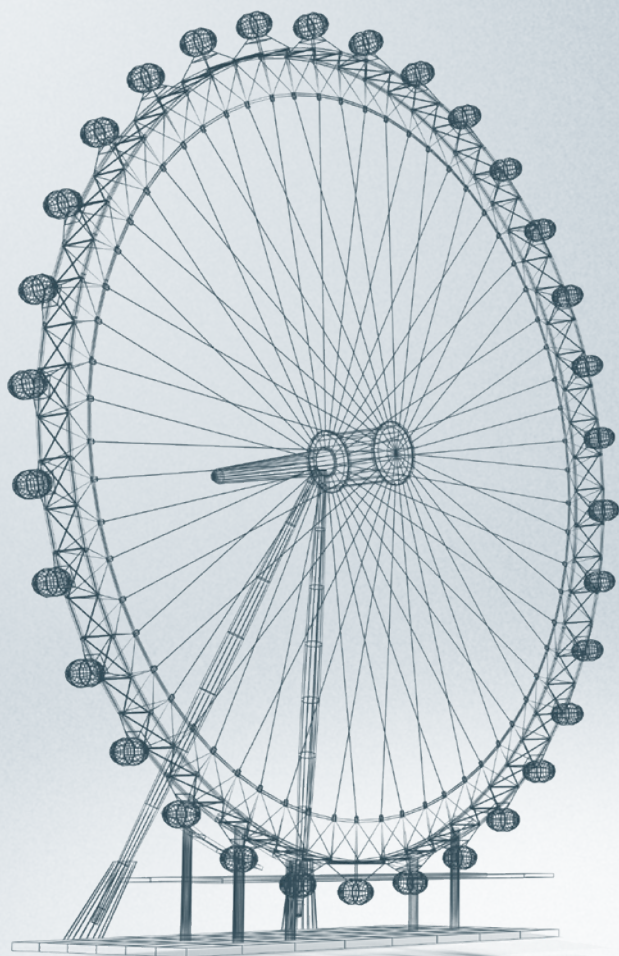


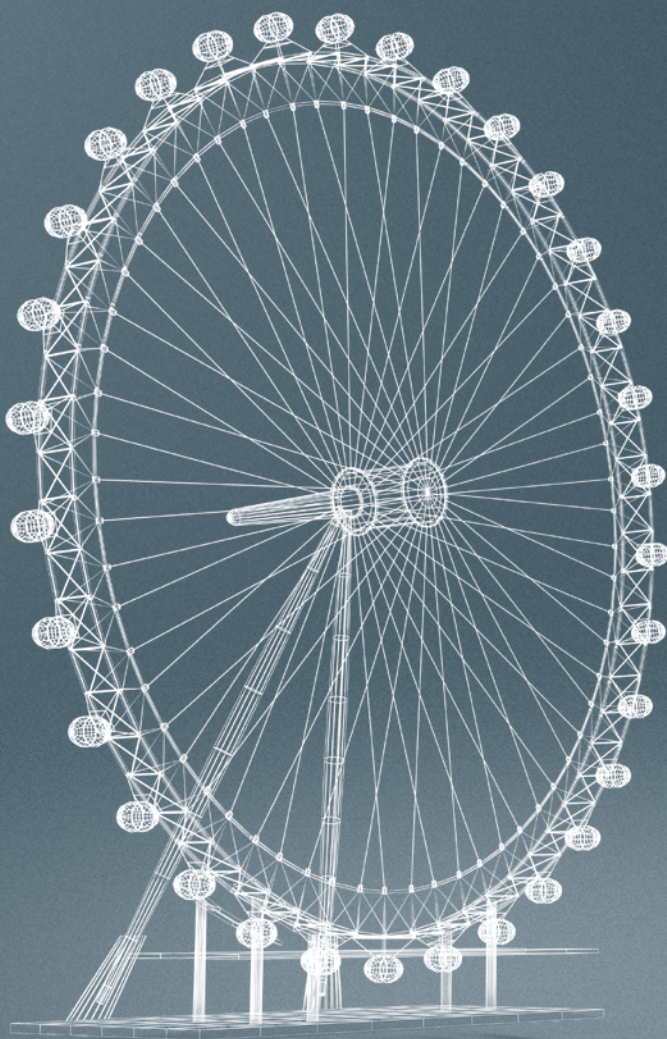
HENDERSON ALTERNATIVE STRATEGIES TRUST PLC

Update for the six-month period to
30 September 2019



MANAGED BY

Janus Henderson
INVESTORS



Performance

Total Return Performance for the six months to 30 September 2019



NAV per ordinary share

30 September 2019	333.4p
30 September 2018	344.8p

Share price per ordinary share

30 September 2019	269.0p
30 September 2018	278.0p

Net assets (£'000)

30 September 2019	£128,965	30 September 2018	£133,379
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Total Return Performance to 30 September 2019 (including dividends reinvested and excluding transaction costs)

	6 months %	1 year %	3 years %	5 years %	10 years %
NAV¹	0.1	-1.1	14.2	23.1	27.2
Share price²	0.5	-0.6	15.3	17.9	18.8
Benchmark³	10.6	7.9	42.2	88.1	210.6

1 Net Asset Value (NAV) total return per ordinary share with income reinvested

2 Share price total return using mid-market closing price

3 FTSE World Total Return Index in Sterling terms

Chairman's Statement



The Chairman of the Company, Richard Gubbins, reports on the six month period to 30 September 2019

I am pleased to present to shareholders the Half Yearly Report and financial statements of the Company for the six months ended 30 September 2019. In pursuing a multi-alternatives strategy in line with its objective, your Board continues to believe this Company offers an attractive opportunity to access a range of assets which tends to be less sensitive to the volatility of equity markets and which therefore constitutes a useful and important portfolio diversifier.

Performance and Dividend

During the period under review the Company's Net Asset Value ('NAV') per share fell by 0.6% to 333.4p. Inclusive of the final dividend of 2.5p paid in August 2019 shareholders received a (Sterling) NAV total return of 0.1% for the period. This performance compares disappointingly with the 10.6% return from the Company's benchmark, the FTSE World Total Return Index¹. Equity markets have delivered exceptional annualised returns since the end of the 2007-2008 global financial crisis, with a marked contribution from 'big tech' companies, notably in the US. The Company's equity benchmark is not an ideal comparator and a more appropriate reference point may be the average return of 4.6%² achieved over the same reporting period by the AIC Flexible Investment Trust sector in which your Company sits.

As your investment team discusses in greater detail in its report, performance for the period was impacted significantly by the well-publicised 'short-attack' on our holding in the listed litigation funding business, Burford Capital, and by a marked deterioration in the outlook for Riverstone Energy, a listed investor in oil and gas. Despite these significant setbacks during the period within our public equity allocation, the portfolio delivered good performance elsewhere, notably in its private equity portfolio.

The last annual report covered the 18 months to 31 March 2019, following the change to the Company's year-end from September to March. During that 18-month period the Company paid an interim dividend. It remains the Board's intention to revert to the payment of a yearly dividend at the end of the financial year. Accordingly, this will be announced in our annual results for the March 2020 year-end and put forward for approval at the annual general meeting. In the absence of unforeseen circumstances, the Board intends at least to maintain current dividend levels and, in the future, to seek to deliver a progressive annual dividend policy, by using accumulated revenue reserves where necessary.

Fund Management Team

Alex Barr joined the Company's investment management team as the senior manager in mid-July. Alex, a specialist in alternative and private markets investments, has held senior roles at both Deutsche Asset Management and Aberdeen Standard Investments. Since Alex's arrival, he has undertaken a root-and-branch review of the portfolio and our

Company's competitive positioning. In addition, he has been meeting shareholders and listening to their views. His conclusions are being considered by your Board and its advisers and any recommendations and consequent proposals will be shared with shareholders early in 2020. As always, I welcome the opportunity to meet shareholders and listen to their opinions and views.

Discount

At the period-end, the share price discount to NAV stood at 19.3%, largely unchanged from the 31 March discount of 19.5%, but it has since widened to 21.2%³.

Discounts continue to be wide for many specialist investment companies, particularly so for listed private equity companies, with which your Company shares some similarities. Given the increasing importance advisers and investors are attaching to having an allocation to alternatives in their portfolios - and the consistency of investment returns being generated by many closed-end alternatives companies - your Board remains very concerned with the level of the Company's discount. Your Board is also aware that the Company's share price discount may widen as a result of an overhang from time to time of stock in the market. It is now your Board's intention to use its share buyback powers more tactically, taking into account the size of the Company and any possible impact on liquidity.

In combination with the reinvigorated and ongoing investor engagement and marketing programme being undertaken by the investment management team, your Board believes these measures will be supportive in narrowing the discount.

Outlook and Strategy

Shorter-term political risks persist, particularly with regard to the outcome of the imminent UK December election (and resultant consequences for raised government spending), to external investment confidence (in the UK) and to the future outcome of Brexit. Longer-term risks are centred on global growth and specifically the unresolved trade and tariff dispute between the US and China which may yet spread to Europe. Despite such threats, public equity valuations seem accommodative of some further momentum in equity markets.

It is against this backdrop the investment management team is developing its pipeline of alternatives investments. The private markets space (accessed via both listed and non-listed securities), one of several investment strands available through the Company's multi-alternative remit, remains particularly attractive. It rewards thorough and professional due diligence and can capture 'illiquidity premia'⁴ in addition to the many themes and ideas not always available through more conventional investment strategies. The Company's multi-alternatives strategy remains an important portfolio diversifier for many shareholders. I look forward to presenting our proposals early in 2020 following the 'fresh impetus, energy and experience'⁵ that has been demonstrated with the recent strengthening of our investment team.

Richard Gubbins
Chairman
25 November 2019

¹ Source: Bloomberg, return in Sterling

² Source: Morningstar Direct, NAV total return basis (as at 22 November 2019)

³ Source: Based on NAV of 328.55p and share price of 259.00p (as at 15 November 2019)

⁴ The additional gains normally offered as compensation for not being to sell an illiquid asset more immediately than a liquid one (for example, shares in a FTSE-100 company)

⁵ Source: 'Investment Trust Newsletter', a subscription-only FCA regulated tipsheet published by The McHattie Group. Quote is in respect of an article written on Henderson Alternative Strategies Trust appearing in September 2019 edition.

Fund Managers' Report



Alex Barr, James De Bunsen and Peter Webster, Fund Managers, report on the period to 30 September 2019

Overview

At the end of September 2019 the Company was invested in 38 individual investments, accounting for 95.6% of the NAV.

Performance

In local currency terms the portfolio generated a total return of -1.65%, and in sterling terms 0.62%¹.

We set out performance contribution² from individual asset classes here:

Investment category	Contribution %	Average Weighting%
Private Equity	1.2	31.3
Hedge Funds	0.8	17.9
Public Equity	-1.7	12.7
Credit	0.6	12.9
Property	-0.2	10.6
Commodities	-0.1	4.7

Overall performance was impacted adversely by a number of stock specific issues, most notably in the Public Equity segment of the portfolio. The positive performance from the portfolio's largest allocation, Private Equity, was driven from both our listed and unlisted investments, albeit with common performance drivers, which include exits (for underlying portfolio companies) at or above current valuation levels.

Within the Public Equity allocation, **Burford Capital** a litigation funding business, fell heavily after a 'short attack'³ in August. The circa 50% fall in Burford's share price was concentrated over a two-day period in which a highly critical research note was published by short-seller Muddy Waters. The report alleged that Burford misrepresented returns, had poor corporate governance and could 'arguably' be insolvent. Burford management acted swiftly to address every item in the report and no further concerns have arisen despite a high level of scrutiny from investors and the media. Its response and our ongoing analysis and engagement with management have strengthened our conviction that Burford's returns are conservatively and accurately reported, and that it has sufficient capital. The share price has recovered from its lows, though remains a long way below our average purchase price. Whilst we do not expect a v-shaped bounce in the stock (principally owing to a large block of shares still to be sold from the troubled Woodford portfolio), we see today's value as anomalous, given the business's stated high

return-on-equity. Additionally there are several catalysts that we believe can serve to rebuild the fragile confidence in the company.

Riverstone Energy, the listed investor in US oil and gas, fell by more than a third during the period against a backdrop of a declining oil price over the period. Indeed, domestic energy producer shares in the US lost considerably more value as growth forecasts were cut. Shale producers have curtailed production and capital expenditure in order to preserve cash but this comes at the expense of potential future growth. We still believe that the Riverstone management team is of a high calibre and the investments are good quality but the macro backdrop needs to improve for there to be a turnaround. There is also scope for the board to take actions to narrow the circa 30% discount.

The Company's holding in **CEIBA Investments**, a listed Cuban real estate investor, was also a major detractor from performance as the discount to net asset value of the stock widened materially to around 30%. This was primarily the result of a tightening of US sanctions against Cuba, following its alleged involvement in Venezuelan leader's Nicolas Maduro's suppression of the opposition to his regime. These actions not only served adversely to impact underlying hotel revenues in Havana but also to hurt sentiment against Cuban assets in general.

Within the Private Equity portfolio, there was strong performance from our listed private equity investments (which include **Harbourvest Global Private Equity** and **3i Group**), and unlisted investments **Mantra Secondary Opportunities** and **Renewable Energy & Environmental Infrastructure Fund II** ("REEIF"). Both 3i and Harbourvest experienced re-ratings as well as strong underlying NAV growth, while Mantra and REEIF made good exits during the period.

The hedge fund sector also made a welcome contribution to performance and was led by the **Blackrock European Hedge Fund** and **Sagil Latin American Opportunities Fund**. The latter's performance in particular continues to impress, given the spike in volatility originating in Argentina over the summer, which caused a large drawdown in markets.

Credit as a whole benefited from a general tightening in spreads over the period.

Fund Managers' Report

Activity

We made four new investments during the period under review.

The largest of these was the purchase in June of the **CIFC Global Floating Rate Credit Fund**. CIFC is a US-based credit specialist with around \$24bn of assets under management. It is also one of the largest managers of CLOs⁴. CIFC has 39 investment professionals covering various areas of credit, for example, loans, high yield, and structured credit. The strategy itself invests in mezzanine debt tranches of CLOs, with a minimum 45% in investment grade bonds. It targets a total return of 8% and we believe it has the potential to exceed this given the manager's proven ability to add value through active management. The opportunity in CLO debt still looks attractive and these bonds can withstand a material increase in default rates and still break even. CIFC is relatively new to the UK market and we were able to secure an attractive deal on the fees by being early into the fund.

At the start of July we added positions in **Augmentum Fintech** and **New Energy Solar**. Augmentum focuses on early-stage investing in fintech (financial technology) companies within Europe and has a number of fundamentally attractive holdings including Interactive Investor and Zopa. We see a potential positive valuation catalyst for Interactive Investor due to the acquisition of Alliance Trust Savings. Zopa's main business is in peer-to-peer lending, an area attractive to many lenders in the current interest rate environment and it has recently acquired a banking licence which should facilitate growth into related markets. New Energy Solar is an Australian-listed solar park developer and operator and run by the same management team as the US Solar Fund, which recently listed in the UK. Unlike the UK-listed fund the Australian vehicle trades at a wide discount to NAV and we believe that these similar strategies may merge at some point, leading to a closing of the Australian vehicle's discount. Regardless of this, a 6.5% yield for an asset class that we favour run by a strong manager is attractive.

Finally, we added a small position in **Oakley Capital Investments**. This UK-listed private equity fund has a strong track record of investing alongside successful entrepreneurs in high growth areas. We were able to buy the shares at a particularly wide discount due to some technical selling as the trust moved to the specialist funds segment of the London Stock Exchange. Oakley has since announced the acquisition of iconic homewares business Alessi.

Our trading activity was largely limited to topping up of **Safeguard Scientifics** and **Sigma Capital Group** at attractive valuations, and we also increased our investment in **Sagil Latin American Opportunities Fund**.

We took profits in stocks which had performed particularly well such as **3i Group** and **Harbourvest Global Private Equity** and improved overall liquidity by trimming less frequently traded holdings such as **CEIBA Investments**, **Summit Properties** and **Axiom European Financial Debt**.

We also consolidated our emerging market debt positions. We sold out of our local currency exposure and invested the proceeds into the USD-denominated short duration fund run by Ashmore (**Ashmore Emerging Markets Short Duration Fund**) thereby effectively doubling our exposure. The short duration fund was impacted heavily by the sell-off in Argentinian assets following the adverse primary election result in August. We believe that this is a good time to add exposure. As world growth continues to slow we favour having US dollar rather than local emerging market currency exposure.

Outlook and Portfolio Strategy

The continued deterioration in key global economic indicators remains a concern, and unsurprisingly recessionary fears are at their highest for many years. Added to these are concerns over increasing debt levels, ongoing uncertainty over China/US trade and from a UK domestic perspective, deep unease on the impact that the ongoing Brexit impasse has had on investment and confidence. We do not intend to add further to the debate, in what remains a rapidly changing situation, however we believe that any negative economic impact from a potential 2020 Brexit on our global alternatives portfolio should be contained.

That is not to say the portfolio is immune from unexpected events, for example a surprise UK election win for Labour. We do have UK PRS⁵ exposure through our investment in **Sigma Capital Group** and heavily diluted exposure to UK infrastructure via **3i Group's** strategic holding in **3i Infrastructure**, albeit their assets are in the much less politically sensitive areas of 'electricity from landfill gas' and wireless infrastructure. We have a disciplined team approach to identifying emerging portfolio risks and, where we do identify those, and are unable adequately to mitigate these by our own actions, our approach is to reduce or to sell the exposure.

Public equity market performance continues to be exceptionally strong and year-to-date the S&P 500 is up 22.9%, the EuroStoxx 50 up 17.4%, and China's Shanghai Shenzhen CSI 300 up 24.8%⁶. Even the FTSE All-Share is up 10.9%. Much of this has been driven by the availability of cheap money and by the rise of government spending to compensate for economic softness. At some stage though, such support has to slow or come to an end. This team's central expectation is that growth continues to soften and equity volatility increases and we believe the portfolio to be well positioned to weather such a change in conditions.

Areas which look attractive to us currently include secondary portfolios in private equity (and which can often be purchased at discounts to fair market value), certain private debt opportunities and also the increasing number of ways in which royalties from intellectual property can be accessed. Many of these opportunities come in both listed and private form, and our 'work in progress' pipeline has elements of all of these at various stages of due diligence. Accordingly we are positive on the long-term outlook for the current portfolio and future investment opportunities.

Alexander Barr, James de Bunsen and Peter Webster
Fund Managers, Janus Henderson Investors
25 November 2019

¹ Includes returns on the Company's cash holding, and all fees charged by underlying managers during the year. Excludes management and other fees charged by Janus Henderson to the Company

² Sterling, gross of fees

³ A considered plan which involves taking a 'short' position in a company's shares and subsequently finding a way to facilitate a fall in the company's share price, often (but not always) via dissemination of negative news.

⁴ Collateralised Loan Obligations – single securities backed by a pool of (usually) corporate loans. As implied, the loans are collateralised (or backed) by assets.

⁵ Private Rented Sector

⁶ Source: Bloomberg, as at 25 November 2019, price only returns expressed in Sterling

Investment Portfolio at 30 September 2019

Investments	Focus	Market Value £'000	Portfolio %
Mantra Secondary Opportunities ⁴	Private Equity	8,196	6.9
Blackrock European Hedge Fund Limited ³	Hedge Funds	7,606	6.4
Sagil Latin America Opportunities Fund ³	Hedge Funds	6,186	5.2
Bank of America Merrill Lynch Commodity ²	Commodities	5,961	5.0
CIFC Global Floating Rate Credit Fund ³	Credit	5,443	4.6
KLS Sloane Robinson Emerging Market Equity Fund ³	Public Equity	5,374	4.5
Ashmore Emerging Markets Short Duration Fund ³	Credit	5,258	4.4
Renewable Energy & Environmental Infrastructure Fund II ⁴	Private Equity	5,189	4.4
CEIBA Investments Limited ¹	Property	5,162	4.4
Safeguard Scientifics Inc ¹	Private Equity	5,053	4.3
Ten largest		59,428	50.1
Baring Vostok Investments Limited Core ²	Private Equity	4,865	4.1
Majedie Asset Management Tortoise Fund ³	Hedge Funds	4,780	4.0
Helium Selection Fund ³	Hedge Funds	4,539	3.8
Worldwide Healthcare Trust PLC ¹	Public Equity	3,829	3.2
Harbourvest Global Private Equity Limited ¹	Private Equity	3,404	2.9
Summit Properties ¹	Property	3,228	2.7
Urban Logistics REIT ¹	Property	3,138	2.6
Sigma Capital Group PLC ¹	Public Equity	2,488	2.1
NB Distressed Debt Investment Fund Limited - Global Shares ¹	Credit	2,465	2.1
Riverstone Energy Limited ¹	Private Equity	2,426	2.0
Twenty largest		94,590	79.6
Princess Private Equity Holding Limited ¹	Private Equity	2,359	2.0
Burford Capital Limited ¹	Public Equity	2,193	1.8
Eurovestech plc ²	Private Equity	2,138	1.8
SSGA SPDR MSCI World Energy UCITS ETF ¹	Public Equity	1,919	1.6
Deutsche Wohnen ¹	Property	1,880	1.6
Toro Limited ¹	Credit	1,821	1.5
3i Group PLC ¹	Private Equity	1,758	1.5
New Energy Solar ¹	Public Equity	1,484	1.3
Axiom European Financial Debt Fund Limited ¹	Credit	1,368	1.2
Amber Trust SCA ⁴	Private Equity	1,364	1.2
Thirty largest		112,874	95.1
Firebird Republics Fund SPV ⁴	Private Equity	1,335	1.1
Oakley Capital Investments ¹	Private Equity	1,331	1.1
Augmentum Fintech PLC ¹	Private Equity	1,274	1.1
ASM Asian Recovery Fund ⁴	Hedge Funds	663	0.6
NB Distressed Debt Investment Fund Limited - Extended Life Shares ¹	Credit	623	0.5
Century Capital Partners IV L.P. ⁴	Private Equity	475	0.4
Armadillo Investments Limited ⁴	Private Equity	64	0.1
Other investments	Various	0	0.0
Total Investments (excluding derivatives)		118,639	100.0
EUX Euro Stoxx 50 Index Dividend 22 Future (EXP 16/12/22) ⁵		188	
Total Investments		118,827	
Cash and other net current assets		10,138	
Net assets		128,965	

1. Listed on major market

2. Listed on minor market

3. Unlisted investment - with redemption rights

4. Unlisted investment - without redemption rights

5. The unrealised value of £188,000 represents the difference between the 'economic exposure' and the settlement value and is included in Net Current Assets in the Statement of Financial Position. The 'economic exposure' represents the investment in the underlying index multiplied by the number of contracts held and is £5,313,000 or 4.1% of net assets.

Major Market includes: London Stock Exchange (full listing and AIM), Euronext and CBOE

Minor Market includes: Luxembourg Stock Exchange, Channel Islands Stock Exchange, Bermuda Stock Exchange, ISDX and LMMX

Financial Summary

Extract from the Condensed Income Statement (unaudited)	Unaudited Six months ended 2019			
	30 Sept 2019 Revenue return £'000	30 Sept 2019 Capital return £'000	30 Sept 2019 Total £'000	30 Sept 2018 Total £'000
Investment income	1,397	-	1,397	748
Exchange differences	-	27	27	(31)
(Losses)/gains on investments held at fair value through profit or loss	-	(626)	(626)	5,894
Total income	1,397	(599)	798	6,611
Expenses, finance costs & taxation	(298)	(320)	(618)	(586)
Net return for the period	1,099	(919)	180	6,025
Return per ordinary share	2.84p	(2.38p)	0.46p	15.58p

Extract from Statement of Financial Position (unaudited (except March 2019 figures))	30 Sept 2019 £'000	30 Sept 2018 £'000	31 Mar 2019 £'000
Investments held at fair value through profit or loss	118,639	129,629	113,014
Net current assets	10,326	3,750	16,738
Net assets	128,965	133,379	129,752
Net asset value per ordinary share	333.43p	344.84p	335.46p

Financial Summary

Dividends

The final dividend of 2.5p per ordinary share, paid on 2 August 2019, in respect of the 18-month period ended 31 March 2019, has been recognised as a distribution in the 6 months to 30 September 2019.

Share capital

At 30 September 2019 there were 38,678,638 ordinary shares in issue (31 March 2019: 38,678,638).

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Company are market related and include market price, foreign exchange, interest rate, liquidity and credit risk. The Company may also be affected by economic and political conditions. Information on these risks is given in the Annual Report for the 18-month period ended 31 March 2019. In the view of the Board these principal risks and uncertainties remain applicable.

Related Party Transactions

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

Going Concern

Having considered the Company's investment objective, risk management and capital management policies, the nature of the portfolio and expenditure projections, the Directors believe that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. Having assessed these factors and the principal risks, the Board has determined that it is appropriate for the financial statements to be prepared on a going concern basis.

Directors' Responsibility Statement

The Directors confirm that, to the best of their knowledge:

- a) the financial statements for the period ended 30 September 2019 have been prepared in accordance with FRS 104 Interim Financial Reporting;
- b) the Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (indication of important events during the period and description of principal risks and uncertainties for the remaining six month of the year); and
- c) the Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

For and on behalf of the Board

Richard Gubbins

Chairman

25 November 2019

Key information

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MANAGED BY
Janus Henderson
INVESTORS

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The Association of
Investment Companies



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