue of 22.5p, taking the total distribution for the year to 30.5p – an increase of 22% on last year. The Board was pleased to be able to increase the level of both the interim and final dividends and, at the same time, to add £555,000 to the revenue reserve. Dividends have been raised every year, by an average of 15.4% per annum, since 2005 (excluding special dividends). Dividend growth has averaged a particularly strong 23.5% per annum over the last two years; looking forward, however, the Fund Manager is currently of the opinion that dividend growth is likely to be more muted.

Share issues and buybacks

No shares were issued or bought back during the year. The Company's shares traded at a discount to NAV for almost the whole of the year under review and the discount of the share price to NAV stood at 10.8% as at 27 September 2018. Given the continued strong investment performance and dividend growth, this is very disappointing; however our analysis suggests that the main reason for this is lower allocations to European equities due, in part at least, to adverse political sentiments around Europe and Brexit.

Your Board continues to monitor the discount/premium actively and will take action to issue, or buy back shares, where it believes it is in the best interests of shareholders to do so.

Gearing

We have again made use of our debt facility in the year under review. At the year-end, deliberately, there was a net cash position of £8.4 million, reflecting a cautious short term view of the market outlook by our Fund Manager. We continue to take an active approach to the use of gearing, and to keep the issue of longer term debt under consideration. During the year, we took out a new, slightly larger debt facility for a maximum of £25 million, which our Fund Manager will continue to deploy in the interests of shareholders.

An active approach

In my report last year, I addressed some of the factors behind the Company's investment performance, in particular, a willingness to invest in companies currently believed to be capable of consistent dividend growth, even if this means incurring transaction costs to do so. Over the past year, the Fund Manager, together with the Janus Henderson Risk and Portfolio Analysis team, has put more "flesh on the bones" in terms of explaining the investment approach. This is covered in more detail in the Fund Manager's Report; in summary, this shows that over 50% of the portfolio at the year-end (26 holdings) was invested in "Compounders", almost one third of assets (16 holdings) in those deemed "Improvers", and the remaining 10% (4 holdings) in "Special Opportunities". The key point here is that it is the characteristics of individual companies that drive the allocation to one of these categories, not country or sector considerations. Quantitative analysis (Barra ex-ante Tracking Error decomposition) of the different features which distinguish the Company's portfolio from its comparator index confirms that a high percentage – approximately half – of the risk in the portfolio is accounted for by stock specific factors (as opposed to other factors, including style, industry, geography etc.).

The Board feels that this type of information is at least as relevant to understanding the investment approach as more conventional ways of analysing the portfolio by industry and country weightings; however, I would like to stress that the picture shown through this analysis is an outcome of the investment approach, and not a driver. Just as we do not mandate geographical or sector weightings, we do not intend to use this framework to constrain the Fund Manager either.

As is to be expected, the Board reviews a wide range of risk and analytics on the portfolio and performance, including the impact of trading. A comprehensive review of trading within the portfolio during the year has confirmed that, over time and in the latest 12 months covered by the review, the impact of transactions has significantly added to performance.

Strategic Report: Chairman's Statement (continued)

Fund manager succession

Many of you will be aware of Tim Stevenson's exceptionally long tenure as the Company's Fund Manager. Tim has indicated his intention to retire during the course of 2019; by this time he will have managed the assets for 25 years, having been involved in the Company since inception in 1992. Whilst we are naturally sad to be saying goodbye to Tim next year, the Board is very pleased to announce that James (Jamie) Ross has been appointed as joint Fund Manager alongside Tim Stevenson, and will take over as the Fund Manager on Tim's departure. Jamie has supported Tim Stevenson closely over the last two years. Jamie joined Janus Henderson in 2007, and has worked in the European team since 2009, including with Tim Stevenson as joint manager for the Janus Henderson Horizon Pan European Equity Fund.

In reaching a decision to appoint Jamie as Tim's successor, the Board recognises the strength of the Janus Henderson European equities team. Having considered the matter in depth, we came to the conclusion that Jamie brings a combination of investment experience, personal characteristics and a strong belief in seeking quality, growth and consistency, which makes him the right person for this role. I would also like to point out that, today, Jamie is of a similar age to Tim when he became the Fund Manager in 1994.

On behalf of the Board, I would like to record our warmest thanks to Tim Stevenson, who has not only done an excellent job over a great many years for the shareholders as the Fund Manager, but has also been a pleasure to work with, not least because of his unfailing commitment to putting shareholders first.

Annual General Meeting ("AGM")

Our meeting will be held on Wednesday 14 November 2018 at 2.30pm at Janus Henderson Investors' offices at 201 Bishopsgate, London EC2M 3AE. Full details are set out in the Notice which has been sent to shareholders with this report. I hope as many shareholders as possible will be able to attend to take the opportunity to meet the Board and to hear a presentation from the Fund Managers.

Outlook

A year ago, I referred to Europe as being "surprisingly fashionable as a destination for investors". Since then, European equities have fallen out of vogue in the eyes of many UK investors. Not only the Company, but most companies in our peer group, are now trading on discounts in the region of 10%. One could speculate as to the causes of such change in attitudes, and the Trump-fuelled tax cuts which have produced an acceleration in growth in the US may be one such factor, but we see this as an even greater opportunity for the Company – and for our shareholders – than previously. This is because the overall sentiment has little correlation, in our opinion, with the performance of the high quality companies in the portfolio, whilst potentially making individual valuations more attractive.

It is also worth emphasising that the underlying exposure of the portfolio is very global; this year the Fund Manager's report shows that over 60% of the revenue of the companies we invest in comes from outside the region. Although the Board, and the Fund Manager, are more cautious about the outlook for markets than we have been for some time, this applies to the global outlook, rather than to European equities in particular.

Investing, or staying invested, after a long period of strong absolute returns, is never going to be comfortable. Nonetheless, the Fund Manager continues to find individual opportunities to "put money to work" and it may be that these are sufficient to warrant some use of gearing in the months ahead. The focus remains on finding the "Compounders"; those companies with strong market positions, sound financials and often very international businesses, which will enable them to achieve consistent dividend growth and, we hope, survive well through any downturn. It is in these companies that the portfolio is primarily invested.

As for Brexit, no doubt, readers will have their own hopes and fears for the outcome, though I feel that no one can be entirely satisfied with the process. Whatever the precise outcome of Brexit, our portfolio will seek to deliver quality, growth and consistency in the years to come.

Nicola Ralston
Chairman

Strategic Report: Portfolio Information

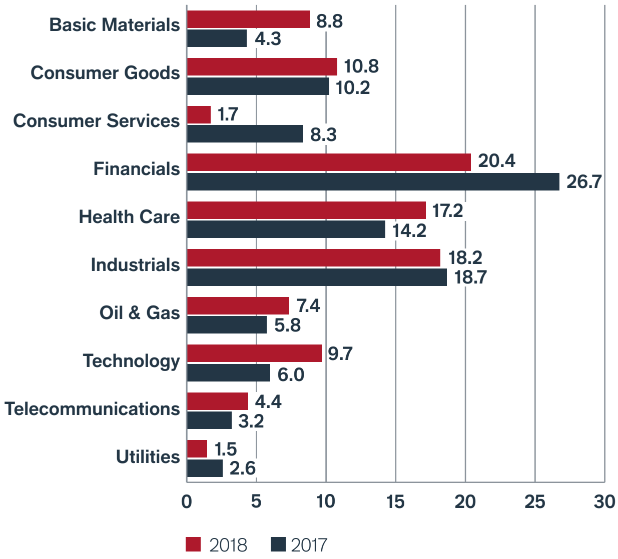
Ten largest investments at 31 July 2018

Ranking 2018	Ranking 2017	Company	Principal activities	Country	Valuation 2018 £'000	Valuation 2017 £'000	% of portfolio 2018	% of portfolio 2017
1	5	**Deutsche Post**	Deutsche Post provides businesses and consumers with express logistics and mail services globally.	Germany	11,012	8,072	4.31	3.19
2	2	**Novo-Nordisk**	Novo-Nordisk is a Denmark-based world leader in insulin and diabetes care.	Denmark	10,516	8,611	4.12	3.40
3	24	**Koninklijke DSM**	DSM is a Dutch-based multinational life sciences and materials sciences company. The company's global end markets include food and dietary supplements, personal care, feed, pharmaceuticals, medical devices, automotive, paints, electrical and electronics, life protection, alternative energy and bio-based materials.	Netherlands	10,269	4,640	4.02	1.83
4	3	**Amundi**	Amundi is the largest asset manager in Europe and is growing in diversification by product, channel and geography.	France	9,493	8,442	3.72	3.34
5	17	**Munich Re.**	The company offers reinsurance, insurance and asset management services.	Germany	9,297	5,894	3.64	2.33
6	–	**Roche**	Roche develops and manufactures pharmaceutical and diagnostic products. The company produces prescription drugs in the areas of cardiovascular, infectious, autoimmune, respiratory diseases, dermatology, metabolic disorders, oncology, transplantation and the central nervous system.	Switzerland	8,048	–	3.15	–
7	21	**Equinor**	Norweigen oil company previously known as Statoil. Develops oil, gas, wind and solar energy projects, as well as focuses on offshore operations and exploration services.	Norway	7,961	4,993	3.12	1.97
8	50	**Koninklijke Philips**	Philips is a health technology company focused on improving people's health across the health continuum from healthy living and prevention, to diagnosis, treatment and home care. The company offers products and services in diagnostic imaging, image-guided therapy, patient monitoring and health informatics, as well as in consumer health and home care.	Netherlands	7,815	2,759	3.06	1.09
9	7	**SAP**	SAP is the world leader in enterprise applications in terms of software and software-related service revenue.	Germany	7,719	7,523	3.02	2.97
10	44	**Total**	Total explores for, produces, refines, transports and markets oil and natural gas.	France	7,664	3,232	3.00	1.28
					89,794	**54,166**	**35.16**	**21.40**

Strategic Report: Portfolio Information (continued)

Sector exposure at 31 July

As a percentage of the investment portfolio excluding cash



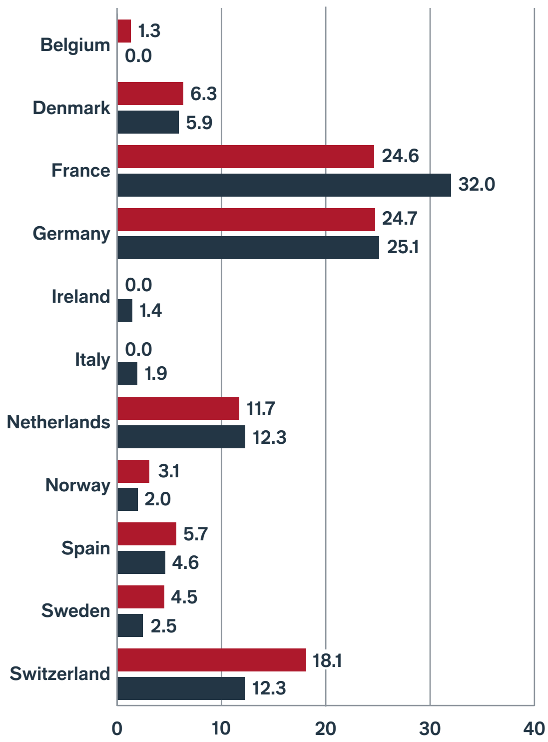
Performance drivers

Over the year ended 31 July 2018

	%
Benchmark Return	5.8
Sector Allocation	-0.4
Stock Selection	1.8
Currency Movements (relative to index)	0.4
Effect of Cash and Gearing	0.0
Effect of Ongoing Charge (including performance fee)	-0.8
NAV Total Return	**6.8**

Geographic exposure at 31 July

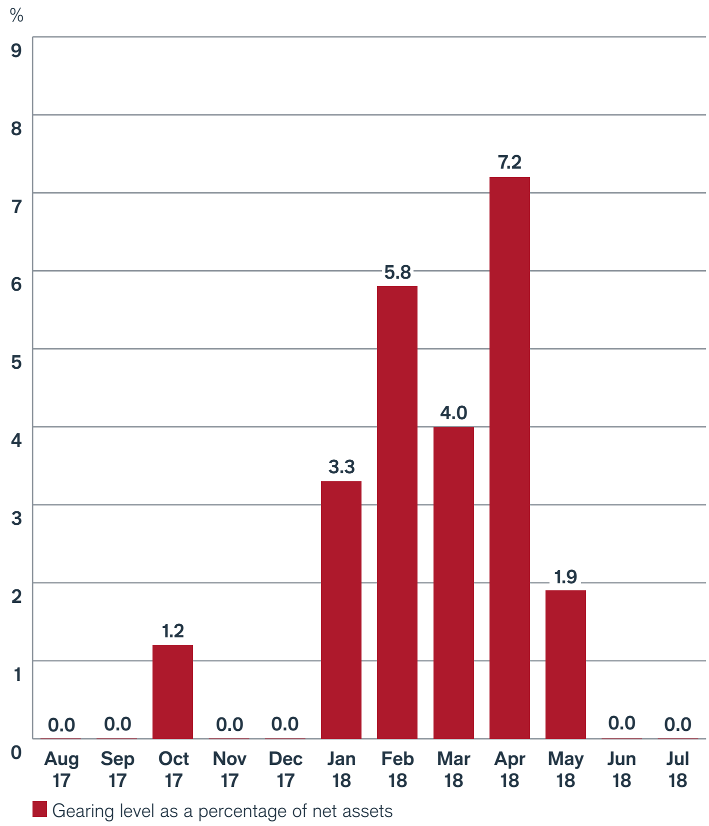
As a percentage of the investment portfolio excluding cash



Source: Janus Henderson

Gearing levels

Over the year ended 31 July 2018



Strategic Report: Investment Portfolio as at 31 July

Position 2018	Position 2017	Company	Country	Sector	Market Value 2018 £'000	Percentage of Portfolio 2018
1	5	Deutsche Post	Germany	Air Freight and Logistics	11,012	4.31
2	2	Novo-Nordisk	Denmark	Pharmaceuticals and Biotechnology	10,516	4.12
3	24	Koninklijke DSM	Netherlands	Specialist Nutrition and Materials Supplier	10,269	4.02
4	3	Amundi	France	Bank and Asset Manager	9,493	3.72
5	17	Munich Re.	Germany	Insurance	9,297	3.64
6	–	Roche	Switzerland	Pharmaceuticals and Biotechnology	8,048	3.15
7	21	Equinor (formerly known as Statoil)	Norway	Oil and Gas Producers	7,961	3.12
8	50	Koninklijke Philips	Netherlands	Medical Equipment	7,815	3.06
9	7	SAP	Germany	Enterprise Software	7,719	3.02
10	44	Total	France	Oil and Gas Producers	7,664	3.00
Top 10					**89,794**	**35.16**
11	28	Deutsche Telekom	Germany	Telecommunications	7,131	2.79
12	9	Partners Group	Switzerland	Private Equity Asset Manager	6,976	2.73
13	41	SGS	Switzerland	Industrial Testing, Verification and Certification	6,844	2.68
14	1	Crédit Agricole	France	Banks	6,763	2.65
15	30	Nestlé	Switzerland	Food Producer	6,753	2.65
16	20	Amadeus	Spain	Travel Software	6,665	2.61
17	4	Geberit	Switzerland	Sanitary Systems	6,620	2.59
18	11	Deutsche Börse	Germany	Financial Services	6,422	2.52
19	19	Legrand	France	Electrical Installations	6,082	2.38
20	8	ING	Netherlands	Banks	5,602	2.19
Top 20					**155,652**	**60.95**
21	39	Novartis	Switzerland	Pharmaceuticals and Biotechnology	5,539	2.17
22	18	UBS	Switzerland	Banks	5,362	2.10
23	6	Fresenius Medical Care	Germany	Health Care	5,158	2.02
24	15	Getlink (formerly known as Eurotunnel)	France	Industrial Transportation	5,001	1.96
25	–	Brenntag	Germany	Chemicals	4,660	1.82
26	–	Renault	France	Automobiles and Parts	4,495	1.76
27	46	Linde	Germany	Industrial Gases	4,409	1.73
28	51	Inditex	Spain	Clothes Retailer	4,374	1.71
29	14	Hermès	France	Luxury Goods	4,232	1.66
30	35	Henkel	Germany	Home and Personal Care	4,140	1.62
Top 30					**203,022**	**79.50**
31	33	Orange	France	Telecommunications	4,082	1.60
32	–	Danone	France	Food Producer	4,034	1.58
33	–	ASML	Netherlands	Technology Hardware and Equipment	3,941	1.54
34	27	L'Oréal	France	Personal Goods	3,836	1.50
35	10	Rubis	France	Gas and Multiutilities	3,707	1.45
36	32	Grifols	Spain	Blood Plasma Products	3,505	1.37
37	25	Dassault Systèmes	France	Application Software	3,344	1.31
38	–	Epiroc	Sweden	Industrial Engineering	3,306	1.30
39	16	Fresenius	Germany	Health Care	3,275	1.28
40	–	Umicore	Belgium	Chemicals	3,211	1.26
Top 40					**239,263**	**93.69**
41	12	Vestas Wind Systems	Denmark	Wind Turbines	3,180	1.25
42	–	Ericsson	Sweden	Technology Hardware and Equipment	2,993	1.17
43	–	Assa Abloy	Sweden	Construction and Materials	2,667	1.05
44	40	Atlas Copco	Sweden	Industrial Engineering	2,581	1.01
45	–	A P Moller-Maersk	Denmark	Industrial Transportation	2,532	0.99
46	29	Van Lanschot	Netherlands	Banks	2,148	0.84
47	–	Euro Stoxx Put Option	Germany	Derivatives	8	–
48	52	OW Bunker[1]	Denmark	Industrial Transportation	–	–
Total					**255,372**	**100.00**

1 Unquoted investment

Strategic Report: Fund Manager's Report

The Fund Manager of the Portfolio, Tim Stevenson, reports on the year ended 31 July 2018

Summary

The year ended 31 July 2018 has been another testing one for a European (ex UK) fund manager. I am pleased that we have managed to perform slightly better than the benchmark index, with the total return of the Company coming in at 6.8% compared with 5.8% for the FTSE World Europe (ex UK) Index. Furthermore we have once again increased the revenue significantly, which has enabled the Board to be able to propose an increase in the total dividend by a further 22% from the previous level, and at the same time manage to add £555,000 to the revenue reserve as a buffer if tougher times lie ahead. Revenue was further enhanced during the year by the use of a substantial amount of our available gearing at the time of dividend payments in the first part of the 2018 calendar year. The dividend has been increased every year since 2005, and the dividend yield at year end share price is 2.7%.

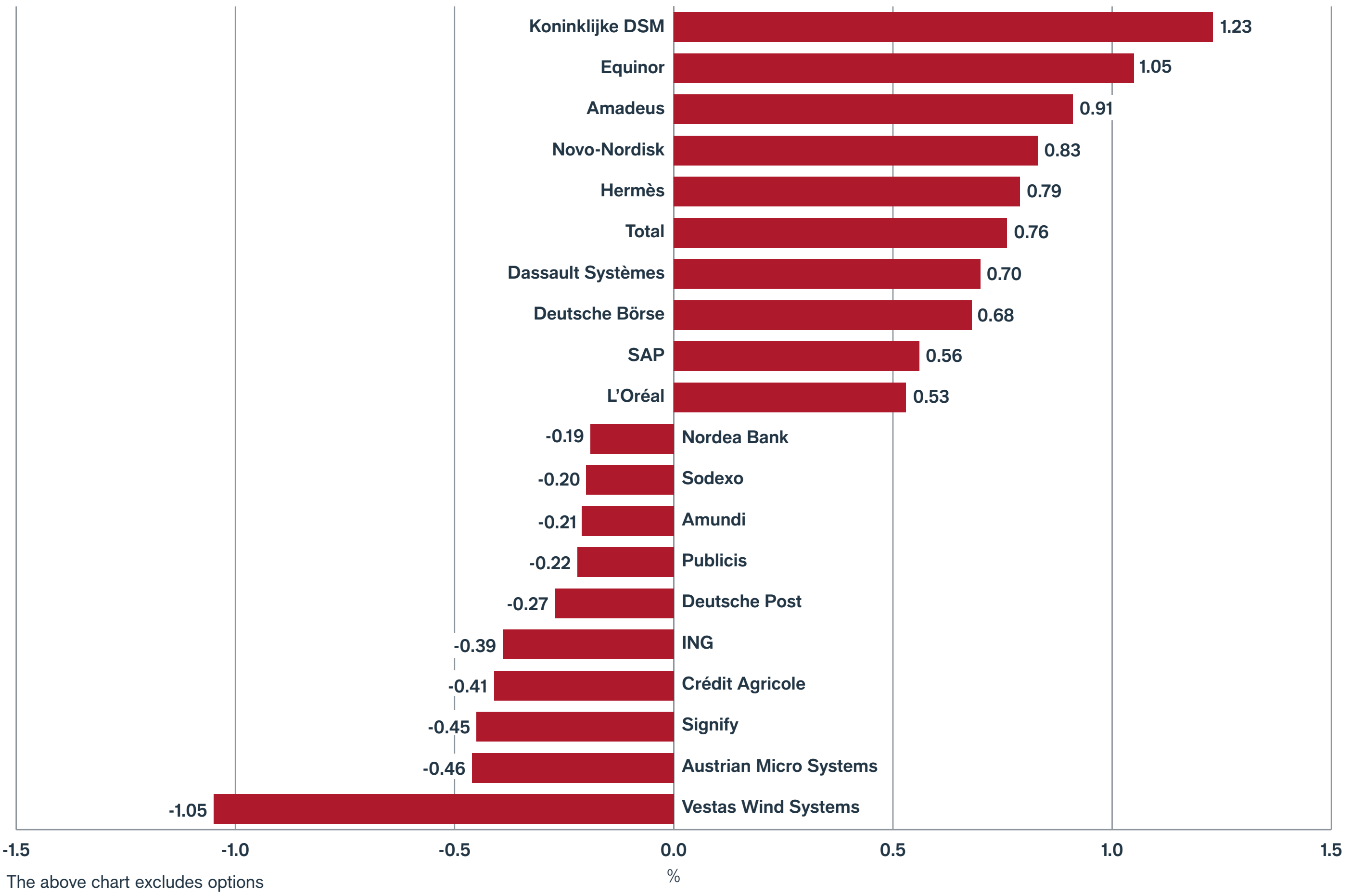
It has been frustrating to see the solid economic and earnings backdrop evident last year drift into the background over the last 12 months. It has been replaced by political uncertainty both on a global basis (Trump's protectionist rhetoric and constant anti-European diatribes and Brexit fairy tales from the UK) and on a domestic basis as Germany, Italy and, to a lesser extent, Spain have all seen politics gain too much air time.

European economies have continued to provide a backdrop that in some circumstances would have combined with good earnings growth to support equities. However, against this more uncertain political environment European equities have struggled to make progress. Politics has served as a handy excuse (albeit not without some justification) for global investors to shun the whole European region.

Portfolio changes and approach

I remain convinced that an approach which concentrates on quality, reliable companies that can increase the return to us as shareholders will continue to succeed. As our financial year progressed, evidence

Top ten contributors to and bottom detractors from absolute performance



The above chart excludes options

Strategic Report: Fund Manager's Report (continued)

mounted that the economic situation in Europe (and possibly worldwide) was as good as it was going to get. We look set to drift back into the low growth, low inflation era, a period of time that one could argue we never left. Debt levels prevent an irresponsible increase in government borrowing and companies are understandably reluctant to embark on major investment in a world where tariff barriers may spring up as quickly as someone can write a tweet. This, to some extent, explains why ten year bond yields only briefly touched 0.7% in Germany before drifting back to a level of about 0.4% or less. Meanwhile in the USA the yield curve has flattened to levels not seen since just before the Global Financial Crisis ("GFC"), and some see this as an ominous sign.

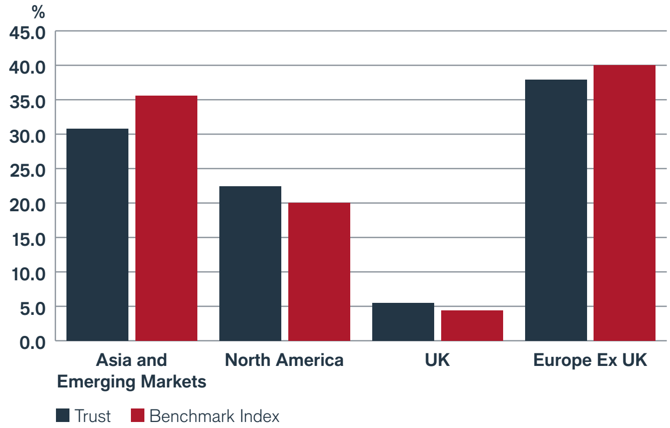
The gradual reversal of Quantitative Easing ("QE") that some would argue rescued world economies after the GFC, and others have argued has simply fuelled the bull market in bonds and equities, looks to have started worldwide. While it seems highly unlikely that the European Central Bank ("ECB") will actually increase interest rates for quite some time (well into late 2019 at the earliest in my opinion), the ECB will nevertheless continue to "taper" the amount of Bond buying (or to put it more simply, buy fewer and fewer government bonds). This also might accentuate the gradual drying up of liquidity and pose a challenge.

The sector analysis shows that we have increased exposure to materials, although this is due to the classification of Koninklijke DSM, Umicore and Linde in that sector rather than a move into mining companies. We see Umicore as potentially one of the most interesting growth companies in Europe due to its strength in the development of scale production of batteries for electric vehicles, while Koninklijke DSM is one of the world's leading nutrition and specialist material companies. Linde is in the process of merging with its American peer Praxair, and as such all these three companies have drivers which are vastly different from the more cyclically sensitive mining companies.

Technology has also increased – reflecting the size of the positions in Amadeus, SAP and Dassault Systèmes as well as the addition of Ericsson towards the end of the Company's financial year. In these companies we see European listed names which are genuine world leaders in their field, with the only question mark about whether their area of activity might be vulnerable to disruption from a new entrant. We think this unlikely in our holdings for the foreseeable future. We have held on to our "non-bank" financials such as Munich Re., Amundi, Deutsche Börse and Partners Group, all of which are in our view cheaply valued and have growth drivers which are stronger than purely lending or net interest margins. However, we have sold out of insurance company Axa and pure banks such as Nordea and Intesa Sanpaolo, the latter on concerns (which remain) about the Italian political situation. The exposure to financials overall was reduced to 20.4% of the portfolio from 26.7% at the end of July 2017, reflecting mainly the reduction in banks and the sale of Axa. In total we have sold 15 positions and added ten, leaving the portfolio with a total of 46 holdings.

There is little to be gleaned from the geographical split which shows where our holdings are actually listed (see page 8). We have made a decision to treat Italy with a fair amount of caution in the short term, as alluded to above, but apart from that it has always been more important for us to know where our companies undertake their activities, to the extent that we can. The analysis of this is in the underlying revenue exposure table below and shows our holdings have a slightly larger exposure to sales in the UK and the USA, and are less exposed to Europe and Asia relative to the benchmark index. I would not for one minute wish for anyone to infer that this reflects an unduly optimistic view of the USA and even less so for the UK, but it is simply that companies such as Fresenius Medical Care have about 60% of their sales in the USA (to take one example).

Underlying revenue exposure



The chart showing the top contributors to performance makes for interesting reading. As in previous years, I have not included the "double negative" (and therefore positive!) effect of avoiding holdings in banks which have generally performed very badly in Europe. We have suffered from holding Crédit Agricole, ING and Nordea, but have sold only the latter as we feel the others are assuming an unreasonably gloomy view of Europe. It is encouraging to see terrific long term compounders such as Dassault Systèmes and Hermès feature among the top performers, along with another long term holding such as Amadeus. Koninklijke DSM, which has been (and continues to be) amongst the five largest positions, has been the single largest contributor as the market has recognised the extensive turnaround achieved. On the detractors to performance, we have sold Sodexo in the last year as the whole industry of outsourcing continues to be under intense pricing pressure. BIC, Publicis and Siemens have all been sold. It could be argued that all these companies face deep seated long term structural challenges, and perhaps our mistake was not to have recognised this earlier.

Turnover, as expressed by the lower of purchases or sales as a percentage of average assets, was 66%, which is an increase on the previous year's level of 49% reflecting the use of a higher level of gearing during the year and moving the portfolio to a net cash position at the end of July.

In this report we include for the first time some work on the broad classification of our holdings, splitting the portfolio into "Compounders" (defined as companies which, in our view, have been and look set to continue to be reliable and consistent high return companies), "Improvers" (on the way, in our view, to achieving "Compounder" status) and "Special Opportunities" (as the name

Strategic Report: Fund Manager's Report (continued)

implies but including being a source of income). Details are in the table below which also gives consensus data on valuation, growth and quality. Long term investors in the Company would obviously expect the "Compounder" basket to be the largest, and at year end, on our internal analysis using Factset Data, it accounted for 54% of the portfolio, with 32% in the "Improvers" and 10% in "Special Opportunities" when looking at the entire portfolio including banks. The (average) financial metrics of these companies are also set out in the table below which shows the quality and growth of our holdings compared with the benchmark index. There is a wealth of information in this table, but it is those criteria of growth and quality which stand out most firmly in my opinion.

Classification of holdings as at 31 July 2018

	Compounders Average	Improvers Average	Special Opportunities Average	Company Average	Index Average
Market Capitalisation (£'000)	**46,941**	**29,966**	**70,736**	**43,317**	**15,722**
Price/book (x)	6.3	1.9	1.9	4.4	3.3
Trailing 12 month dividend yield (%)	2.0	3.4	4.2	2.7	2.9
Trailing 12 month price/earnings (x)	28.9	19.7	19.8	25.0	22.9
Forward 2019 price/earnings (x)	21.5	15.9	12.3	18.8	17.1
Historical 3 year earnings per share Growth per annum (%)	9.4	19.4	12.8	13.1	16.3
Return on equity (%)	23.1	8.0	9.6	16.7	15.4
Operating margin (%)	21.5	12.1	13.3	17.5	16.0
Long Term Debt to Capital (%)	**23.0**	**36.9**	**41.0**	**29.4**	**32.6**
Number of Securities	**26**	**16**	**4**	**46**	**513**
Weight (%)[1]	**54.4**	**32.2**	**10.2**		

Source: Factset/ Fundamentals in GBP. Arithmetic Averages
1 The remainder (3.2%) was held as cash

Outlook

There are perhaps more challenges ahead for the next year than has been the case for a number of years. Firstly, I think it realistic to expect that growth will be slower than over the past few years. For this reason, the ECB has repeatedly confirmed that it will take a very prudent approach to the reduction in QE, and is unlikely to increase official interest rates until well into 2019 (if at all). Profits growth, which has been supportive for the last few years, should remain positive. Politics looks a major worry and I hope it will be possible to ignore that, as Angela Merkel draws towards the end of her "reign" and Italian machinations continue, while France should be a haven of relative stability. Brexit, which I continue to believe, is a disaster for the UK and offers not a single solution to any real problem, will also be damaging to Europe, albeit to a much lesser extent. In this climate I continue to believe that good quality companies which reliably invest in the further growth of their business will still do well.

Finally, I have informed the Board that I intend to retire during the course of 2019. The Board has appointed Jamie Ross, who has been supporting me closely over the last two years and has been at Janus Henderson for over ten years, as joint Fund Manager with effect from 5 October 2018. Jamie will become the sole Fund Manager upon my retirement. Jamie is backed up by the excellent European Team at Janus Henderson, and I think he will do a fantastic job for the Company's shareholders.

I would like to thank the colleagues with whom I have been lucky enough to work during my almost 33 years at Janus Henderson. They have provided numerous great investment ideas which I have sometimes used for the Company. Many have been highly successful and I am afraid that I have often taken the credit for their work! I would also like to thank the Board for their support over the years. Markets have not always been easy, but the Board has appropriately questioned me and always been supportive. It has been fun investing in some truly great companies, many of which are still in the portfolio. I look forward to continuing to work with Jamie over the coming months. Thank you.

Tim Stevenson
Fund Manager

Strategic Report: Historical Performance and Financial Information

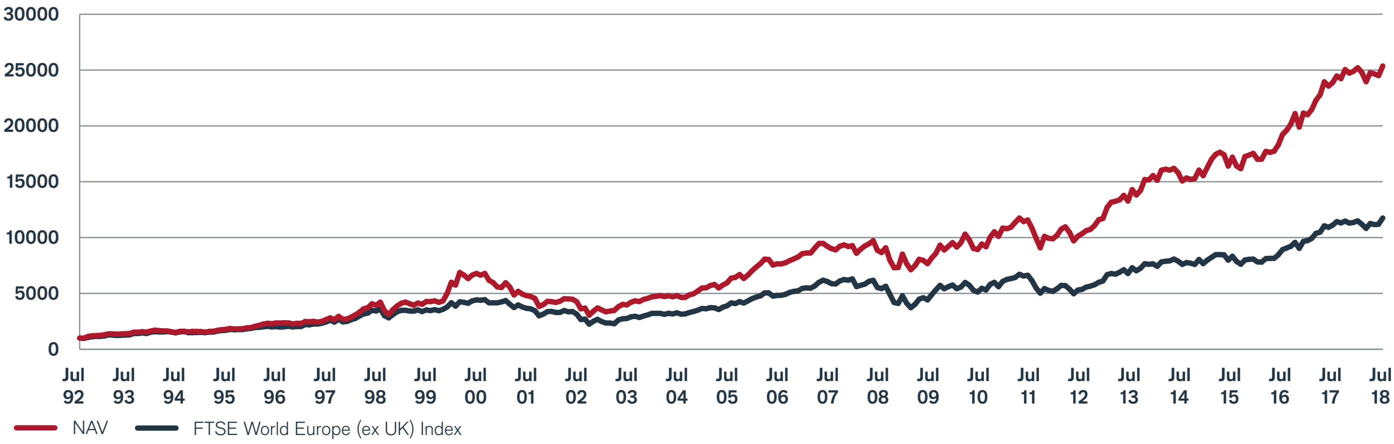
Total return performance (including dividends reinvested and excluding transaction costs)

	1 year %	3 years %	5 years %	10 years %
Net asset value per ordinary share[1]	6.8	48.4	78.4	195.1
Share price[2]	1.6	35.7	76.8	210.9
AIC Europe Sector (Peer Group) Average – net asset value[3]	10.9	46.3	74.9	156.1
FTSE World Europe (ex UK) Index	5.8	41.2	61.1	116.6

1 Source: Morningstar for the AIC using cum income fair value NAV for one, three and five years and capital NAV plus income reinvested for 10 years
2 Based on the mid-market share price
3 Size weighted average (shareholders' funds)

Source: Morningstar for the AIC

NAV movement against benchmark index since launch



Financial information

Year ended	Net Asset Value per Ordinary Share (p)	Share price percentage premium/ (discount) to Net Asset Value per Ordinary Share (%)	Revenue return per Ordinary Share (p)	Dividends per Ordinary Share (p)
31 July 2009	487.8	(9.4)	12.4	11.0[4]
31 July 2010	549.0	(10.7)	12.1	11.0
31 July 2011	624.7	(13.2)	17.6	15.0
31 July 2012	580.2	(12.7)	17.0	16.5
31 July 2013	778.0	(6.9)	17.3	17.0
31 July 2014	803.2	(0.9)	17.6	17.5
31 July 2015	895.0	0.7	18.3	18.5
31 July 2016	979.0	(8.1)	23.5	20.0
31 July 2017	1,192.8	(3.3)	27.5	25.0
31 July 2018	**1,246.7**	**(8.2)**	**33.1**	**30.5**

4 Includes a special dividend of 2.0p

Source: Factset, Morningstar for the AIC, Janus Henderson

Strategic Report: Corporate Information

Directors' biographies

The Directors appointed to the Board at the date of this Report are:

Nicola Ralston

Position: Chairman of the Board
Date of appointment: 1 September 2013 (Chairman 26 March 2014)

Nicola has over 35 years' investment experience and is a director and co-founder of PiRho Investment Consulting, which focuses on bespoke investment advice to a wide range of institutional funds. She previously spent over 20 years in fund management at Schroders and was formerly head of global investment consulting at Hewitt (now Aon Hewitt). Nicola is currently chair of the investment committee of the British Heart Foundation and a director of Centrica Combined Common Investment Fund Limited. She was formerly a governor of the CFA Institute and a director of The Edinburgh Investment Trust plc.

David Marsh, CBE

Position: Director
Date of appointment: 24 May 2011

David is chairman and co-founder of the Official Monetary and Financial Institutions Forum ("OMFIF"), senior adviser to Soditic and a board member of the British Chamber of Commerce in Germany. He is a former co-founder, chairman and deputy chairman of the German-British Forum. A former "Financial Times" journalist, David is a frequent media commentator and the author of six books including "The Battle for the New Global Currency" and "Europe's Deadlock: How The Crisis Could be Solved – And Why It Won't Happen".

Rutger Koopmans

Position: Director
Date of appointment: 18 May 2016

Rutger is an experienced senior finance professional. He started his career at MeesPierson NV (formerly Bank Mees & Hope NV), before moving to ING, where he served as a managing director until 2008. Since then, he has been running an independent strategic advisory practice and he is a partner at crmLiNK BV and a non-managing partner at M-Partners Asset Management. Rutger holds a number of non-executive directorships in Office Depot Europe BV (chairman), Bovemij Insurance Company NV and Vollenhoven Olie BV and is chairman of the Dutch Association of Credit Unions. Rutger is also the author of "Your Life Your Rules, taking charge of your working life".

Ekaterina Thomson (known as Katya)

Position: Director and Chairman of the Audit Committee
Date of appointment: 17 May 2017

Katya is a corporate finance, strategy and business development professional with over 25 years of experience in the UK and Europe. She started her career at Deloitte LLP where she qualified as a Chartered Accountant in 1996. Katya has held senior positions in corporate finance at Lazard, ABN Amro Bank NV and Thomas Cook Group plc. Currently she is a director and member of the supervisory board of Thomas Cook Nederland BV, a non-executive director and the audit committee chairman of Miton Global Opportunities plc and a director of The New Carnival Company CIC. Katya is a member of the ICAEW and became Chairman of the Audit Committee on 15 November 2017.

All the Directors are non-executive. All are members of the Audit Committee, currently chaired by Katya Thomson, and the Management Engagement Committee and Nominations Committee, both chaired by Nicola Ralston. John Cornish retired as a Director on 15 November 2017.

Strategic Report: Corporate Information (continued)

Registered office

201 Bishopsgate
London EC2M 3AE

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

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0370 707 1034

Depositary and Custodian

HSBC Bank plc
8 Canada Square
London E14 5HQ

Broker

JP Morgan Cazenove
25 Bank Street
Canary Wharf
London E14 5JP

Independent Auditors

Chartered Accountants and Statutory Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Financial calendar

Annual results	announced October 2018
Ex dividend date	18 October 2018
Dividend record date	19 October 2018
Annual General Meeting[1]	14 November 2018
Final dividend payable on	21 November 2018
Half year results	March 2019

1 At the Company's registered office at 2.30 pm

Information sources

For more information about Henderson EuroTrust plc, visit the website at **www.hendersoneurotrust.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.

Scan the QR code or use this short URL to register for HGi.
http://HGi.co/rb

Follow Investment Trusts on Twitter, YouTube and Facebook

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 22 55 25, 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. Investors in Halifax Share Dealing receive all shareholder communications. A voting instruction form is provided to facilitate voting at General Meetings of the Company.

Strategic Report: Corporate Information (continued)

Status

The Company is registered as a public limited company and is an investment company as defined in Section 833 of the Companies Act 2006 (the "Companies Act"). The Company operates as an investment trust in accordance with Section 1158 of the Corporation Tax Act 2010 ("Section 1158") as amended. The Company has obtained approval from HMRC of its status as an investment trust under Section 1158; the Directors are of the opinion that the Company has conducted its affairs in compliance with Section 1158 since approval was granted and intends to continue to do so. The Company is liable to corporation tax on its net revenue profits but is exempt from corporation tax on capital gains if it has complied at all times with Section 1158.

The Company is governed by its Articles of Association, amendments to which must be approved by shareholders by way of a special resolution. The Company is not a close company.

Principal risks and uncertainties

The Board, with the assistance of the Manager, has carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity. In carrying out this assessment, the Board considered the market uncertainty arising from the result of the UK's negotiations to leave the European Union.

With the assistance of the Manager, the Board has drawn up a risk map facing the Company 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 Board's policy on risk management has not materially changed from last year. The principal risks which have been identified and the steps taken by the Board to mitigate these are as follows:

Investment activity and performance

An inappropriate investment strategy (for example, in terms of asset allocation or the level of gearing) may result in underperformance against the Company's benchmark index and the companies in its peer group. The Board monitors investment performance at each Board meeting and regularly reviews the extent of its borrowings.

Portfolio and market

Although the Company invests almost entirely in securities that are quoted on recognised markets, share prices may move rapidly. The companies in which investments are made may operate unsuccessfully, or fail entirely. A fall in the market value of the Company's portfolio would have an adverse effect on shareholders' funds. The Board reviews the portfolio at each meeting and mitigates risk through diversification of investments in the portfolio.

Regulatory

A breach of Section 1158 could lead to a loss of investment trust status, resulting in capital gains realised within the portfolio being subject to corporation tax. A breach of the UKLA Listing Rules could result in suspension of the Company's shares, while a breach of the Companies Act 2006 could lead to criminal proceedings, or financial or reputational damage. The Manager is contracted to provide investment, company secretarial, administration and accounting services through qualified professionals. The Board receives internal controls reports produced by Janus Henderson on a quarterly basis, which confirm regulatory compliance.

Operational

Disruption to, or failure of, the Manager's accounting, dealing or payment systems or the Custodian's records could prevent the accurate reporting and monitoring of the Company's financial position. The Company is also exposed to the operational risk that one or more of its service providers may not provide the required level of service.

Details of how the Board monitors the services provided by Janus Henderson and its other suppliers, and the key elements designed to provide effective internal control, are explained further in the internal controls section of the Corporate Governance Statement on page 29. Further details of the Company's exposure to market risk (including market price risk, currency risk and interest rate risk), liquidity risk and credit and counterparty risk and how they are managed are contained in note 15 on pages 47 to 53.

Borrowings

The Company has in place an unsecured loan facility which allows it to borrow as and when appropriate. £25 million is available under the facility (2017: £20 million). The maximum amount drawn down in the year under review was £20.3 million (2017: £20.0 million), with borrowing costs for the year totalling £52,000 (2017: £50,000). None of the facility was in use at the year end (2017: £2.9 million). Actual gearing at 31 July 2018 was nil (2017: 0.1%) of net asset value.

Viability statement

The Company is a long term investor; the Board believes it is appropriate to assess the Company's viability over a five year period in recognition of the Company's long term horizon and what the Board believes to be investors' horizons, 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 impact of the likelihood of the principal risks and uncertainties facing the Company, in particular investment strategy and performance against benchmark, whether from asset allocation or the level of gearing, and market risk, in severe but plausible scenarios, and the effectiveness of any mitigating controls in place.

The Directors took into account the liquidity of the portfolio and the borrowings in place when considering the viability of the Company over the next five years and its ability to meet liabilities as they fall due. This included consideration of the duration of the Company's borrowing facilities and how a breach of any covenants could impact on the Company's net asset value and share price.

The Directors do not expect there to be any significant change in the current principal risks and adequacy of the mitigating controls

Strategic Report: Corporate Information (continued)

in place. Also the Directors do not envisage any change in strategy or objectives or any events that would prevent the Company from continuing to operate over that period as the Company's assets are liquid, its commitments are limited and the Company intends to continue to operate as an investment trust. Only a substantial financial crisis affecting the global economy could have an impact on this assessment. Whilst there is currently uncertainty in the markets due to the UK's negotiations to leave the European Union, the Board does not believe that this will have a long term impact on the viability of the Company and its ability to continue in operation.

Based on this assessment, the Board has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five 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 strategy explained earlier. The Chairman's Statement and Fund Manager's Report provide commentary on the outlook for the Company.

Key performance indicators

In order to measure the success of the Company in meeting its objective and to evaluate the performance of the Manager, the Directors take into account the following key performance indicators ("KPIs"). The charts, tables and data on pages 2, 3 and 13 show how the Company has performed against those KPIs:

Performance measured against the benchmark

The Board reviews and compares, at each of its meetings, the performance of the portfolio as well as the net asset value and share price for the Company and the return of its benchmark index, the FTSE World Europe (ex UK) Index. The Board considers this to be its most important key performance indicator and has determined that it should also be used to calculate whether a performance fee is payable to the Manager.

Premium/discount to net asset value ("NAV")

The Board monitors the level of the Company's premium/discount to NAV and at Board meetings, looks at ways of managing this, and reviews the average premium/discount of the peer group companies in the AIC Europe sector.

In accordance with the authority granted at the last Annual General Meeting ("AGM"), and which the Directors seek to renew at the forthcoming Meeting, the Company retains the flexibility to repurchase shares when it sees fit.

The Board considers whether to use share buybacks to enhance shareholder value. Shares are only bought back at a price below the prevailing NAV, thereby increasing the NAV for the remaining shareholders.

The Board will continue to instruct purchases as required and in accordance with the authority granted.

The Company publishes its NAV per share figure on a daily basis, through the official newswire of the London Stock Exchange. This figure is calculated in accordance with the AIC formula and since 1 June 2008 has included current financial year revenue, the same basis as that calculated for the Financial Statements. The NAV excluding current financial year revenue is also published for historical comparison.

Performance against the Company's peer group

The Company is included in the AIC Europe Sector. In addition to comparison against the stated benchmark, the Board also considers the performance of its peer group at each Board meeting.

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 investment company as a collective fund, excluding the costs of acquisition or disposal of investments, financing costs and gains or losses arising on investments and performance fees. The ongoing charge is based on actual costs incurred in the year as being the best estimate of future costs. The Board reviews the ongoing charge and monitors the expenses incurred by the Company. The ongoing charge at 31 July 2018 including the performance fee was 0.81% (2017: 0.85%) of net asset value (the ongoing charge excluding the performance fee was 0.81% (2017: 0.85%)).

Corporate responsibility

Responsible investment

Janus Henderson is responsible for reporting on its work on corporate governance and corporate responsibility issues in the companies in which it invests on its clients' behalf, across all funds as part of its management duties. In May 2005 Henderson became a founding signatory to the United Nations Principles for Responsible Investment. The Principles, developed under the auspices of the UN Secretary-General, are a voluntary and aspirational framework for incorporating environmental, social and corporate governance ("ESG") issues into mainstream investment decision-making and ownership practices.

The way companies respond to ESG issues can affect their business performance, both directly and indirectly. ESG factors are considered by Janus Henderson investment teams but investments are not necessarily ruled out on ESG grounds only.

Voting policy and the UK stewardship code

The Manager has a responsible investment policy in place which sets out its approach to corporate governance and corporate responsibility for all the companies in which it invests on behalf of its clients and its policy on proxy voting. The policy also sets out how Janus Henderson implements the Stewardship Code. The Company has reviewed the policy and has delegated responsibility for voting to the Manager. The Board receives regular reports 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

Strategic Report: Corporate Information (continued)

and engages with companies as part of the voting process. Voting decisions are made in close consultation with the Fund Manager, with regular dialogue between fund managers and corporate governance specialists.

The responsible investment policy and further details of responsible investment activities can be found on the website **www.janushenderson.com**.

Employees, social, community, human rights and environmental matters

The Company's core activities are undertaken by Janus Henderson, which has implemented environmental management practices, including systems to limit the use of non-renewable resources and to minimise the impact of operations on the environment, and is focused on reducing greenhouse gas emissions and minimising waste, where possible. The Company has therefore not reported on these, or social, community or human rights issues. Janus Henderson's corporate responsibility statement is included on its website.

The Company's Annual Report is printed on paper produced using 50% recycled post consumer waste and 50% wood fibre from fully sustainable forests with certification by the Forest Stewardship Council; the printing company used is certified as CarbonNeutral®.

Bribery Act 2010

The Company has no employees. The Board has reviewed the implications of the Bribery Act 2010 and confirmed its zero tolerance to bribery and corruption in its business activities. It receives assurances from the Company's main contractors and suppliers that they will 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 also considered the changes made by the Criminal Finances Act 2017, which came into effect in September 2017, which introduced a new corporate criminal offence of failing to take reasonable steps to prevent the facilitation of tax evasion. The Company has received assurances from the Company's main contractors and suppliers that they maintain a zero tolerance policy towards the provision of illegal services, including the facilitation of tax evasion.

Board diversity

The Directors consider diversity when making appointments to the Board taking into account relevant skills, experience, knowledge and gender.

Currently, two of the Company's Directors are female and two are male. Director appointments are made based on skills and experience. More information on the Board's consideration of diversity is given in the Corporate Governance Statement. The Company has no employees and, therefore, has nothing further to report in respect of gender representation within the Company.

For and on behalf of the Board

Nicola Ralston
Chairman
5 October 2018

Strategic Report: Glossary and Alternative Performance Measures

Alternative Investment Fund Managers Directive ("AIFMD")

Agreed by the European Parliament and the Council of the European Union and transposed into UK legislation, 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 the Company retains responsibility for strategy, operations and compliance and the Directors retain a fiduciary duty to shareholders.

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 Europe (ex UK) Index.

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

As an AIF the Company is required to appoint a Depositary which has responsibility for overseeing the operations of the Company including safekeeping, cash monitoring and 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 business day before the record date and is the date upon which the Company's net asset value will be disclosed ex-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 (see note 11) and total shareholders' funds (see Statement of Financial Position), dividing this by total 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.

Liquidity

In the context of the liquidity of shares in the stock market, this refers to the availability of buyers 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 will tend to depress the price that might be negotiated for a sale.

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.

Strategic Report: Glossary and Alternative Performance Measures (continued)

Net asset value ("NAV") per ordinary share

The value of the Company's assets (i.e. investments (see note 11) and cash held (see Statement of Financial Position)) less any liabilities (i.e. bank borrowings and other creditors (see note 13)) for which the Company is responsible, divided by the number of shares in issue (see note 16). The aggregate NAV is also referred to as shareholders' funds on the Statement of Financial Position. The NAV is published daily.

Dividend yield

The annual dividend (see note 10) expressed as a percentage of the share price (see page 3).

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, excluding any performance fees in accordance with the AIC methodology and is the annualised ongoing charge expressed as a percentage of the average aggregate NAV in the period. An alternative ongoing charge can also be calculated including any performance fee.

Premium/discount

The amount by which the market price per share (see page 3) of an investment trust 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 return profit for the year (see Income Statement) divided by the weighted average number of shares (see note 9) in issue during the year.

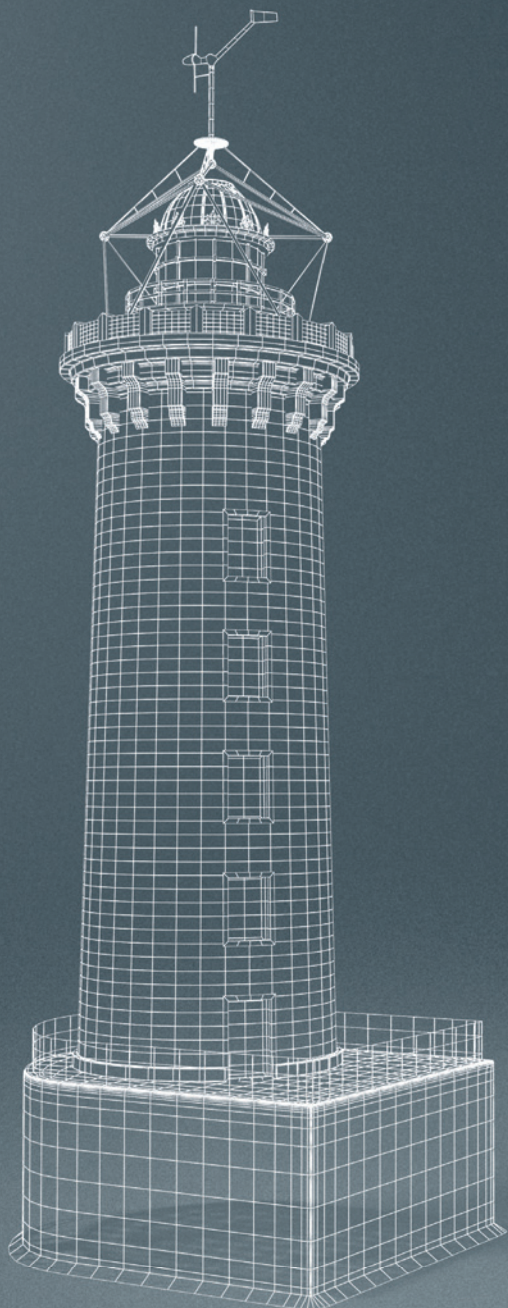
Total return performance

This is the return on the share price or NAV taking into account both the rise and fall of share prices and the dividends 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). Dividends paid and payable are set out in note 10.

Treasury shares

Shares repurchased by the Company but not cancelled.

Corporate Report



Report of the Directors

The Directors present the audited Financial Statements of the Company and their report for the year from 1 August 2017 to 31 July 2018. Henderson EuroTrust plc ("the Company") (registered in England & Wales with company registration number 2718241) was active throughout the year under review and was not dormant.

Directors' Remuneration and Shareholdings

The Directors' Remuneration Report on pages 25 and 26 provides information on the remuneration and share interests of the Directors.

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 must act honestly and in good faith with a view to the best interests of the Company and they 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 relevant meetings' minutes and the register of interests. 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.

Related Party Transactions

The Company's transactions with related parties in the year were with its Directors and the Manager. There have been no material transactions between the Company and its Directors during the year and the only amounts paid to them were in respect of expenses and remuneration for which there were no outstanding amounts payable at the year end. Directors' shareholdings are disclosed on page 25.

In relation to the provision of services by the Manager, other than fees payable by the Company in the ordinary course of business and the provision of sales and marketing services, there have been no material transactions with the Manager affecting the financial position of the Company during the year under review. More details on transactions with the Manager, including amounts outstanding at the year end, are given in note 19 on page 54.

Share Capital

The Company's share capital comprises ordinary shares with a nominal value of 5p each. The voting rights of the shares on a poll are one vote for each share held. There are no restrictions on the transfer of the Company's ordinary shares or voting rights, no shares which carry specific rights with regard to the control of the Company and no agreement which the Company is party to that affects its control following a takeover bid. To the extent that they exist, the revenue profits of the Company (including accumulated revenue reserves) are available for distribution by way of dividends to the holders of the ordinary shares. Upon a winding-up, after meeting the liabilities of the Company, the surplus assets would be distributed to the shareholders pro rata to their holding of ordinary shares.

At 31 July 2018 and 31 July 2017 there were 21,205,541 ordinary shares in issue (of which 20,000 were held in treasury). No shares were issued during the year. Shares in treasury do not carry voting rights, therefore, as at 31 July 2018 the number of shares in issue (with voting rights) was 21,185,541.

The Directors seek annual authority from shareholders to allot new ordinary shares, to disapply pre-emption rights of existing shareholders and to buyback ordinary shares for cancellation or to be held in treasury. At the AGM held in November 2017 the Directors were granted authority to buyback 3,178,710 shares (being 14.99% of the issued ordinary share capital as at 15 November 2017). In the period from 1 August 2018 to 2 October 2018 the Company did not buyback any ordinary shares. There remained 3,178,710 ordinary shares available within the buyback authority granted in 2017. This authority will expire at the conclusion of the 2018 AGM. The Directors intend to renew this authority subject to shareholder approval.

Holdings in the Company's Shares

Declarations of interests in the voting rights of the Company as at 31 July 2018 in accordance with the Disclosure Guidance and Transparency Rules were as follows:

Shareholder	% of voting rights
Brewin Dolphin	12.4
Investec Wealth & Management	7.6
Smith & Williamson	5.6
Rathbone Investment Management	5.5
Royal Bank of Scotland	4.4

No changes have been notified in the period 1 August 2018 to 2 October 2018 being the last practicable date prior to publication of this Annual Report.

Annual General Meeting ("AGM")

The AGM will be held on Wednesday 14 November 2018 at 2.30 pm at the Company's registered office. The Notice and details of the resolutions to be put to the AGM are contained in the circular being sent to shareholders with this report.

Corporate Governance

The Corporate Governance Statement set out on pages 27 to 30 forms part of the Report of the Directors.

Report of the Directors (continued)

Other Information

Information on recommended dividends, future developments and financial risks are detailed in the Strategic Report.

Directors' Statement as to Disclosure of Information to 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.

Global Greenhouse Gas Emissions

As an externally managed investment trust company, the Company has no greenhouse gas emissions to report from its operations for the year to 31 July 2018 (2017: same), nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

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
5 October 2018

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 year. Under that law the Directors have prepared the Company's Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS102 "The Financial Reporting Standard applicable in the UK and the 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 net return or loss of the Company for that year. 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; 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 and the Directors' Remuneration Report 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 under Disclosure Guidance and Transparency Rule 4.1.12

Each of the Directors, who are listed on page 14, confirms that, to the best of his or her knowledge:

- the Company's Financial Statements, which have been prepared in accordance with UK Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Strategic Report and Financial Statements include 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

Nicola Ralston
Chairman
5 October 2018

The Financial Statements are published on **www.hendersoneurotrust.com** which is a website maintained by the Manager.

The maintenance and integrity of the website is the responsibility of the Manager; 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 Annual Report since it was initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Remuneration Report

Introduction

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 "Act") and the Listing Rules of the Financial Conduct Authority and describes how the Board has applied the principles relating to Directors' remuneration. The Company's remuneration policy was originally approved by shareholders at the Annual General Meeting in 2014 and again in 2017 in accordance with section 439A of the Act. The policy will remain in place until 2020, unless amended by way of an ordinary resolution put to shareholders at a General Meeting. No changes to the policy are currently proposed.

The Board may amend the level of remuneration paid to individual Directors within the parameters of the Remuneration Policy.

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 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. It is believed that all relevant information is disclosed within this report in an appropriate format.

The Board as a whole considers the Directors' remuneration. The Board has not appointed a Remuneration Committee to consider such matters. The Board has not been provided with advice or services by any person in respect of its consideration of the Directors' remuneration (although the Directors review annually the fees paid to the boards of directors of other comparable investment trust companies).

Remuneration policy

Directors are remunerated in the form of fees, payable quarterly in arrears. In accordance with the Company's Articles of Association the aggregate remuneration of the Directors may not exceed £150,000 per annum. Subject to this overall limit, the Board's policy is that the fees payable to the Directors should reflect the time spent by the Board on the Company's affairs and the responsibilities borne by the Directors and should be sufficient to promote the long term success of the Company and to enable candidates of a high calibre to be recruited. All Directors, including any new appointments to the Board, are paid at the same rate, apart from the Chairman of the Board, the Chairman of the Audit Committee who is paid a higher fee in recognition of her additional responsibilities. The level of remuneration paid to each Director is reviewed annually, although such review will not necessarily result in any change to the rate; any feedback from shareholders would be taken into account when setting remuneration levels. Directors are authorised to claim reasonable expenses from the Company in relation to the performance of their duties.

No Director is eligible to receive bonuses, pension benefits, share options or other benefits and no long-term incentive schemes are in place.

No Director has a service contract with the Company. Directors' appointments may be terminated at any time by written notice with no compensation payable.

Annual statement

As Chairman, Nicola Ralston reports that there have been no changes in the fees for the year ended 31 July 2018. However, following an annual review of fees in July 2018, Directors' fees were increased with effect from 1 August 2018 to £35,000 for the Chairman, £29,000 for the Chairman of the Audit Committee and £25,000 for Directors. The increases were made after consideration of the time spent on the Company by each of the Directors, fees paid to directors of investment trusts in the peer group and the other Janus Henderson managed investment trusts. The increase in the Company's value since August 2014 and the increase in the regulatory burden were also determining factors in the Board's conclusion.

There have been no other major decisions on Directors' remuneration or any other changes to the remuneration paid to each individual Director in the year under review.

Directors' interests in shares (audited)

The interests of the Directors in the ordinary shares of the Company at the end of each financial year are shown in the table below.

	Ordinary shares of 5p	
	31 July 2018	31 July 2017
Nicola Ralston	12,000	12,000
John Cornish[1]	N/A	6,000
Rutger Koopmans	4,900	4,900
David Marsh	7,300	7,300
Katya Thomson	2,500	2,500

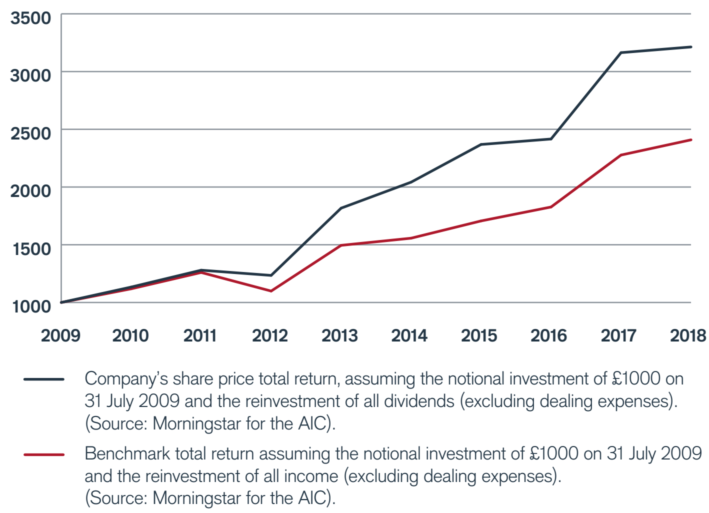
1 Retired on 15 November 2017

There have been no changes to the Directors' holdings in the period 1 August 2018 to the date of this Annual Report.

In accordance with the Company's Articles of Association, no Director is required to hold any shares of the Company by way of qualification.

Performance

The graph below compares the mid-market price of the Company's ordinary shares over the nine year period ended 31 July 2018 with the return from the FTSE World Europe (ex UK) Index over the same period.



Directors' Remuneration Report (continued)

Directors' Remuneration (audited)

The remuneration paid to the Directors who served during the years ended 31 July 2018 and 31 July 2017 was as follows:

	Year ended 31 July 2018 Total salary and fees £	Year ended 31 July 2017 Total salary and fees £	Year ended 31 July 2018 Taxable benefits £	Year ended 31 July 2017 Taxable benefits £	Year ended 31 July 2018 Total £	Year ended 31 July 2017 Total £
Nicola Ralston[1]	30,000	30,000	–	–	30,000	30,000
John Cornish[2]	7,875	27,000	–	–	7,875	27,000
Joop Feilzer[3]	–	6,476	–	–	–	6,476
Rutger Koopmans[4]	22,000	22,000	2,761	–	24,761	22,000
David Marsh	22,000	22,000	–	–	22,000	22,000
Katya Thomson[5]	24,133	4,553	–	–	24,133	4,553
Total	**106,008**	**112,029**	**2,761**	**–**	**108,769**	**112,029**

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 Chairman and highest paid Director
2 Retired on 15 November 2017
3 Retired on 16 November 2016
4 During the year, the Board has determined that travel and other expenses attributable to Director attendance at Board, Committee and General Meetings be treated as taxable
5 Chairman of the Audit Committee from 15 November 2017

The fees paid to the Directors during the year were: Chairman £30,000, Chairman of the Audit Committee £25,000 and Directors £22,000. John Cornish also received an additional fee of £2,000 per annum for the position of Senior Independent Director. No other remuneration or compensation was paid or payable by the Company during the year to any of the current or former Directors or third parties specified by any of them.

Directors' fees were increased with effect from 1 August 2018 to £35,000 for the Chairman, £29,000 for the Chairman of the Audit Committee and £25,000 for Directors.

Relative importance of expenditure on pay

In order to show the relative importance of expenditure on pay, the table below sets out the total level of remuneration compared to the distributions to shareholders by way of dividends. There were no share buy-backs during the year. There were no other significant distributions, payments or other uses of the Company's net return or cash flow deemed to assist in the understanding of the relative importance of spend on pay.

	2018 £'000	2017 £'000	Change £'000
Total remuneration paid to Directors	109	112	(3)
Ordinary dividends paid during the year	5,508	4,449	1,059

Statement of voting at AGM

At the 2017 AGM 5,909,609 votes (99.80%) were received voting for the resolution seeking approval of the Directors' Remuneration Report, 10,699 (0.18%) were against, 1,328 (0.02%) were discretionary and 4,753 were withheld; the percentage of votes excludes votes withheld. In relation to the approval of the Remuneration Policy also approved at the 2017 AGM, 5,909,384 (99.80%) were received voting for the resolution, 10,699 (0.18%) were against, 1,328 (0.02%) were discretionary and 4,978 were withheld. The percentage of votes excludes votes withheld.

For and on behalf of the Board

Nicola Ralston
Chairman
5 October 2018

Corporate Governance Statement

The Corporate Governance Statement forms part of the Report of the Directors.

Applicable corporate governance codes

The Board is accountable to shareholders for the governance of the Company's affairs. As an investment trust, the Company's day-to-day responsibilities are delegated to third parties; the Company has no employees and the Directors are all non-executive. Therefore not all the provisions of the UK Corporate Governance Code (the "UK Code") issued by the Financial Reporting Council ("FRC") in April 2016 are directly applicable to the Company. 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 (the "AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies (the "AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the applicable principles set out in the UK Code as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The FRC has confirmed that by following the AIC Guide, boards of investment companies should fully meet their obligations in relation to the UK Code and paragraph 9.8.6 of the Listing Rules.

Copies of the AIC Code, the AIC Guide and the UK Code can be found on the respective organisations' websites: **www.theaic.co.uk** and **www.frc.org.uk**.

The Board has noted that the FRC has issued a revised code which the Company will be required to report against for the financial year ending 31 July 2020.

Statement of compliance

The Directors believe that the Company has complied with the recommendations of the AIC Code that are applicable to smaller companies (those below the FTSE 350) during the year under review and up to the date of this report and thereby the provisions of the UK Code except as set out below.

The UK Code includes provisions relating to:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

For the reasons set out in the AIC Guide, and as explained in the UK Code, the Board considers these provisions are not relevant to the position of the Company as it is an externally managed investment company. In particular, all of the Company's day to day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations.

Directors

All the Directors are non-executive. Following John Cornish's retirement, a senior independent director has not been appointed. All the Directors have different qualities and areas of expertise on which they may lead to whom concerns can be conveyed if shareholders did not wish to raise concerns with the Chairman or the Chairman of the Audit Committee.

Appointment, retirement and tenure

The Board may appoint Directors to the Board without shareholder approval. Any Director so appointed must stand for election by the shareholders at the next Annual General Meeting ("AGM") in accordance with the Articles of Association.

The AIC Code states that any director who has served for more than nine years should be subject to annual re-election. No Director has served for more than nine years.

The AIC Code requires all Directors to retire at intervals of not more than three years; the Company's Articles of Association also provide that one-third (but not more than one-third) of Directors must seek re-election at each AGM. The Board has chosen to early adopt the recommendations in the 2018 UK Code which sets out that all Directors should stand for annual re-election.

The contribution and performance of the Directors seeking re-election was reviewed by the Nominations Committee at its meeting in July 2018, which recommended to the Board their continuing appointment.

Under the Articles of Association shareholders may remove a Director before the end of his or her term by passing an ordinary resolution at a meeting. An ordinary resolution is passed if more than 50% of the votes cast, in person or by proxy, are in favour of the resolution.

Directors' independence

All Directors have a range of other interests and are not dependent on the Company itself. At the Nominations Committee meeting in July 2018, the Directors reviewed their independence and confirmed that all Directors remain wholly independent of the Manager. The Board believes that length of service does not diminish the contribution from a Director as experience and knowledge of the Company is a positive factor and should not impact a Director's independence. It believes that longer serving Directors are less likely to take a short-term view, which is supported by the AIC Code. The Board has determined that all Directors are independent in character and judgement and that their individual skills, broad business experience and high degree of knowledge and understanding of the Company are of great benefit to shareholders.

There were no contracts subsisting during or at the end of the year in which a Director of the Company 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.

Directors' professional development

When a new Director is appointed he or she is offered an induction seminar which is held by the Manager at the request of the Chairman. Directors are also 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 also able to attend external training facilities and industry seminars at the expense of the Company and each Director's individual training requirements are considered as part of the annual performance evaluation.

Corporate Governance Statement (continued)

Directors' insurance and indemnification

Directors' and officers' liability insurance cover was in place in respect of the Directors throughout the financial year and remains in place at the date of this report. The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for 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 judgment is given in their favour by the Court. The Company has granted indemnity to Directors to the extent permitted by law in respect of liabilities that may attach to them in their capacity as Directors of the Company.

The Board

Board composition

The Board currently consists of four non-executive Directors and the biographies of those holding office at the date of this report are included on page 14. Those details demonstrate the breadth of investment, commercial and professional experience relevant to their positions as Directors. All Directors served throughout the year. Rutger Koopmans is resident in the Netherlands. The other members of the Board are resident in the UK.

Responsibilities of the Board and its Committees

The Board is collectively responsible for the success of the Company. Its role is to provide leadership within a framework of prudent and effective controls that enable risk to be assessed and managed. The Board is responsible for setting the Company's standards and values and for ensuring that its obligations to its shareholders and others are understood and met. The Board sets the Company's strategic aims (subject to the Company's Articles of Association, and to such approval of the shareholders in General Meeting as may be required from time to time) and ensures that the necessary resources are in place to enable the Company's objectives to be met.

The Board meets formally at least six times a year, with additional Board or Committee meetings arranged when required. The Directors have regular contact with the Fund Manager and representatives of the Corporate Secretary between formal meetings.

The Chairman, Nicola Ralston who is an independent non-executive Director, is responsible for leading the Board and for ensuring that it continues to deal effectively with all the aspects of its role.

The Board has a formal schedule of matters specifically reserved for its decision, which include strategy and management, structure and capital, financial reporting and controls, internal controls, contracts, communications, Board membership and other appointments, delegation of authority, remuneration, corporate governance and policies.

The Board is responsible for the approval of annual and half year results and other public documents and for ensuring that such documents provide a fair, balanced and understandable assessment of the Company's position and prospects. The Directors confirm that they are satisfied that the Annual Report for the year ended 31 July 2018, 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.

At each meeting the Directors follow a formal agenda, which includes a review of the Company's net asset value ("NAV"), share price, discount, financial position, gearing levels, peer group performance, investment performance, asset allocation and transactions and any other relevant business matters to ensure that control is maintained over the affairs of the Company. The Board monitors compliance with the Company's objective and is responsible for setting asset allocation, investment and gearing limits within which the Manager has discretion to act and regularly reviews investment strategy. It has adopted a procedure for Directors to take independent professional advice in the furtherance of their duties at the expense of the Company.

In order to enable them to discharge their responsibilities, all Directors have full and timely access to relevant information.

Committees of the Board

The Board has three principal Committees: the Audit Committee, the Management Engagement Committee and the Nominations Committee. The terms of reference for these Committees are available on the website **www.hendersoneurotrust.com** or via the Corporate Secretary. The Company also has an Insider Committee to deal with the obligations of the Market Abuse Regulation.

A separate remuneration committee has not been established as the Board consists of only non-executive Directors. The whole Board is responsible for setting Directors' fees in line with the Remuneration Policy set out on page 25, which is subject to periodic shareholder approval.

Audit Committee

The Audit Committee comprises all of the Directors and is chaired by Katya Thomson, who is a Chartered Accountant. The other Audit Committee members have a combination of financial, investment and other experience gained throughout their careers and the Board is satisfied that at least one of the Audit Committee's members has recent and relevant financial experience. The Audit Committee as a whole is considered to have competence relevant to the sector. All members of the Audit Committee are independent. The Report of the Audit Committee, which forms part of this Corporate Governance Statement can be found on pages 31 and 32.

Management Engagement Committee

All Directors are members of the Management Engagement Committee, which is chaired by the Chairman of the Board.

The Committee is responsible for reviewing the management contract on a regular basis, ensuring that the terms are fair and reasonable and that its continuance, given the Company's performance over both short and longer terms, is in the best interests of the Company and its shareholders and also for reviewing the performance and cost effectiveness of the Company's other service providers.

The Management Engagement Committee met in July 2018 to carry out its annual review of the Manager, the results of which are detailed on page 30.

Nominations Committee

All Directors are members of the Nominations Committee, which is chaired by the Chairman of the Board (except when the Chairman's successor is being considered). The Nominations Committee is responsible for reviewing Board succession planning and tenure policy, the performance of the Board as a whole and the Board Committees and the recommendation to the Board on the appointment of new Directors through an established formal procedure.

Corporate Governance Statement (continued)

When considering succession planning and tenure policy, the Nominations Committee bears in mind the balance of skills, knowledge, experience, gender and diversity existing on the Board, the achievement of the Company's investment objective and compliance with the Company's Articles of Association and the AIC Code. Individual performance and contribution of each Director remains a key element of the Company's approach in making determinations on tenure. The Nominations Committee considers diversity as part of the annual performance evaluation and it is considered that there is a range of backgrounds, and each Director brings different qualities to the Board and its discussions.

Given the small size of the Board, it is not considered appropriate for the Company to have set targets in relation to gender diversity; candidates will be assessed in relation to the relevant needs of the Company at the time of appointment. The Nominations Committee will make recommendations when the recruitment of additional non-executive Directors is required. Once a decision is made to recruit additional Directors to the Board, a formal job description is drawn up. The Company may use external agencies as and when the requirement to recruit an additional Board member becomes necessary.

The Nominations Committee also reviews and recommends to the Board the Directors seeking re-election. Recommendation is not automatic and will follow a process of evaluation of each Director's performance and consideration of the Director's independence. The Nominations Committee also takes into account the mix of skills and experience of the current Board members. In accordance with the UK Code any Director serving for longer than six years would be subject to particularly rigorous assessment of his or her contribution.

The Nominations Committee met in July 2018 to carry out its annual review of the Board, its composition and size and its Committees. The results of the performance evaluation are detailed below.

Insider Committee

All the Directors are members of the Insider Committee, which is chaired by the Chairman of the Board. The Committee is responsible for overseeing the disclosure of information by the Company to meet its obligations under the Market Abuse Regulation and the Financial Conduct Authority's Listing Rules and Disclosure Guidance and Transparency Rules.

Board attendance

The table below sets out the number of Board and Committee meetings held during the year under review and the number of meetings attended by each Director. All Directors attended the AGM in November 2017.

	Board	AC	MEC	NC
Number of meetings	**6**	**3**	**1**	**1**
Nicola Ralston	6/6	3/3	1/1	1/1
John Cornish[1]	2/2	1/1	0/0	0/0
Rutger Koopmans	6/6	2/3	1/1	1/1
David Marsh	5/6	2/3	0/1	0/1
Katya Thomson	6/6	3/3	1/1	1/1

AC: Audit Committee
MEC: Management Engagement Committee
NC: Nominations Committee
1 Retired 15 November 2017

David Marsh was not able to attend the Board, Audit Committee, Management Engagement Committee and Nominations Committee meetings held on 18 July 2018.

The Directors and Committees of the Board also met during the year to undertake business such as the approval of the Company's results and dividends and the approval of a new increased loan facility.

Performance evaluation

The performance of the Company is considered in detail at each Board meeting. In the year under review the Nominations Committee conducted a review of the Board's performance, together with that of its Committees, the Chairman and each individual Director. This was conducted by way of an evaluation questionnaire. The results of the questionnaires were supplied to the Chairman who collated the results and provided a summary to the Board. The Chairman of the Audit Committee collated the responses and provided a summary in respect of the evaluation of the Chairman. It was concluded that each were satisfactory and the Board has a good balance of skills and experience. In particular, it is considered that each of the Directors makes a significant contribution to the affairs of the Company, the Chairman continues to display effective leadership and Directors seeking re-election at the Company's AGM merit re-election by shareholders.

Internal controls

The Board has established an ongoing process for identifying, evaluating and managing any major risks faced by the Company. The process accords with advice issued by the FRC and is subject to regular review by the Board. The Board has overall responsibility for the Company's system of internal controls and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate risks of failure to achieve the Company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board has reviewed the effectiveness of the Company's system of internal controls for the year ended 31 July 2018. During the course of its review the Board has not identified or been advised of any failings or weaknesses that have been determined as significant. All business risks faced by the Company are recorded in a risk map which is reviewed periodically.

Janus Henderson has established an internal control framework to provide reasonable, but not absolute, assurance on the effectiveness of the internal controls operated on behalf of its clients. The effectiveness of the internal controls is assessed by Janus Henderson's compliance, internal audit and risk departments on a continuing basis. The Board receives a formal report on a quarterly basis which details the steps taken to monitor the areas of risk, including those that are not directly the responsibility of Janus Henderson, and which reports the details of any known internal control failures. The Board receives a report on Janus Henderson's internal controls each year which includes a report from Janus Henderson's auditors on the control policies and procedures in operation.

The ongoing process for identifying, evaluating and managing significant risks faced by the Company has been in place throughout the year under review and up to the date of this report. 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.
As all of the Company's management functions are delegated to third parties, and the Board monitors the controls in place through Janus Henderson's internal audit department, the Board feels that there is currently no need for the Company to have its own internal audit function.

Corporate Governance Statement (continued)

Accountability and relationship with Janus Henderson

The Statement of Directors' Responsibilities in respect of the Financial Statements is set out on page 24, the Independent Auditors' Report on pages 33 to 37 and the Viability Statement on pages 16 and 17.

The Board has delegated contractually to external third parties, including the Manager, the management of the investment portfolio, the custodial services (which include the safeguarding of the assets which is delegated through the appointment of the Depositary as explained on page 19), the day-to-day accounting and cash management, company secretarial and administration requirements and registration services. Each of these 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 receives and considers regular reports from the Manager and ad hoc reports and information are supplied to the Board as required. In addition, the Chairman is invited to attend meetings of all the chairmen of the investment trust companies managed by Janus Henderson which provides a forum to discuss industry matters which would then be reported to the Board.

The Manager takes decisions as to the purchase and sale of individual investments. The Manager also ensures that all Directors receive, in a timely manner, all relevant management, regulatory and financial information. Representatives of Janus Henderson 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 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 Company in line with the audited procedures in place. Any correspondence is submitted to the next Board meeting.

Janus Henderson and BNP Paribas Securities Services, which acts for Janus Henderson, have arrangements in place by which their staff may, in confidence, raise concerns about possible improprieties in relation to financial reporting or other matters.

Continued appointment of the Manager

The Board considers the arrangements for the provision of investment management and other services to the Company on an ongoing basis. The principal contents of the agreement with the Manager are contained on page 4.

In addition to the monitoring of investment performance at each meeting, through the Management Engagement Committee, an annual review of the Company's investment performance over both the short and longer terms, together with the quality of other services provided by the Manager, including company secretarial and accounting, is undertaken.

Following an annual review, it is the Directors' opinion that the continuing appointment of the Manager on the existing terms is in the interests of the Company and its shareholders as a whole.

Share capital

Please see the Report of the Directors on page 22.

Relations with shareholders

Shareholder relations are given high priority by the Board. The prime medium by which the Company communicates with its shareholders is through the half year results and Annual Report which aim to provide shareholders with a clear understanding of the Company's activities and their results. This information is supplemented by the daily calculation and publication of the NAV per share to a regulatory information service and a monthly fact sheet which is available on the website. Janus Henderson also provides information on the Company and Fund Manager videos and monthly commentary on the website, via various social media channels and through its HGi content platform, more details of which are included on page 15.

The Board considers that shareholders should be encouraged 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 Manager will make a presentation to shareholders. A summary of the proxy votes received on the resolutions proposed is displayed at the meeting and each substantial issue is dealt with in a separate resolution. It is the intention of the Board that the Annual Report and notice of AGM be issued to shareholders so as to provide at least 20 working days' notice of the meeting. These documents are also included on the website. 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 via the Corporate Secretary at the registered office address given on page 15 of this report.

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

By order of the Board

For and on behalf of
Henderson Secretarial Services Limited
Corporate Secretary
5 October 2018

Report of the Audit Committee

Composition

The Audit Committee comprises all of the Directors and is chaired by Katya Thomson, who is a Chartered Accountant. The other Audit Committee members have a combination of financial, investment and other experience gained throughout their careers and the Board is satisfied that at least one of the Audit Committee's members has recent and relevant financial experience. The biographies of the Audit Committee members are shown on page 14. All members of the Audit Committee are independent.

Meetings

The Audit Committee met three times during the year under review; in advance of the publication of both the annual and the half year results and on at least one other occasion with an agenda that was focused on its broader responsibilities. The Company's Auditors are invited to attend meetings as necessary. Representatives of the Manager and BNP Paribas Securities Services may also be invited.

Role and responsibilities

The role of the Audit Committee is to assist the Board in applying the financial reporting and internal control principles and to maintain an appropriate relationship with the Auditors. The Audit Committee formally reports to the Board, the responsibilities are set out in formal terms of reference which are reviewed at least annually.

In the year under review the main duties undertaken were:

- consideration of the appropriateness of the Company's accounting policies;
- a review of the half year results and the Annual Report, including the disclosures made therein in relation to internal controls and risk management, viability, going concern and related parties and consideration of whether the report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy in order to make recommendations to the Board. In assessing whether the report is fair, balanced and understandable, each Director reviewed the disclosures made, applying their respective knowledge and expertise. The internal controls over financial reporting were also considered, together with feedback from the Company's Auditors, the Manager and the Corporate Secretary;
- consideration of the quality and effectiveness of the accounting records and management information maintained on behalf of the Company, relying on meetings with and reports from Janus Henderson;
- consideration of the valuation of the Company's unquoted investments for recommendation to the Board;
- consideration of the appropriate level of dividend to be paid by the Company for recommendation to the Board;
- consideration of the internal controls in place at Janus Henderson, BNP Paribas Securities Services as administrator and HSBC Bank plc as depositary and custodian;
- consideration of Janus Henderson's policies in relation to information security and business continuity, meeting with representatives of Janus Henderson's internal audit and risk departments periodically;
- consideration of the key risks, risk management systems in place and the Company's risk map;
- consideration of the Company's Anti-Bribery Policy;
- consideration of the nature and scope of the external audit and the findings therefrom;
- consideration of the appointment of the Auditors, the Auditors' effectiveness, performance, remuneration and tenure of appointment;
- annual consideration of whether there is a need for an internal audit function in order to make a recommendation to the Board;
- consideration of the Auditors' independence, objectivity, effectiveness and the provision of any non-audit services (as explained further on page 32) and the reporting of the external auditor;
- consideration of the whistle blowing policy that Janus Henderson has put in place for its staff to raise concerns about possible improprieties, including in relation to the Company, in confidence. The policy includes the necessary arrangements for independent investigation and follow up action;
- consideration of the management fee and performance fee calculations; and
- consideration of the annual confirmation from the Company's Depositary.

Report of the Audit Committee (continued)

Annual Report for the year ended 31 July 2018

In relation to the Annual Report for the year ended 31 July 2018 the following significant issues were considered by the Audit Committee:

Significant issue	How the issue was addressed
Valuation and ownership of the Company's investments	Actively traded investments are valued using stock exchange prices provided by third party pricing vendors. Ownership is verified by reconciliation to the Custodian's records and the Directors have received quarterly reports of the Depositary who has responsibility for overseeing operations of the Company, including verification of ownership and valuation.
Recognition of income	Income received is accounted for in line with the Company's accounting policy (as set out on page 42) and is reviewed by the Committee.
Compliance with Section 1158 of the Corporation Tax Act 2010	The Committee regularly considers the controls in place to ensure that the regulations for ensuring investment trust status are observed at all times, receiving supporting documentation from Janus Henderson and BNP Paribas Securities Services.
Maintaining internal controls	The Committee receives regular reports on internal controls from Janus Henderson and its delegates and has access to the relevant personnel of Janus Henderson who have a responsibility for risk management and internal audit.
Performance fee	The calculation of the performance fee payable to Janus Henderson is reviewed by the Audit Committee before being approved by the Board. No performance fee was payable in respect of the financial year ended 31 July 2018.

The Committee is satisfied that the Annual Report for the year ended 31 July 2018, 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.

Policy on non-audit services

In September 2017 the Audit Committee adopted a new policy on the provision of non-audit services, in accordance with the Financial Reporting Council's ("FRC") Guidance on Audit Committees and the FRC's Revised Ethical Standards 2016. The Audit Committee has determined that the statutory auditors will not be engaged to provide any non-audit services without the approval of the Audit Committee. The statutory auditors are not pre-approved to provide any non-audit services. The Audit Committee may approve the provision of non-audit services if they consider such services to be:

- relevant to the statutory audit work;
- more efficiently provided by the statutory audit firm than by a third party; and
- at low risk of impairing the independence, objectivity and effectiveness of the audit.

The Audit Committee will refer to the Board any engagement with a cost or potential cost greater than £10,000. All engagements for non-audit services will be determined on a case-by-case basis.

There were no non-audit services provided during the year.

Auditors' appointment

The Audit Committee has considered the implications of PricewaterhouseCoopers LLP ("PwC") being appointed as auditors to Janus Henderson and is satisfied that the Auditors are independent of the Company as the audit teams for Janus Henderson and the Company are independent of each other and strong controls are in place to ensure independence.

PwC (or their predecessor) have been the auditors for 26 years. The auditors are required to rotate partners every five years and this is the third year that the current partner has been in place. In light of the tenure of the current auditors and the regulations on audit firm rotation, the Company will put the audit out to tender for the year ending 31 July 2020 and a resolution to appoint the new auditors will be put to shareholders at the AGM in 2019. PwC, as the current incumbent, will not be invited to participate in the process.

The Audit Committee reviews the effectiveness of the audit provided by PwC on an annual basis and remains satisfied with the effectiveness of the audit based on their performance. On the basis of the auditors' performance the Audit Committee recommended their continuing appointment to the Board for the year ended 31 July 2019. The Auditors have indicated their willingness to continue in office. Accordingly, resolutions to confirm the appointment of PwC as Auditors to the Company and to authorise the Directors to determine their remuneration will be proposed at the AGM.

Fees paid or payable to the Auditors are detailed in note 6 on page 44.

For and on behalf of the Board

Katya Thomson
Chairman of the Audit Committee
5 October 2018

Independent Auditors' Report to the members of Henderson EuroTrust plc

Report on the Financial Statements

Our opinion

In our opinion, Henderson EuroTrust plc's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2018 and of its net return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of Financial Position as at 31 July 2018; the Income Statement, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company.

We have provided no non-audit services to the Company in the period from 1 August 2017 to 31 July 2018.

Our audit approach

Overview

- Overall materiality: £2.6 million (2017: £2.5 million), based on 1% of net assets.

- The Company is a standalone Investment Trust Company and engages Henderson Investment Funds Limited (the "Manager") to manage its assets.
- We conducted our audit of the financial statements using information from BNP Paribas Securities Services (the "Administrator") to whom the Manager has, with the consent of the Directors, delegated the provision of certain administrative functions.
- We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the Company operates.
- We obtained an understanding of the control environment in place at both the Manager and the Administrator, and adopted a fully substantive testing approach using reports obtained from the Administrator.

- Investments.
- Dividend income.
- Performance fee.

Independent Auditors' Report to the members of Henderson EuroTrust plc (continued)

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We focused on laws and regulations that could give rise to a material misstatement in the Company's financial statements, including, but not limited to, the Companies Act 2006 and section 1158 of the Corporation Tax Act 2010. Our tests included, but were not limited to, review of the financial statement disclosures to underlying supporting documentation, enquiries with those charged with governance and testing the Company's compliance with section 1158 in the current year. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which 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, and any comments we make on the results of our procedures thereon, 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. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Investments Refer to page 32 (Report of the Audit Committee), page 41 (Accounting Policies) and page 46 (Notes to the Financial Statements). The investment portfolio at the year-end comprised listed equity investments valued at £255m. We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed on the Statement of Financial Position in the Financial Statements.	We tested the valuation of the listed equity investments by agreeing the prices used in the valuation to independent third party sources. We tested the existence of the investment portfolio by agreeing investment holdings to an independent custodian confirmation. No material issues were identified.
Dividend income Refer to page 32 (Report of the Audit Committee), page 42 (Accounting Policies) and page 44 (Notes to the Financial Statements). We focused on the accuracy, occurrence and completeness of dividend income recognition as incomplete or inaccurate income could have a material impact on the Company's net asset value and dividend cover. We also focused on the accounting policy for income recognition and its presentation in the Income Statement as set out in the requirements of The Association of Investment Companies Statement of Recommended Practice (the "AIC SORP") as incorrect application could indicate a misstatement in income recognition.	We assessed the accounting policy for dividend income recognition for compliance with accounting standards and the AIC SORP and performed testing to check that income had been accounted for in accordance with this stated accounting policy. We tested the accuracy of dividend receipts by agreeing the dividend rates from investments to independent market data. We also tested that for investment holdings in the portfolio, all dividends recorded had been declared in the market, and that all dividends declared in the market had been recorded. We tested occurrence by tracing a sample of dividends received to bank statements. Our testing did not identify any misstatements which required reporting to those charged with governance. We also tested the allocation and presentation of dividend income between the revenue and capital return columns of the Income Statement in line with the requirements set out in the AIC SORP by determining reasons behind dividend distributions. No material issues were identified.

Independent Auditors' Report to the members of Henderson EuroTrust plc (continued)

Key audit matter	How our audit addressed the key audit matter
Performance fee Refer to page 32 (Report of the Audit Committee), page 42 (Accounting Policies) and page 44 (Notes to the Financial Statements). We focused on this area because the performance fee is calculated using a complex methodology as set out in the Investment Management Agreement between the Company and the Manager. Based on the calculation performed by the Manager, no performance fee is payable for the year.	We tested the calculation of the performance fee to check that it complied with the methodology as set out in the Investment Management Agreement, and agreed the inputs to the calculation, including the net asset value and benchmark data, to independent third party sources, where applicable. Based on our testing, we agreed that no performance fee is payable.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

The Company's accounting is delegated to the Administrator who maintains the Company's accounting records and who has implemented controls over those accounting records.

We obtained our audit evidence primarily from substantive tests. However, as part of our risk assessment, we understood and assessed the internal controls in place at both the Manager and the Administrator to the extent relevant to our audit. This assessment of the operating and accounting structure in place at both organisations involved obtaining and analysing the relevant control reports issued by the independent service auditor of the Manager and the Administrator in accordance with generally accepted assurance standards for such work. Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the Financial Statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£2.6 million (2017: £2.5 million).
How we determined it	1% of net assets.
Rationale for benchmark applied	We applied this benchmark, which is a generally accepted auditing practice for investment trust audits.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £132,000 (2017: £126,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

In accordance with ISAs (UK) we report as follows:

Reporting obligation	Outcome
We are required to report if we have anything material to add or draw attention to in respect of the Directors' statement in 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 as a going concern over a period of at least twelve months from the date of approval of the financial statements.	We have nothing material to add or to draw attention to. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Independent Auditors' Report to the members of Henderson EuroTrust plc (continued)

Reporting obligation	Outcome
We are required to report if the Directors' statement relating to Going Concern in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.	We have nothing to report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006 (CA06), ISAs (UK) and the Listing Rules of the Financial Conduct Authority (FCA) require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

Strategic Report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the year ended 31 July 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. (CA06)

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors. (CA06)

The Directors' assessment of the prospects of the Company and of the principal risks that would threaten the solvency or liquidity of the Company

We have nothing material to add or draw attention to regarding:

- The Directors' confirmation on page 16 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 disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.
- The Directors' explanation on pages 16 and 17 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.

We have nothing to report having performed a review of the Directors' statement that they have carried out a robust assessment of the principal risks facing the Company and statement in relation to the longer-term viability of the Company. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the UK Corporate Governance Code (the "Code"); and considering whether the statements are consistent with the knowledge and understanding of the Company and its environment obtained in the course of the audit. (Listing Rules)

Other Code Provisions

We have nothing to report in respect of our responsibility to report when:

- The statement given by the Directors, on page 24, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for the members to assess the Company's position and performance, business model and strategy is materially inconsistent with our knowledge of the Company obtained in the course of performing our audit.

- The section of the Annual Report on pages 31 to 32 describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

Independent Auditors' Report to the members of Henderson EuroTrust plc (continued)

- The Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified, under the Listing Rules, for review by the auditors.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006. (CA06)

Responsibilities for the Financial Statements and the Audit

Responsibilities of the Directors for the Financial Statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 24, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 FRC's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; 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.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the audit committee, we were appointed in 1992 to audit the financial statements for the period ended 31 July 1993 and subsequent financial periods. The period of total uninterrupted engagement is 26 years, covering the years ended 31 July 1993 to 31 July 2018.

Richard McGuire (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
5 October 2018

Income Statement

Note		Year ended 31 July 2018 Revenue return £'000	Year ended 31 July 2018 Capital return £'000	Year ended 31 July 2018 Total return £'000	Year ended 31 July 2017 Revenue return £'000	Year ended 31 July 2017 Capital return £'000	Year ended 31 July 2017 Total return £'000
2	Gains on investments held at fair value through profit or loss	–	11,264	11,264	–	45,190	45,190
3	Investment income	8,758	–	8,758	7,407	–	7,407
4	Other income	3	–	3	–	–	–
	Gross revenue and capital gains	**8,761**	**11,264**	**20,025**	**7,407**	**45,190**	**52,597**
5	Management and performance fees	(331)	(1,325)	(1,656)	(306)	(1,222)	(1,528)
6	Other administrative expenses	(491)	–	(491)	(463)	–	(463)
	Net return before finance costs and taxation	**7,939**	**9,939**	**17,878**	**6,638**	**43,968**	**50,606**
7	Finance costs	(10)	(42)	(52)	(10)	(40)	(50)
	Net return before taxation	**7,929**	**9,897**	**17,826**	**6,628**	**43,928**	**50,556**
8	Taxation on net return	(912)	–	(912)	(811)	–	(811)
	Net return after taxation	**7,017**	**9,897**	**16,914**	**5,817**	**43,928**	**49,745**
9	Return per ordinary share – basic and diluted	33.1p	46.7p	79.8p	27.5p	207.3p	234.8p

The total return column of this statement represents the Income Statement of the Company.

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

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

The Company had no recognised gains or losses other than those disclosed in the Income Statement.

The notes on pages 41 to 54 form part of these Financial Statements

Statement of Changes in Equity

Note	Year ended 31 July 2018	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total shareholders' funds £'000
	At 1 August 2017	1,060	41,032	263	203,164	7,191	252,710
	Net return after taxation	–	–	–	9,897	7,017	16,914
10	Final dividend paid in respect of the year ended 31 July 2017 (paid 22 November 2017)	–	–	–	–	(3,813)	(3,813)
10	Interim dividend paid in respect of the year ended 31 July 2018 (paid 27 April 2018)	–	–	–	–	(1,695)	(1,695)
	At 31 July 2018	**1,060**	**41,032**	**263**	**213,061**	**8,700**	**264,116**

Note	Year ended 31 July 2017	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total shareholders' funds £'000
	At 1 August 2016	1,060	41,032	263	159,236	5,823	207,414
	Net return after taxation	–	–	–	43,928	5,817	49,745
10	Final dividend paid in respect of the year ended 31 July 2016 (paid 23 November 2016)	–	–	–	–	(2,966)	(2,966)
10	Interim dividend paid in respect of the year ended 31 July 2017 (paid 28 April 2017)	–	–	–	–	(1,483)	(1,483)
	At 31 July 2017	**1,060**	**41,032**	**263**	**203,164**	**7,191**	**252,710**

The notes on pages 41 to 54 form part of these Financial Statements

Statement of Financial Position

Note		As at 31 July 2018 £'000	As at 31 July 2017 £'000
	Fixed assets		
	Fixed asset investments held at fair value through profit or loss		
11	Listed at market value – overseas	255,372	252,926
	Current assets		
12	Debtors	1,049	865
	Cash and cash equivalents	8,372	2,494
		9,421	**3,359**
13	**Creditors: amounts falling due within one year**	(677)	(3,575)
	Net current assets/(liabilities)	**8,744**	**(216)**
	Total assets less current liabilities	264,116	252,710
	Net assets	**264,116**	**252,710**
	Capital and reserves		
16	Called up share capital	1,060	1,060
17	Share premium account	41,032	41,032
	Capital redemption reserve	263	263
18	Capital reserves	213,061	203,164
	Revenue reserve	8,700	7,191
	Total shareholders' funds	**264,116**	**252,710**
14	Net asset value per ordinary share (basic and diluted)	1,246.7p	1,192.8p

The Financial Statements on pages 38 to 54 were approved and authorised for issue by the Board of Directors on 5 October 2018.

Nicola Ralston
Chairman

The notes on pages 41 to 54 form part of these Financial Statements

Notes to the Financial Statements
For the year ended 31 July 2018

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 15.

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 (which was effective for periods commencing on or after 1 January 2015) and with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("the SORP") issued in November 2014 and updated in February 2018.

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 years 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 31 July 2017.

As an investment company the Company has the option, which it has taken, not to present a cash flow statement. A cash flow statement is not required when an investment company meets all the following conditions: substantially all of the entity's investments are highly liquid, substantially all of the entity's investments are carried at market value, and the entity provides a statement of changes in equity. The Directors have assessed that the Company meets all of these conditions.

The Financial Statements have been prepared under the historical cost basis except for the measurement at fair value of investments. In applying FRS102, 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.

The preparation of the Company's financial statements on occasion requires the Directors to make judgements, estimates and assumptions that affect the reported amounts in the primary financial statements and the accompanying disclosures. These assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the current and future periods, depending on circumstance.

The Directors do not believe that any accounting judgements or estimates have been applied to this set of financial statements that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

b) Going concern

The assets of the Company consist of securities that are readily realisable and, accordingly, the Directors believe that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the Financial Statements. Having assessed these factors, 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) Fixed asset investments held at fair value through profit or loss

All investments are designated upon initial recognition as held at fair value through profit or loss. Assets are de-recognised at the trade date of the disposal. Proceeds are measured at fair value, which are regarded as the proceeds of sale less any transaction costs. The fair value of the financial instruments is based on their quoted bid price at the Statement of Financial Position date, without deduction of the estimated future selling costs.

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 from investments held at fair value through profit or loss'. Also included within this caption are transaction costs in relation to the purchase or sale of investments, including the difference between the purchase price of an investment and its bid price at the date of purchase.

Unquoted investments are valued by the Directors using primary valuation techniques such as earnings multiples, recent transactions and net assets. All such valuations are reviewed by both Janus Henderson's EMEA Pricing Committee and by the Directors.

d) Capital gains and losses

Capital gains and losses arising on investments sold and investments held, together with exchange differences arising on the translation of foreign currency assets and liabilities, are recognised within the capital reserves.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

e) Income

Dividends receivable from equity shares are taken to 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 capital return. Bank deposit interest is taken to revenue return on an accruals basis.

The ordinary element of scrip dividends received in lieu of cash dividends is recognised as revenue. Any enhancement above the cash dividend is treated as capital.

Where the Company enters into a commitment to underwrite an issue of securities in exchange for the receipt of commission, a derivative financial instrument is recognised initially at fair value. The derivative is re-measured subsequently at fair value, with the related gains and losses being reflected in the Income Statement. Net losses arising from these derivatives, where actual or expected loss from taking up the securities underwritten exceeds the commission income, are allocated to the capital return. Net gains are allocated to the revenue return.

f) Expenses and finance costs

All expenses are accounted for on an accruals basis. Finance costs, including any premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Income Statement using the effective interest rate method. On the basis of the Board's expected long term split of returns in the form of capital gains and income of 80% and 20% respectively, the Company charges 80% of its finance costs and management fee to the capital return. Any performance fees payable are allocated wholly to capital, reflecting the fact that although they are calculated on a total return basis, they are expected to be attributable largely, if not wholly, to capital performance. All other expenses are charged to revenue return. All of these amounts are stated net of any tax relief and inclusive of any related irrecoverable value added tax.

g) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the year. 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 current tax is calculated using tax rates that were applicable at the Statement of Financial Position date.

The tax effect of different items of expenditure is allocated between the capital return and revenue return using the Company's effective tax rate.

In line with the recommendations of the 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 from the capital return column.

Deferred taxation is provided on all timing differences that have originated but not 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 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 substantially enacted at the Statement of Financial Position date. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

h) Foreign currency

The results and financial position of the Company are expressed in pounds sterling, which is the functional currency and presentational currency.

The Company is required to determine functional currency, being the currency in which the Company predominantly operates. The Board, having regard to the currency of the Company's share capital and the predominant currency in which its shareholders operate, has determined the functional currency to be Sterling.

Transactions denominated in foreign currencies are converted at actual exchange rates as at the date of the transaction. Monetary assets and liabilities and equity investments held at fair value through profit or loss denominated in foreign currencies at the year end are translated at the rates of exchange prevailing at the year end.

Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in revenue return or capital return, depending on whether the gain or loss is of a revenue or capital nature.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

i) Cash and cash equivalents

Cash comprises cash in hand and on demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

j) Dividends payable to shareholders

Dividends payable to shareholders are recognised in the Financial Statements when they are paid or, in the case of final dividends, when they are approved by shareholders. Dividends are dealt with in the Statement of Changes in Equity.

k) Issue and repurchase of ordinary shares

The proceeds from the issue of new ordinary shares (including those relating to the sale of shares out of treasury) and the aggregate cost of repurchasing ordinary shares (including those to be held in treasury), including related stamp duty and transaction costs, is taken directly to equity and dealt with in the Statement of Changes in Equity. Share issues and repurchase transactions are accounted for on a trade date basis. The nominal value of ordinary share capital repurchased and cancelled is transferred out of called up share capital and into the capital redemption reserve.

l) Capital 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 issue of shares net of costs.

The revenue reserve represents accumulated 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.

Other capital reserves are split into two components, the capital reserve arising on investments sold and the capital reserve arising on revaluation of investments held. The following analyses what is accounted for in each of these components.

Capital reserve arising on investments sold
The following are accounted for in this reserve:

- expenses and finance costs charged to capital net of tax relief;
- gains and losses on the disposal of investments;
- realised foreign exchange differences of a capital nature; and
- costs of repurchasing ordinary share capital.

Capital reserve arising on investments held
The following are accounted for in this reserve:

- increases and decreases in the valuation of investments held at the year end; and
- unrealised foreign exchange differences of a capital nature.

m) Distributable reserves

The Company's capital reserve arising on investments sold and revenue reserve may be distributed by way of a dividend.

2 Gains on investments held at fair value through profit or loss

	2018 £'000	2017 £'000
Gains on sale of investments based on historical cost	32,850	26,010
Less: Revaluation gains recognised in previous years	(38,236)	(20,233)
(Losses)/gains on investments sold in the year based on carrying value at previous statement of financial position date	**(5,386)**	**5,777**
Revaluation of investments held at 31 July	16,545	40,020
Exchange gains/(losses)	105	(607)
	11,264	**45,190**

Notes to the Financial Statements (continued)

3 Investment income

	2018 £'000	2017 £'000
Overseas dividend income	8,758	7,407
	8,758	**7,407**

4 Other income

	2018 £'000	2017 £'000
Interest received	3	–
	3	**–**

5 Management and performance fees

	2018			2017		
	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Management fee	331	1,325	1,656	306	1,222	1,528
Performance fee	–	–	–	–	–	–
	331	**1,325**	**1,656**	**306**	**1,222**	**1,528**

A summary of the terms of the management agreement is given in the Strategic Report on page 4.

6 Other administrative expenses

	2018 £'000	2017 £'000
Directors' fees and taxable benefits (see the Directors' Remuneration Report on page 26)	109	112
Auditors' remuneration – for statutory audit services	33	32
Bank charges	42	35
Loan – including arrangement fees, non utilisation fees and legal fees	61	18
Legal and professional fees	12	33
Marketing fees payable to the Manager	92	95
Printing and postage	15	9
Stock exchange listing	18	20
AIC fees	18	20
Registrar's fees	15	14
Depositary fees	47	44
Other expenses	29	31
	491	**463**

All of the expenses above include VAT, where applicable.

All transactions with Directors are disclosed in the Directors' Remuneration Report and are related party transactions.

7 Finance costs

	2018			2017		
	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Loan interest	10	42	52	10	40	50

Notes to the Financial Statements (continued)

8 Taxation on net return

a) Analysis of the charge for the year

	2018			2017		
	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Foreign withholding taxes	1,403	–	1,403	1,216	–	1,216
Overseas tax reclaimable	(491)	–	(491)	(405)	–	(405)
Total tax charge for the year (see note 8 b)	**912**	**–**	**912**	**811**	**–**	**811**

The Company's profit for the accounting year is taxed at an effective rate of 19.00% (2017: 19.67%).

b) Factors affecting the tax charge for the year

	2018			2017		
	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Net return before taxation	**7,929**	**9,897**	**17,826**	**6,628**	**43,928**	**50,556**
Corporation tax at 19% (2017: 19.67%)	1,507	1,880	3,387	1,304	8,640	9,944
Effects of:						
Non-taxable gains less losses on investments held at fair value through profit or loss	–	(2,140)	(2,140)	–	(8,888)	(8,888)
Non-taxable overseas dividends	(1,664)	–	(1,664)	(1,457)	–	(1,457)
Overseas tax	912	–	912	811	–	811
Excess management expenses	157	260	417	153	248	401
Total tax charge	**912**	**–**	**912**	**811**	**–**	**811**

c) Deferred taxation

No provision for deferred taxation has been made in the current or prior accounting year. 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.

The Company has not recognised a deferred tax asset totalling £3,010,000 (2017: £2,637,000) based on a prospective corporation tax rate of 17% (2017: 17%). The deferred tax asset arises as a result of having unutilised management expenses and unutilised non-trade loan relationship deficits. 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 either to the tax treatment of the capital gains made by investment trusts or to the Company's investment profile which require them to be used.

9 Return per ordinary share – basic and diluted

The total return per ordinary share is based on the net return attributable to the ordinary shares of £16,914,000 (2017: £49,745,000) and on 21,185,541 ordinary shares (2017: 21,185,541), being the weighted average number of shares in issue during the year. The total return can be further analysed as follows:

	2018 £'000	2017 £'000
Revenue return	7,017	5,817
Capital return	9,897	43,928
Total return	**16,914**	**49,745**
Weighted average number of ordinary shares	**21,185,541**	**21,185,541**

Notes to the Financial Statements (continued)

9 Return per ordinary share – basic and diluted (continued)

	2018 Pence	2017 Pence
Revenue return per ordinary share	33.1	27.5
Capital return per ordinary share	46.7	207.3
Total return per ordinary share	**79.8**	**234.8**

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

10 Dividends on ordinary shares

	Register date	Payment date	2018 £'000	2017 £'000
Final dividend (14.0p) for the year ended 31 July 2016	21 October 2016	23 November 2016	–	2,966
Interim dividend (7.0p) for the year ended 31 July 2017	7 April 2017	28 April 2017	–	1,483
Final dividend (18.0p) for the year ended 31 July 2017	20 October 2017	22 November 2017	3,813	–
Interim dividend (8.0p) for the year ended 31 July 2018	13 April 2018	27 April 2018	1,695	–
			5,508	**4,449**

The proposed final dividend of 22.5p per share for the year ended 31 July 2018 is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these Financial Statements.

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

The total dividends payable in respect of the financial year which form the basis of section 1158 of the Corporation Tax Act 2010 are set out below:

	2018 £'000	2017 £'000
Revenue available for distribution by way of dividend for the year	7,017	5,817
Interim dividend of 8.0p (2017: 7.0p) paid 27 April 2018 (28 April 2017)	(1,695)	(1,483)
Proposed final dividend for the year ended 31 July 2018 of 22.5p (2017: 18.0p) (based on 21,185,541 ordinary shares in issue at 2 October 2018 (2017: 21,185,541)	(4,767)	(3,813)
Undistributed revenue for section 1158 purposes[1]	**555**	**521**

11 Fixed asset investments held at fair value through profit or loss

	2018 £'000	2017 £'000
Valuation at start of year	252,926	208,660
Investment holding gains at start of year	(71,219)	(51,432)
Cost of investments at start of year	**181,707**	**157,228**
Purchases at cost	170,734	112,190
Sales at cost	(146,597)	(87,711)
Cost of investments at end of year	**205,844**	**181,707**
Investment holding gains at end of year	49,528	71,219
Valuation at end of year	**255,372**	**252,926**

Total transaction costs amounted to £267,000 (2017: £227,000) of which purchase transaction costs for the year ended 31 July 2018 were £188,000 (2017: £166,000) and comprise mainly of brokers' commission. Sale transaction costs for the year ended 31 July 2018 were £79,000 (2017: £61,000).

1 Undistributed revenue comprises 6.3% (2017: 7.0%) of the total income of £8,761,000 (2017: £7,407,000) (see notes 3 and 4)

Notes to the Financial Statements (continued)

12 Debtors

	2018 £'000	2017 £'000
Withholding tax recoverable	1,043	857
Prepayments and accrued income	6	8
	1,049	**865**

13 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Bank loans (see note 15.1.3 and 15.2)	–	2,908
Management fee	555	543
Loan interest payable	–	3
Other accruals	122	121
	677	**3,575**

14 Net asset value per ordinary share (basic and diluted)

The net asset value per ordinary share of 1,246.7p (2017: 1,192.8p) is based on the net assets attributable to ordinary shares of £264,116,000 (2017: £252,710,000) and on 21,185,541 (2017: 21,185,541) ordinary shares in issue at the year end. There were 20,000 shares held in Treasury at the year end (2017: 20,000).

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

	2018 £'000	2017 £'000
Net assets attributable to the ordinary shares at 1 August	252,710	207,414
Net return on ordinary activities after taxation	16,914	49,745
Dividends paid on ordinary shares in the year	(5,508)	(4,449)
Total net assets attributable to the ordinary shares at 31 July	**264,116**	**252,710**

15 Risk management policies and procedures

As an investment trust company the Company invests in equities and other investments for the long-term so as to secure its investment objectives 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 market 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. The Board of Directors and Janus Henderson coordinate the Company's risk management and there are various risk management systems in place as detailed below:

- straight-through processing via a deal order and management system ("OMS") is utilised for listed securities, exchange-traded derivatives and OTC derivatives contracts with connectivity to third-party affirmation and trade repository services;
- portfolio modelling and investment management functions (including order-raising, dealing and trade execution) are performed using one of, or a combination of, the following third-party software applications: Charles River Development OMS and/or Imagine;
- fund pricing and accounting services are outsourced to a third-party administrator (currently BNP Paribas Securities Services) which utilises HiPortfolio software;

Notes to the Financial Statements (continued)

15 Risk management policies and procedures (continued)

- the IT tools to which the Janus Henderson Risk, Compliance and Operations teams have access for independent monitoring and risk measurement purposes include:
  - Charles River Compliance module for investment restrictions monitoring;
  - Nasdaq Bwise (previously OneSumX) operational risk database;
  - Riskmetrics for VaR statistics, stress-testing and back-testing;
  - UBS Delta, Style Research, FinAnalytica and Barra Aegis for market risk measurement;
  - Bloomberg for market data and price-checking; and
  - HiPortfolio for portfolio holdings and valuations.

These are supplemented by in-house developments in the Derivatives Risk and Compliance database.

The Board determines the objectives, policies and processes for managing the risks, and these are set out below under the relevant risk categories. The policies for the management of risk have not changed from the previous accounting year.

The Company has a spread of investments which by their nature are lower risk than placing the entire amount of the Company's assets in solely one investment. By their nature, equity investments can be higher risk than some other investments but the longer term return can be positive. The performance of equities has been and is likely to continue to be volatile over the shorter term.

15.1 Market risk

The fair value of a financial instrument held by the Company may fluctuate due to changes in market prices. Market risk comprises market price risk (see note 15.1.1), currency risk (see note 15.1.2) and interest rate risk (see note 15.1.3). Janus Henderson assesses the exposure to market risk when making each investment decision, and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

15.1.1 Market price risk

Market price risk (changes in market prices other than those arising from interest rate risk or currency risk) may affect the value of quoted and unquoted investments. The Company may use, and has from time to time used, derivatives to manage market price risk.

Management of the risk

The Board of Directors manages the risks inherent in the investment portfolio by ensuring full and timely reporting of relevant information from Janus Henderson. Investment performance is reviewed at each Board meeting. The Board monitors the Fund Manager's compliance with the Company's objectives, and is directly responsible for investment strategy and asset allocation.

The Company's exposure to changes in market prices at 31 July 2018 on its investments held at fair value through profit or loss was £255,372,000 (2017: £252,926,000).

Concentration of exposure to market price risks

An analysis of the Company's investment portfolio is shown on page 9. It is recognised that an investment's country of domicile or of listing does not necessarily equate to its exposure to the economic conditions in that country.

Market price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the year, and the net assets, to an increase or decrease of 20% (2017: 20%) in the fair values of the Company's equities. This level of change is considered to be possible based on observation of current market conditions. The sensitivity analysis is based on the Company's equities at each Statement of Financial Position date, with all other variables held constant.

	2018		2017	
	Increase in fair value £'000	Decrease in fair value £'000	Increase in fair value £'000	Decrease in fair value £'000
Income Statement – net return after taxation				
Revenue (loss)/return	(66)	66	(66)	66
Capital return/(loss)	50,808	(50,808)	50,322	(50,322)
Total return after tax for the year	**50,742**	**(50,742)**	**50,256**	**(50,256)**
Impact on net assets	**50,742**	**(50,742)**	**50,256**	**(50,256)**

Notes to the Financial Statements (continued)

15 Risk management policies and procedures (continued)

15.1 Market risk (continued)

15.1.2 Currency risk

The majority of the Company's assets, liabilities and income are denominated in currencies other than Sterling (the Company's functional currency and presentational currency). As a result, movements in exchange rates may affect the Sterling value of those items.

Management of the risk

Janus Henderson monitors the Company's exposure to foreign currencies on a daily basis and reports to the Board at each Board meeting. Janus Henderson measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and total return of a movement in the exchange rates to which the Company's assets, liabilities, income and expenses are exposed.

Foreign currency borrowings have the effect of reducing the Company's exposure to future changes in exchange rates which might otherwise adversely affect the value of the portfolio of investments. These borrowings are limited to 30% of the adjusted net asset value.

Investment income denominated in foreign currencies is converted into Sterling on receipt.

The Company does not currently use financial instruments to mitigate currency exposure from portfolio assets denominated in currencies other than Sterling or from investment income in the year between the time that income is included in the financial statements and its receipt.

Foreign currency exposure

The carrying values of the Company's monetary items that have foreign currency exposure at 31 July are shown below. Where the Company's equity investments, which are not monetary items, are denominated in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

Exposure to other currencies in the tables below includes Danish Krone and Norwegian Krone.

2018	Euro £'000	Swiss Franc £'000	Swedish Krona £'000	Other £'000	Total £'000
Creditors (amounts due to brokers, bank loans and interest payable)	–	–	–	–	–
Total foreign currency exposure on net monetary items	**–**	**–**	**–**	**–**	**–**
Investments at fair value through profit or loss	173,493	46,142	11,548	24,189	255,372
Total net foreign currency exposures	**173,493**	**46,142**	**11,548**	**24,189**	**255,372**

2017	Euro £'000	Swiss Franc £'000	Swedish Krona £'000	Other £'000	Total £'000
Creditors (amounts due to brokers, bank loans and interest payable)	(2,911)	–	–	–	(2,911)
Total foreign currency exposure on net monetary items	**(2,911)**	**–**	**–**	**–**	**(2,911)**
Investments at fair value through profit or loss	195,781	30,984	6,265	19,896	252,926
Total net foreign currency exposures	**192,870**	**30,984**	**6,265**	**19,896**	**250,015**

The above amounts are not necessarily representative of the exposure to risk during each year, as levels of monetary foreign currency exposure may change significantly throughout the year.

Notes to the Financial Statements (continued)

15 Risk management policies and procedures (continued)

15.1 Market risk (continued)

15.1.2 Currency risk (continued)

Foreign currency sensitivity

The following table illustrates the sensitivity of the total profit after tax for the year and the net assets with regard to movements in the Company's foreign currency financial assets and financial liabilities caused by changes in the exchange rates for Sterling against each currency set out below.

It assumes a +/-10% change in exchange rates (2017: same).

These percentages are deemed reasonable based on the average market volatility in exchange rates in recent years. The sensitivity analysis is based on the Company's foreign currency financial assets and financial liabilities held at each Statement of Financial Position date.

If Sterling had depreciated against the currencies shown the impact on the total return would have been as follows:

	2018					2017			
	Danish Krone £'000	Euro £'000	Norwegian Krone £'000	Swedish Krona £'000	Swiss Franc £'000	Euro £'000	Swedish Krona £'000	Swiss Franc £'000	Other £'000
Income Statement – net return after taxation									
Revenue return	27	568	23	61	101	487	36	73	55
Capital return	1,794	19,178	881	1,276	5,101	21,318	692	3,425	2,199
Change in total return after taxation for the year and shareholders' funds	**1,821**	**19,746**	**904**	**1,337**	**5,202**	**21,805**	**728**	**3,498**	**2,254**

If Sterling had appreciated against the currencies shown the impact on the total return would have been as follows:

	2018					2017			
	Danish Krone £'000	Euro £'000	Norwegian Krone £'000	Swedish Krona £'000	Swiss Franc £'000	Euro £'000	Swedish Krona £'000	Swiss Franc £'000	Other £'000
Income Statement – net return after taxation									
Revenue return	(22)	(463)	(19)	(51)	(83)	(396)	(30)	(59)	(45)
Capital return	(1,467)	(15,690)	(720)	(1,045)	(4,173)	(17,443)	(567)	(2,802)	(1,800)
Change in total return after taxation for the year and shareholders' funds	**(1,489)**	**(16,153)**	**(739)**	**(1,096)**	**(4,256)**	**(17,839)**	**(597)**	**(2,861)**	**(1,845)**

In the opinion of the Directors, the above sensitivity analyses are not necessarily representative of the year as a whole, since the level of exposure changes frequently as part of the currency risk management process used to meet the Company's objectives.

Notes to the Financial Statements (continued)

15 Risk management policies and procedures (continued)

15.1 Market risk (continued)

15.1.3 Interest rate risk

Interest rate movements may affect the interest payable on the Company's variable rate borrowings.

Management of the risk

The majority of the Company's financial assets are non-interest bearing. As a result, the Company's financial assets are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when borrowing under the multi-currency loan facility.

Interest rate exposure

The exposure at 31 July of financial assets and financial liabilities to floating interest rates is shown below:

	2018 Total (within one year) £'000	2017 Total (within one year) £'000
Exposure to floating interest rates:		
Cash at bank	8,372	2,494
Creditors:		
Borrowings under the multi-currency loan facility	–	(2,908)
	8,372	**(414)**

Interest rate sensitivity

The Company is primarily exposed to interest rate risk through its multi-currency loan facility and cash at bank.

Loan sensitivity – Borrowings vary throughout the year as a result of the Board's borrowing policy. Borrowings at the year end were £nil (2017: £2,908,000) (note 13) and, if that level of borrowings was maintained for a full year, then a 100 basis point change in LIBOR (up or down) would decrease or increase the total net return after taxation by approximately £nil (2017: £29,000).

Cash – Cash balances vary throughout the year. Cash balances at the year end were £8,372,000 (2017: £2,494,000) and, if that level of cash was maintained for a full year, a 100 basis points change in LIBOR (up or down) would increase or decrease total net return after taxation by approximately £84,000 (2017: £25,000).

15.2 Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Management of the risk

Liquidity risk is not significant as the majority of the Company's assets are investments in quoted securities that are readily realisable. The Company has a multi-currency loan facility of £25 million (2017: £20 million) of which £nil (2017: £2,908,000) was drawn down at the year end and an overdraft facility with a sub custodian, the extent of which is determined by the custodian on a regular basis by reference to the value of the securities held by it on behalf of the Company.

The Board gives guidance to the Manager as to the maximum amounts of the Company's resources that should be invested in any one company. The policy is that the Company should generally remain fully invested and that short-term borrowings be used to manage short-term cash requirements.

Liquidity risk exposure

The contractual maturities of the financial liabilities at 31 July, based on the earliest date on which payment can be required were as follows:

	2018 Due within one month £'000	2017 Due within one month £'000
Bank loans (including accrued interest)	–	2,911
Other creditors and accruals	677	664
	677	**3,575**

Notes to the Financial Statements (continued)

15 Risk management policies and procedures (continued)

15.3 Credit risk

The failure of the counterparty to a transaction to discharge its obligations under that transaction could result in the Company suffering a loss.

Management of the risk

Credit risk is managed as follows:

- investment transactions may be carried out with a large number of approved brokers, whose credit standard is reviewed periodically by Janus Henderson, and limits are set on the amount that may be due from any one broker.
- cash at bank is held only with banks considered to be creditworthy and is subject to continual review.

None of the Company's financial assets or liabilities is secured by collateral or other credit enhancements.

The Company has not been materially exposed to credit risk throughout the year.

15.4 Fair values of financial assets and financial liabilities

Financial assets and financial liabilities are either carried in the Statement of Financial Position at their fair value (investments) or the Statement of Financial Position amount is a reasonable approximation of fair value due to their short term to maturity (amounts due from brokers, dividend and interest receivable, amounts due to brokers, accruals, forward foreign exchange contracts, cash at bank and bank loans).

15.5 Fair value hierarchy disclosures

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

Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement of the relevant asset as follows:

Financial assets at fair value through profit or loss at 31 July 2018	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	255,364	–	–	255,364
Euro Stoxx options	–	8	–	8
Total	**255,364**	**8**	**–**	**255,372**

Financial assets at fair value through profit or loss at 31 July 2017	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	252,926	–	–	252,926
Total	**252,926**	**–**	**–**	**252,926**

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

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

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

There have been no transfers during the year between any of the levels.

The holding in OW Bunker is included in Level 3 and is currently valued at £nil (2017: £nil).

The total carrying value of receivables, as stated in note 12, is a reasonable approximation of their fair value as at the year end date. The total carrying value of financial liabilities, as disclosed in note 13, is a reasonable approximation of their fair value at the year end date.

Notes to the Financial Statements (continued)

15 Risk management policies and procedures (continued)

15.6 Capital management policies and procedures

The Company's capital management objectives are:

- to ensure that it will be able to continue as a going concern; and
- to maximise the revenue and capital return to its equity shareholders through an appropriate balance of equity capital and debt.

The Company's capital as at 31 July 2018 comprised its equity share capital, reserves and bank loans that are shown in the statement of financial position at a total of £264,116,000 (2017: £255,618,000).

The Board, with the assistance of the Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the need to buy back equity shares for cancellation, which takes account of the difference between the net asset value per share and the share price (the level of share price discount or premium);
- the demand for new issues of equity shares; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company is subject to additional externally imposed capital requirements:

- under the multi-currency loan facility total borrowings not to exceed 30% of the adjusted net asset value and the adjusted net asset value not to fall below £90,000,000 (2017: £75,000,000);
- as a public company, the Company has a minimum share capital of £50,000; and
- in order to be able to pay dividends out of profits available for distribution by way of dividends, the Company has to be able to meet one of the two capital restriction tests imposed on investment companies by law.

These requirements are unchanged since last year except where noted, and the Company has complied with them.

16 Called up share capital

	Number of shares entitled to dividend	Total number of shares	Nominal value of shares £'000
Allotted and issued ordinary shares of 5p each at the end of the year ended 31 July 2017	21,185,541	21,205,541	1,060
At 31 July 2018	**21,185,541**	**21,205,541**	**1,060**

During the year the Company issued no shares (2017: none).

During the year the Company repurchased no shares (2017: none).

Shares held in treasury (2018: 20,000; 2017: 20,000) are not entitled to receive a dividend.

There is a single class of ordinary share. Accounting policy (m) on page 43 details the reserves that can be distributed as a dividend.

Since 31 July 2018, no further shares have been repurchased or issued.

17 Share premium account

	2018 £'000	2017 £'000
At start of year	41,032	41,032
At end of year	**41,032**	**41,032**

Notes to the Financial Statements (continued)

18 Capital reserves

	Capital reserve arising on investments sold £'000	Capital reserve arising on investments held £'000	Capital reserves total £'000
At 1 August 2017	131,945	71,219	203,164
Transfer on disposal of assets	38,236	(38,236)	–
Net movement on investments held at fair value through profit or loss	(5,386)	16,545	11,159
Net movement on foreign exchange	105	–	105
Expenses and finance costs charged to capital	(1,367)	–	(1,367)
At 31 July 2018	**163,533**	**49,528**	**213,061**

	Capital reserve arising on investments sold £'000	Capital reserve arising on investments held £'000	Capital reserves total £'000
At 1 August 2016	107,804	51,432	159,236
Transfer on disposal of assets	20,233	(20,233)	–
Net movement on investments held at fair value through profit or loss	5,777	40,020	45,797
Net movement on foreign exchange	(607)	–	(607)
Expenses and finance costs charged to capital	(1,262)	–	(1,262)
At 31 July 2017	**131,945**	**71,219**	**203,164**

19 Transactions with the Manager and Related Parties

Under the terms of an agreement effective from 22 July 2014, the Company appointed a wholly owned subsidiary company of Janus Henderson Group plc ('Janus Henderson') to provide investment management, accounting, administrative and secretarial services. Janus Henderson has contracted with BNP Paribas Securities Services to provide accounting and administration services.

Details of the management fee arrangements for these services are given in the Strategic Report on page 4. The total of the management fees paid or payable under this agreement to Janus Henderson in respect of the year ended 31 July 2018 was £1,656,000 (2017: £1,528,000) of which £555,000 (per note 13) was outstanding at 31 July 2018 (2017: £543,000).

No performance fee is payable to Janus Henderson for the year ended 31 July 2018 (2017: £nil).

In addition to the above services, Janus Henderson has provided the Company with sales and marketing services during the year. The total fees, including VAT paid or payable for these services for the year ended 31 July 2018 amounted to £92,000 (2017: £95,000) of which £53,000 was outstanding at 31 July 2018 (2017: £29,000).

Details of fees paid to Directors are included in the Directors' Remuneration Report on page 26 and in note 6 on page 44.

General Shareholder Information

Alternative Investment Fund Managers Directive ("AIFMD") Disclosures

In accordance with the AIFMD, information in relation to the Company's leverage and remuneration of Henderson Investment Funds Limited, 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 called "AIFMD Disclosure" which can be found on the Company's website **www.hendersoneurotrust.com**.

BACS

Dividends can be paid to shareholders 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 (the address is given on page 15) 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 ("CRS")

Tax legislation under The Organisation for Economic Co-operation and Development Common Reporting Standard for Automatic Exchange of Financial Account Information was introduced with effect from 1 January 2016. The legislation requires the Company to provide personal information to HMRC on certain investors who purchase shares in investment trusts. This information has to be 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 0370 702 0005. 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.

Foreign Account Tax Compliance ("FATCA")

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 USA) to file yearly reports on their non-USA 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 need to identify and report USA reportable accounts to HMRC, as required.

General Data Protection Regulation ("GDPR")

GDPR came into force on 25 May 2018. 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 a stocks and shares ISA.

Non-mainstream pooled investments ("NMPI") status

The Company currently conducts its affairs so that its ordinary shares of 5p each can be recommended by IFAs to ordinary retail investors in accordance with the Financial Conduct Authority's ("FCA") 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 ("KID")

Investors should be aware that the PRIIPs Regulation requires the Manager, as the PRIIP manufacturer, to prepare a key information document 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 legislation. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

General Shareholder Information (continued)

Performance details/share price information

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

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

The market prices of the Company's shares can also be found in the London Stock Exchange Daily Official List.

Shareholder details

Shareholders who hold their shares in certificated form can check their shareholding with the Registrar via **www.computershare.com**.

Please note that to gain access to your details on the Computershare site you will need the holder reference number shown on your share certificate.

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 Company Secretary at the number provided on page 15.

Henderson EuroTrust plc
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