Janus Henderson
INVESTORS

The Henderson Smaller Companies Investment Trust Plc

December 2023

Neil Hermon
Portfolio Manager

Agenda

- Janus Henderson UK Smaller Companies team
- Fund performance
- Strategy review
- Outlook
- Conclusion
- Appendix

Janus Henderson UK Smaller Companies Team

Janus Henderson UK Equity team

Neil Hermon
UK Small Cap
Joined Janus Henderson Investors – 2002
34 years experience

Indriatti van Hien, CFA
UK Small Cap
Joined Janus Henderson Investors – 2011
16 years experience

Shivam Sedani, CFA
UK Small Cap
Joined Janus Henderson Investors – 2017
11 years experience

Ben Wallace
Luke Newman
Dan Davies
Gary Thomson, ASIP

Europe – Large/Mid Cap

John Bennett[1]	Nick Sheridan
Jamie Ross, CFA	Marc Schartz, CFA
Tom Lemaigre, CFA	Tom O'Hara
David Barker	Robert Schramm-Fuchs
Federico Borin	

Pan European – Small Cap

Ollie Beckett
Rory Stokes, CFA
Julia Scheufler, CFA

Responsibility Team (21)

Client Communication

Richard Brown, CFA
Kyle Schreuder

Global Equity Income

Ben Lofthouse, CFA	Andrew Jones
Job Curtis	James Henderson
Laura Foll, CFA	Faizan Baig, CFA
David Smith, CFA	Alex Crooke
Stephen Payne, ASIP	Charlotte Greville, CFA

Sector teams

Technology
Property

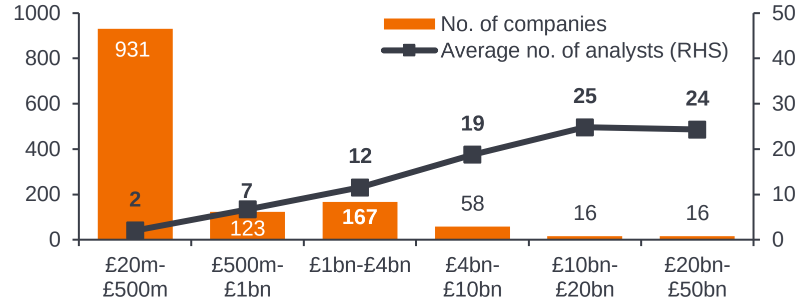
Source: Janus Henderson Investors, as at 30 September 2023.
Note: [1] Announced retirement effective August 2024.

Why invest in small cap active management?

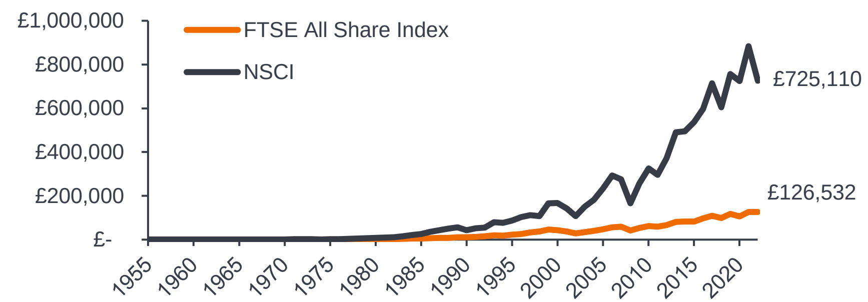
Long term drivers

- Faster organic growth
- Higher operational leverage[1]
- Entrepreneurial management
- More agility in the face of change
- Source of new technology and services
- Beneficiaries of M&A
- Limited broker coverage provides alpha[2] generation opportunities
- Historic outperformance of 2.9% pa[3]

Analyst coverage of UK companies (>£20m market cap)



Value of £100 invested on 31 December 1955 as at 31 December 2022



Source: Bloomberg, Janus Henderson Investors Analysis, as at 31 December 2022.
Note: NSCI – Numis Smaller Companies Index.
[1] Leverage is an interchangeable term for gearing: the ratio of a company's loan capital (debt) to the value of its ordinary shares (equity); it can also be expressed in other ways such as net debt as a multiple of earnings, typically net debt/EBITDA (earnings before interest, tax, depreciation and amortisation). Higher leverage equates to higher debt levels. [2] Alpha is a measure that can help determine whether an actively-managed portfolio has added value in relation to risk taken relative to a benchmark index. A positive alpha indicates that a manager has added value. Alpha is the difference between a portfolio's return and its benchmark's return after adjusting for the level of risk taken. [3] The 2.9% is the average outperformance of the Numis Index v FT All Share (both total return) from 31/12/1955 to 31/12/2022. The above are the team's views and should not be construed as advice and may not reflect other opinions in the organisation. The views are subject to change without notice.
Past performance does not predict future returns.

The Henderson Smaller Companies Investment Trust

INVESTMENT OBJECTIVE

- To maximise shareholders' total returns by investing in smaller companies that are UK listed
- Benchmark is Numis Smaller Companies (ex Investment Companies) Index

SIZE

- Gross assets £695m
- Net assets £609m
- Market capitalisation £534m

FEES

- 0.35% pa on NAV
- Performance Fee – 15% of outperformance in a year of positive total returns
- Total fee capped at 0.9% of NAV

DIVIDEND YIELD [1]

- 3.6% Yield
- Compound growth of 21.8% since 2003

PERFORMANCE

- Outperformed benchmark in 16 of last 20 financial years

GEARING [2]

- Strategy to use moderate gearing to enhance performance
- 14.1% (as at 30 September 2023)
- £20m 30 year 2.77% private placement, £30m 20 year 3.33% private placement and short-term bank loan facilities

Source: Janus Henderson Investors, as at 30 September 2023.

Note: Yields may vary and are not guaranteed.

[1] Dividend yield is a measurement comparing a company's stock price to the dividend it pays investors. It is the financial ratio that measures the quantum of cash dividends paid out to shareholders relative to the market value per share. [2] Gearing is the measure of a companies debt level. It is also the relationship between a companies leverage, showing how far its operations are funded by lenders versus shareholders. Within investment trusts it refers to how much money the trust borrows for investment purposes.

Past performance does not predict future returns.

Trust overview and performance

The Henderson Smaller Companies Investment Trust Plc

Characteristics

Inception date:	16 December 1887
Managed since:	2002
Benchmark:	NUMIS Smaller Companies Index ex Investment Companies
Peer Group:	UK Smaller Companies

Investment objective

The Company aims to maximise shareholders' total returns (capital and income) by investing in smaller companies that are quoted in the United Kingdom. Smaller companies are defined as those outside the FTSE 100 index. Investments may include shares, securities and related financial instruments, including derivatives for the purposes of efficient portfolio management. Net gearing is limited to 30% of shareholders' funds.

Source: Janus Henderson Investors, as at 30 September 2023.

Fund specific risks

The Henderson Smaller Companies Investment Trust plc

Component trust	This trust is suitable to be used as one component of several within a diversified investment portfolio. Investors should consider carefully the proportion of their portfolio invested in this trust.
Active management	Active management techniques that have worked well in normal market conditions could prove ineffective or negative for performance at other times.
Counterparty risk	The trust could lose money if a counterparty with which it trades becomes unwilling or unable to meet its obligations to the trust.
Equities risk	Shares can lose value rapidly, and typically involve higher risks than bonds or money market instruments. The value of your investment may fall as a result.
Discount risk	The return on your investment is directly related to the prevailing market price of the trust's shares, which will trade at a varying discount (or premium) relative to the value of the underlying assets of the trust. As a result, losses (or gains) may be higher or lower than those of the trust's assets.
Country or region risk	If a trust's portfolio is concentrated towards a particular country or geographical region, the investment carries greater risk than a portfolio that is diversified across more countries.
Smaller Companies risk	Most of the investments in this portfolio are in smaller companies shares. They may be more difficult to buy and sell, and their share prices may fluctuate more than those of larger companies.
Derivatives risk	Using derivatives exposes the trust to risks different from - and potentially greater than - the risks associated with investing directly in securities. It may therefore result in additional loss, which could be significantly greater than the cost of the derivative.
Gearing risk	The trust may use gearing (borrowing to invest) as part of its investment strategy. If the trust utilises its ability to gear, the profits and losses incurred by the trust can be greater than those of a trust that does not use gearing.

Source: Janus Henderson Investors, as at 30 September 2023.

Fund specific risks

The Henderson Smaller Companies Investment Trust plc (continued)

Note that any differences among portfolio securities currencies, share class currencies and costs to be paid or represented in currencies other than your home currency will expose you to currency risk. Costs and returns may increase or decrease as a result of currency and exchange rate fluctuations.

Fund charges will impact the value of your investment. In particular, the ongoing charges applicable to each fund will dilute investment performance, particularly over time. For further explanation of charges please visit our Fund Charges page at www.janushenderson.com.

For other EU investors

Lower Risk 1 2 3 4 **5** 6 7 Higher Risk

Source: Janus Henderson Investors, as at 30 September 2023.
Note: UK investors should refer to the Key Investor Information Document as the risk rating may differ.

Performance

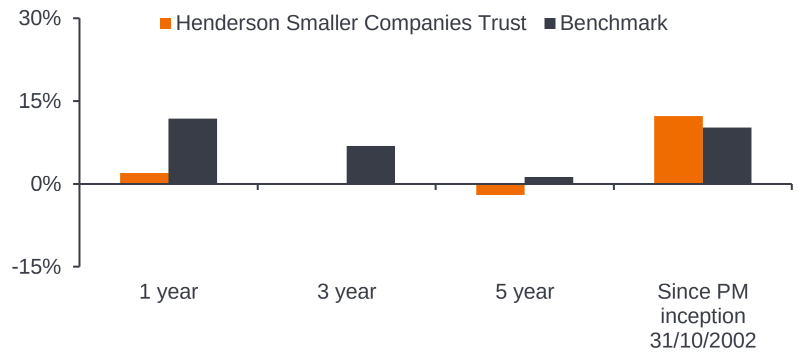
Calendar year performance (%)	YTD at 3Q23	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
The Henderson Smaller Companies Investment Trust plc	-8.2	-31.7	25.8	3.3	35.7	-14.9	30.0	8.8	17.6	1.6	43.5
NUMIS Smaller Companies Index ex Investment Companies	1.7	-17.9	21.9	-4.3	25.2	-15.3	19.5	11.1	10.6	-1.9	36.9

Calendar year performance (%)	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002[1]
The Henderson Smaller Companies Investment Trust plc	39.5	-8.6	45.6	59.9	-46.4	-8.5	34.8	23.9	32.6	56.8	3.5
NUMIS Smaller Companies Index ex Investment Companies	29.9	-9.1	28.5	60.7	-40.8	-8.3	28.0	27.8	20.7	43.0	0.4

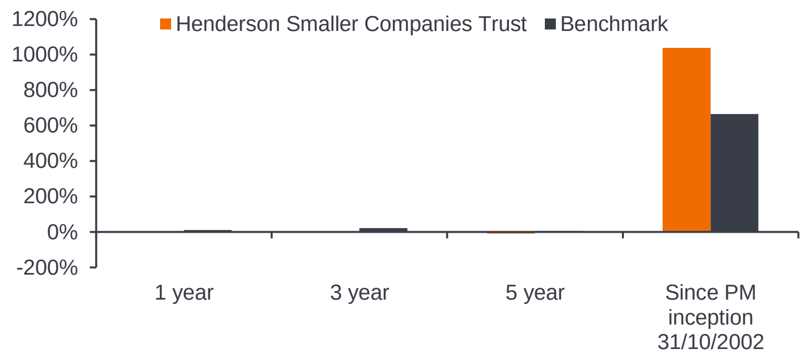
Source: Morningstar, Janus Henderson Investors analysis, as at 30 September 2023.
Note: Trust: Net of fees, in GBP. Bid pricing, net income reinvested. The Fund performance is based on 17:00 (CET) valuation.
[1] Partial year performance from 31 October 2002, since Neil Hermon took over Management of the Fund.

Performance to 30 September 2023

Annualised returns %	Henderson Smaller Companies Trust	Benchmark %	Relative %
1 year	2.0	11.8	-9.8
3 years	-0.2	6.9	-7.1
5 year	-2.0	1.2	-3.1
Since PM inception 31/10/02	12.3	10.2	2.1



Cumulative returns %	Henderson Smaller Companies Trust	Benchmark %	Relative %
1 year	2.0	11.8	-9.8
3 years	-0.5	22.2	-22.7
5 years	-9.4	6.0	-15.4
Since PM inception 31/10/02	1,037.4	664.5	372.9



Source: Refinitiv Datastream, Janus Henderson Investors, as at 30 September 2023.
Note: Share Price Total returns.
Since PM inception 31 October 2002 when Neil Hermon became Portfolio Manager of the fund.
Benchmark: Numis Small Companies (ex IT) Index.
Past performance does not predict future returns.

Discrete performance

	Sep 2023 – Sep 2022	Sep 2022 – Sep 2021	Sep 2021 – Sep 2020	Sep 2020 – Sep 2019	Sep 2019 – Sep 2018	Sep 2018 – Sep 2017
NAV (%)	2.00	-37.61	56.30	-3.99	-5.15	10.58
Price[1] (%)	4.24	-40.53	66.13	-10.61	-2.89	18.43

Source: Janus Henderson Investors, as at 30 September 2023.
Note: Trust: The Henderson Smaller Companies Investment Trust plc in GBP.
[1] Share price is the price of a single share of a number of saleable equity shares of a company.
Past performance does not predict future returns.

Portfolio position and attribution analysis

Individual stocks

Trust vs Numis ex IT Index contribution to performance – 1 year to 30 September 2023

Stock	Relative contribution %
Bellway	0.79
Mitchells & Butlers	0.78
S4 Capital[1]	0.56
Hyve Group	0.54
Mobico Group[1]	0.51
Vesuvius	0.47
Burford Capital	0.47
Ferrexpo[1]	0.41
Computacenter	0.39
Diversified Energy[1]	0.37

Stock	Relative contribution %
GB Group	-2.20
Learning Technologies Group	-1.08
Serica Energy	-0.99
Future	-0.89
Aston Martin Lagonda[1]	-0.88
Videndum	-0.82
Team17	-0.82
Watches of Switzerland	-0.74
Bank of Georgia[1]	-0.68
Harbour Energy	-0.66

Source: Janus Henderson Investors, as at 30 September 2023.
Note: [1] Not owned. Portfolio holdings are subject to change without notice.
References made to individual securities do not constitute a recommendation to buy, sell or hold any security, investment strategy or market sector, and should not be assumed to be profitable. Janus Henderson Investors, its affiliated advisor, or its employees, may have a position in the securities mentioned.
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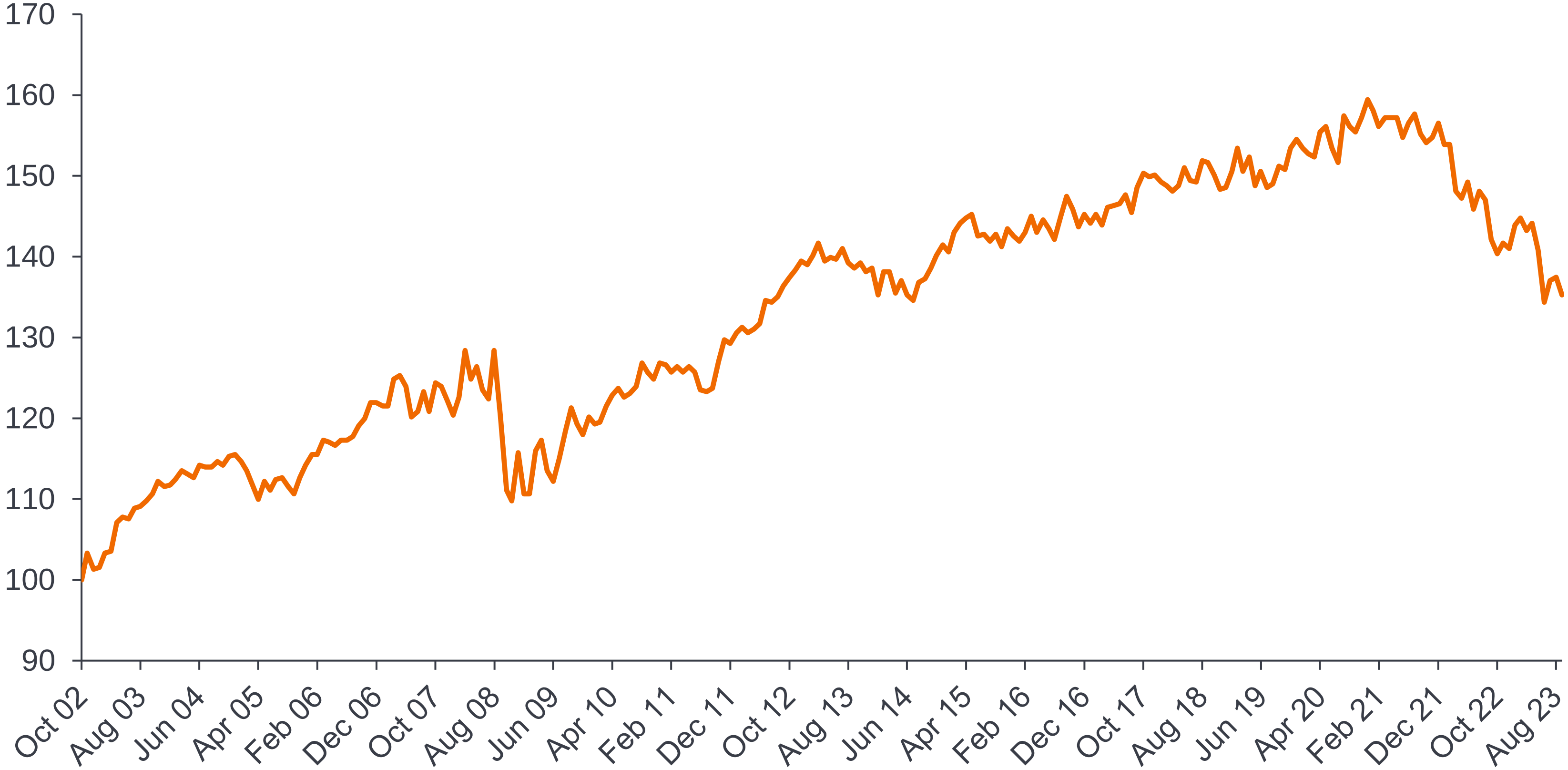
Performance vs peer group to 30 September 2023

Henderson Smaller Companies NAV total return vs Smaller Companies IT sector NAV total return (%)



Source: Refinitiv Datastream, Janus Henderson Investors, as at 30 September 2023.
Note: Rebased to 100 from October 2002.
Past performance does not predict future returns.

Henderson Smaller Companies Investment Trust

Top 10 stocks

Company	% of Trust	Activity
Bellway	3.50	UK housebuilder
Oxford Instruments	3.32	Advanced scientific equipment
Balfour Beatty	2.99	International construction group and infrastructure investor
Mitchells & Butlers	2.97	Nationwide operator of restaurants, pubs and bars in the UK
Vesuvius	2.90	Engineering services and solutions
Paragon Banking	2.80	Specialist mortgage lender
Impax Asset Management	2.37	Ethical fund manager
Future	2.35	Specialist media group
Computacenter	2.19	IT managed service provider and reseller
Ascential	2.05	Specialist information, data and analytics company

Source: Janus Henderson Investors, as at 30 September 2023.
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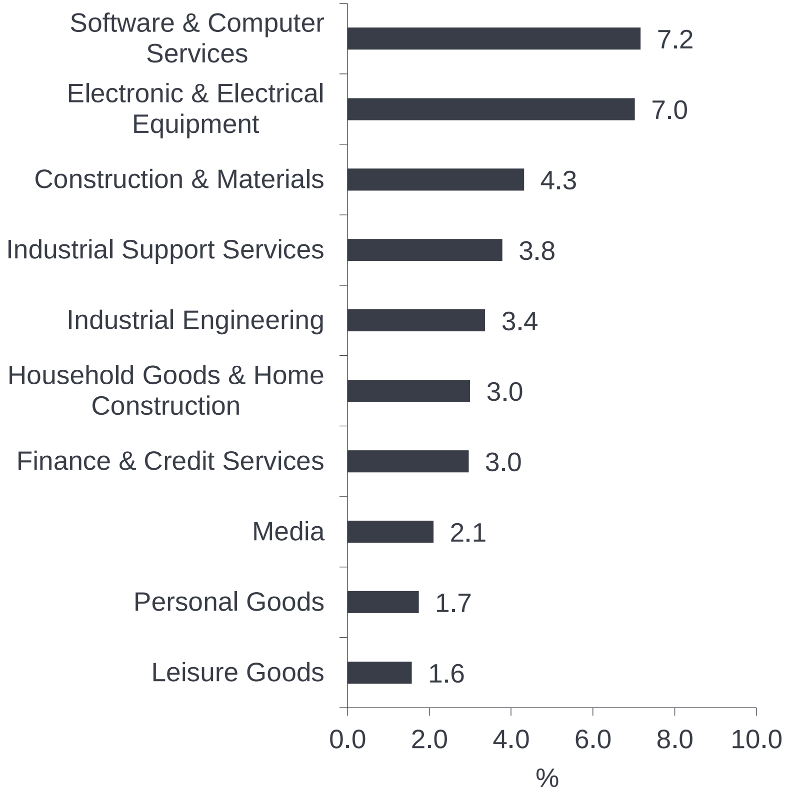
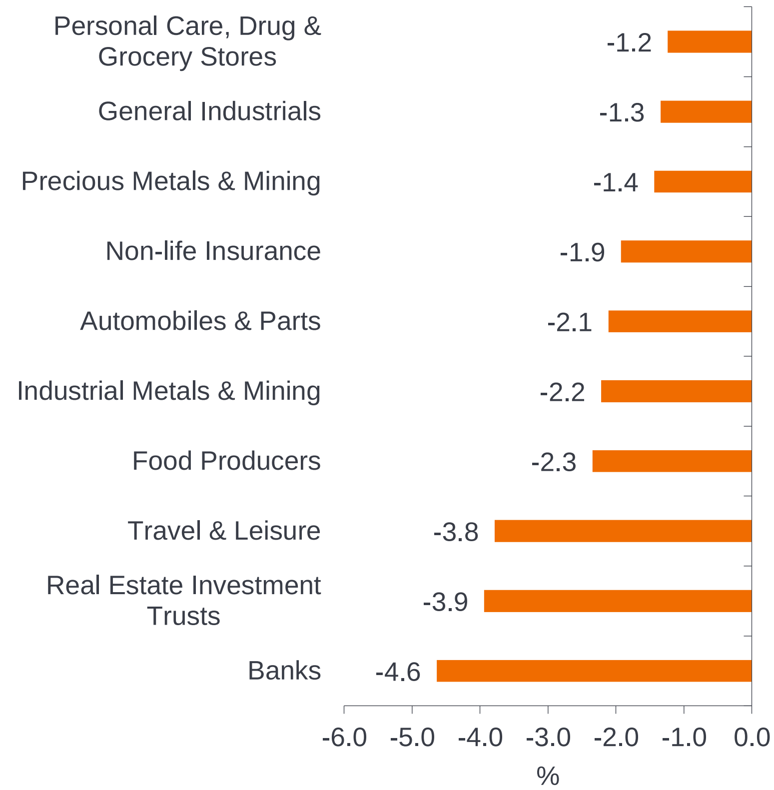
Henderson Smaller Companies Investment Trust

Top 10 overweight and underweight sectors and rank





Source: Janus Henderson Investors, as at 30 September 2023.
Note: Relative to Numis Smaller Companies Index (ex Investment Trusts). Allocations are subject to change without notice.

Why have equity markets been so difficult

- COVID
- Ukrainian conflict
- Cost of living crisis
- UK politics
- Central bank policy
- Likely economic slowdown / recession
- Growth companies de-rate

Source: Janus Henderson Investors, as at 30 September 2023.
Note: Derating happens in stock when the future outlook becomes bleak, or there is business uncertainty.
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Derating dominating

	31/12/21 – 30/06/23 price performance	FY23E – FY24E earnings growth	Re-rating	31/12/2021 FY23 PE	30/06/2023 FY24 PE
Oxford Instruments	4%	30%	-20%	30.6	24.4
Balfour Beatty	30%	18%	10%	9.0	9.9
Paragon Banking	-6%	37%	-31%	8.9	6.1
Bellway	-40%	-55%	31%	8.1	10.7
OSB Group	-13%	31%	-34%	6.8	4.5
Impax Asset Management	-61%	-20%	-51%	28.8	13.9
Mitchells and Butlers	-20%	-33%	18%	9.3	11.0
Vesuvius	-12%	0%	-12%	9.2	8.1
Team 17	-54%	21%	-62%	33.9	12.9
Ascential	-45%	-5%	-42%	22.6	13.1
Watches of Switzerland	-57%	2%	-58%	26.7	11.3
Gamma Communications	-31%	6%	-35%	22.1	14.4
Computacenter	-21%	13%	-30%	18.7	13.0
Renishaw	-18%	-2%	-17%	26.5	22.0
Softcat	-22%	13%	-30%	35.3	24.6
Bytes Technology	-7%	21%	-23%	36.4	28.1
Alpha Financial Consulting	-16%	40%	-41%	24.4	14.5
Future	-82%	-15%	-79%	22.7	4.7
Serco	16%	29%	-10%	11.8	10.6
Spectris	-2%	16%	-15%	21.1	17.9

Source: Bloomberg, Janus Henderson Investors Analysis, as at 30 June 2023.
Note: References made to individual securities do not constitute a recommendation to buy, sell or hold any security, investment strategy or market sector, and should not be assumed to be profitable. Janus Henderson Investors, its affiliated advisor, or its employees, may have a position in the securities mentioned. Portfolio holdings are subject to change without notice. There is no guarantee that past trends will continue, or forecasts will be realised. The views are subject to change without notice.
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Reasons to be positive

- Corporate profit performance have been robust
- Valuations have been compressed
- Significant corporate activity in UK market
- Balance sheets[1] are strong
- Dividends, buybacks and director buying
- Smaller companies have already materially underperformed large companies – markets move ahead of the reality

Source: Janus Henderson Investors, as at 30 September 2023.
Note: [1] Balance sheet - A financial statement that summarises a company's assets, liabilities and shareholders' equity at a particular point in time. Each segment gives investors an idea as to what the company owns and owes, as well as the amount invested by shareholders. It is called a balance sheet because of the accounting equation: assets = liabilities + shareholders' equity.
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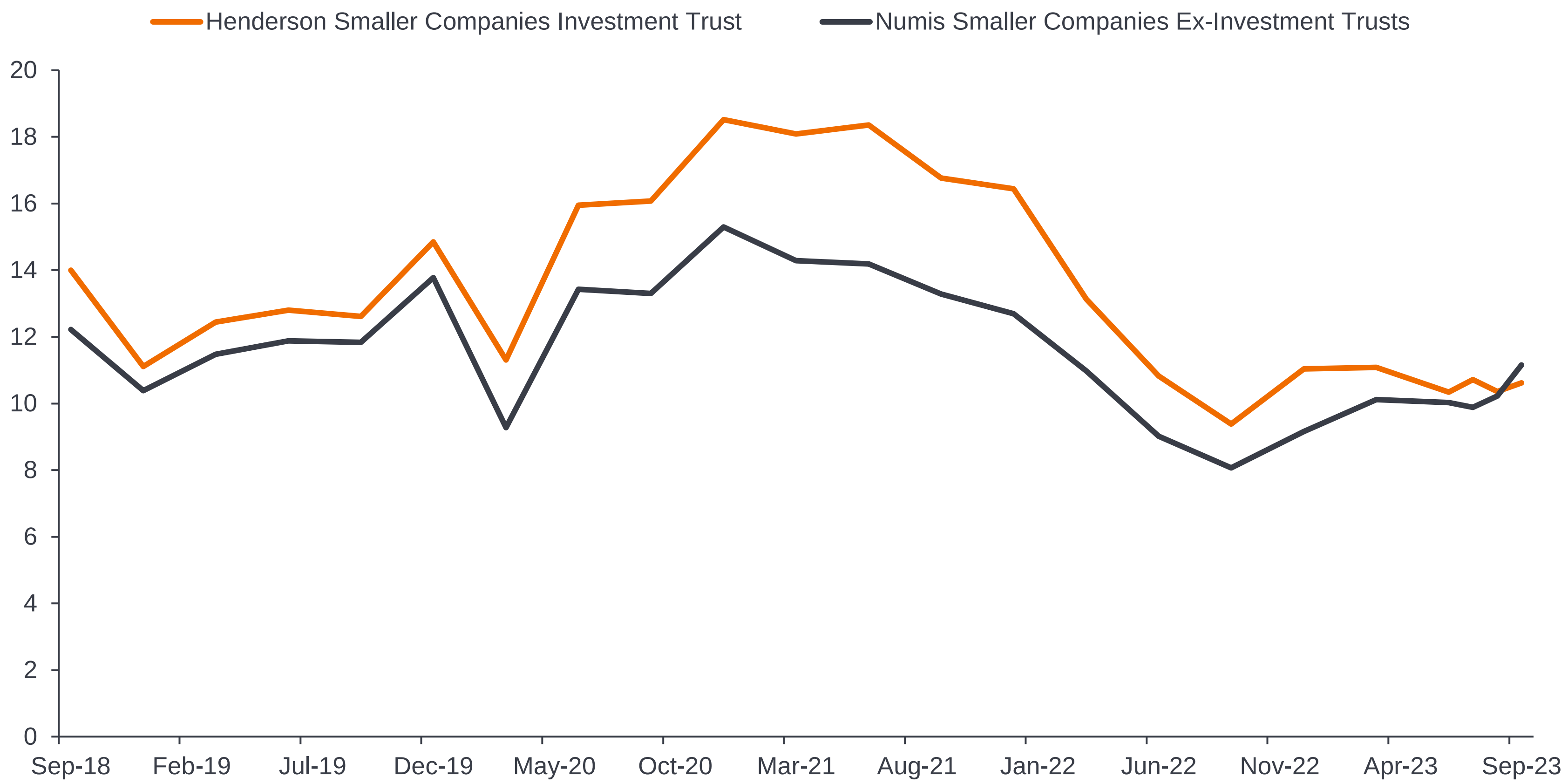
Current valuations

P/E – FY1 Est (weighted harmonic average)



Source: Janus Henderson Investors, as at 30 September 2023.
Note: Index: Numis Smaller Companies Ex-Investment Trusts. 3M rolling periods. There is no guarantee that past trends will continue, or forecasts will be realised. The views are subject to change without notice.
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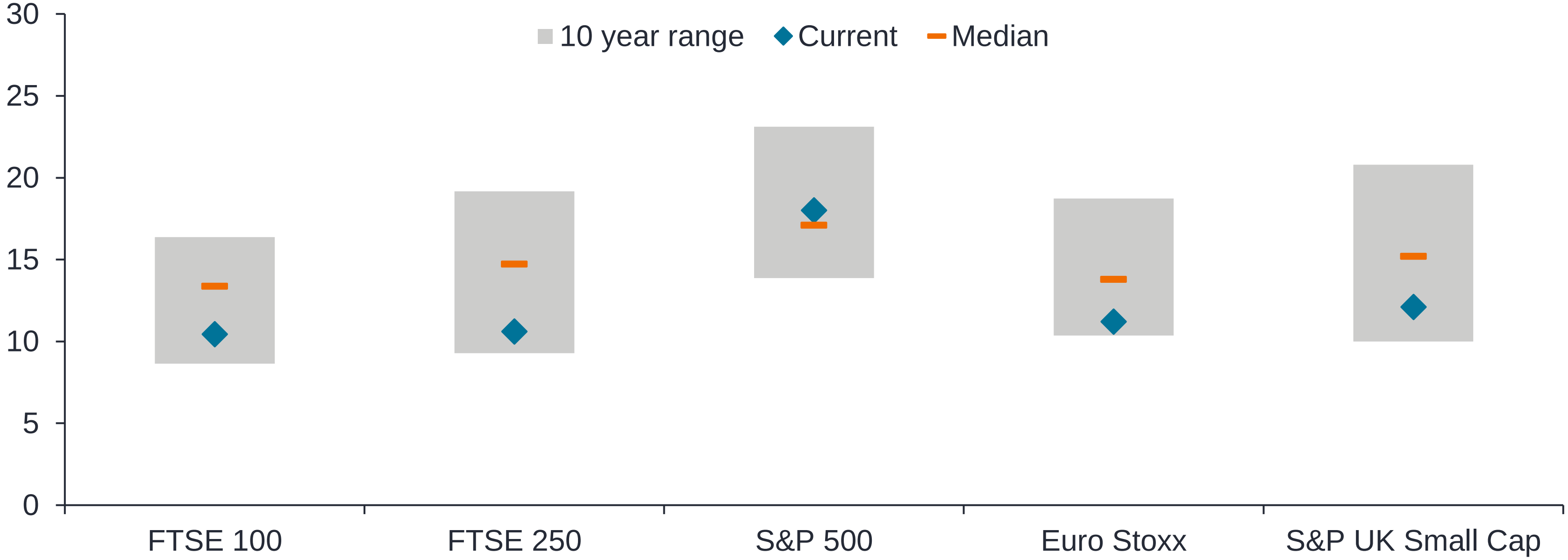
De-rating

Some equity markets have de-rated more than others

12m forward PE[1] vs 10 year range



Earnings estimates are likely too high but valuations are *reaching the low end* of historic range.

Source: Exane, Janus Henderson Investors Analysis, as at 30 September 2023.
Note: [1] PE: Price to earnings, A popular ratio used to value a company's shares, compared to other stocks, or a benchmark index. It is calculated by dividing the current share price by its earnings per share. It is calculated by dividing the current share price (P) by its earnings per share (E).There is no guarantee that past trends will continue, or forecasts will be realised. The views are subject to change without notice. The above are the Team's views and should not be construed as advice and may not reflect other opinions in the organisation. The views are subject to change without notice.
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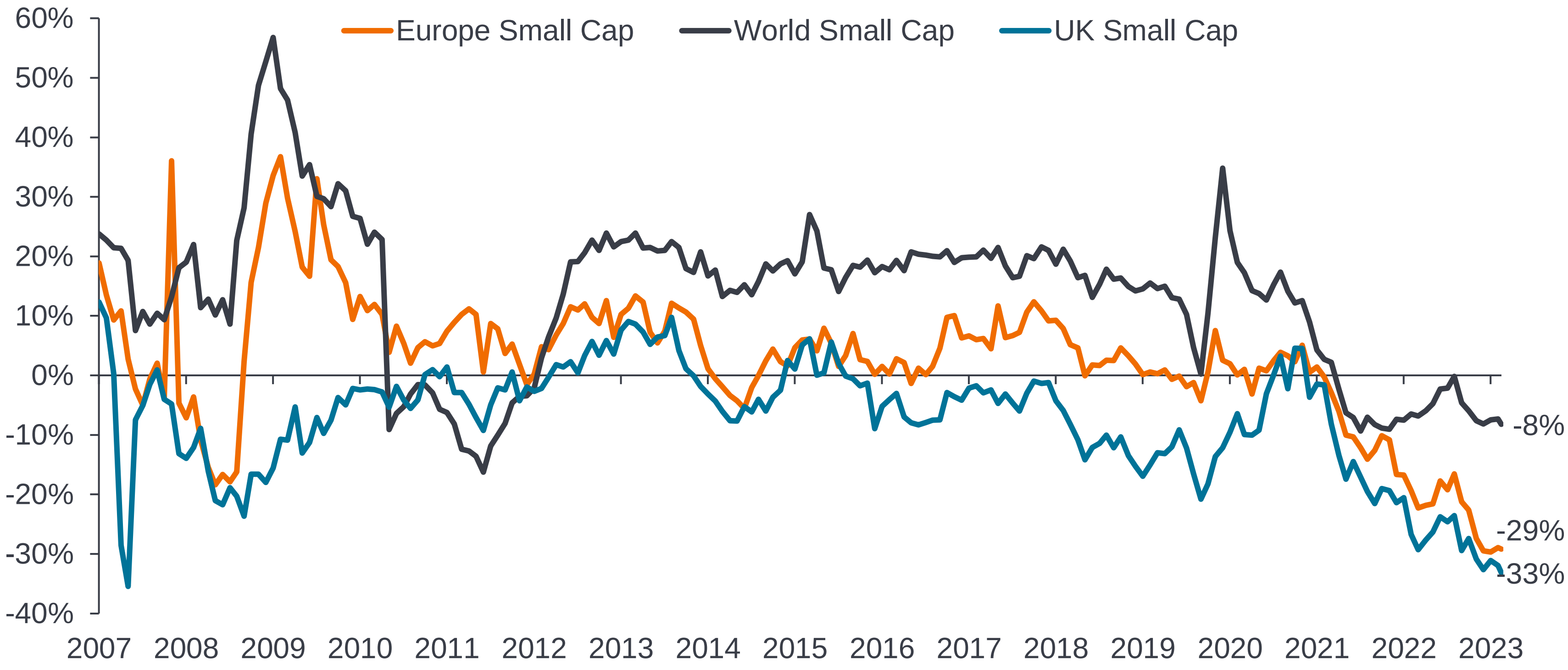
Small Cap valuations

Discount to large cap (MSCI World Index)



Source: DataStream, MSCI regional Small Cap indices, Janus Henderson Investors Analysis, as at 13 September 2023.

Note: Forward price-to-earnings (forward P/E) is a version of the ratio of price-to-earnings (P/E) that uses forecasted earnings for the P/E calculation. There is no guarantee that past trends will continue, or forecasts will be realised. The views are subject to change without notice.

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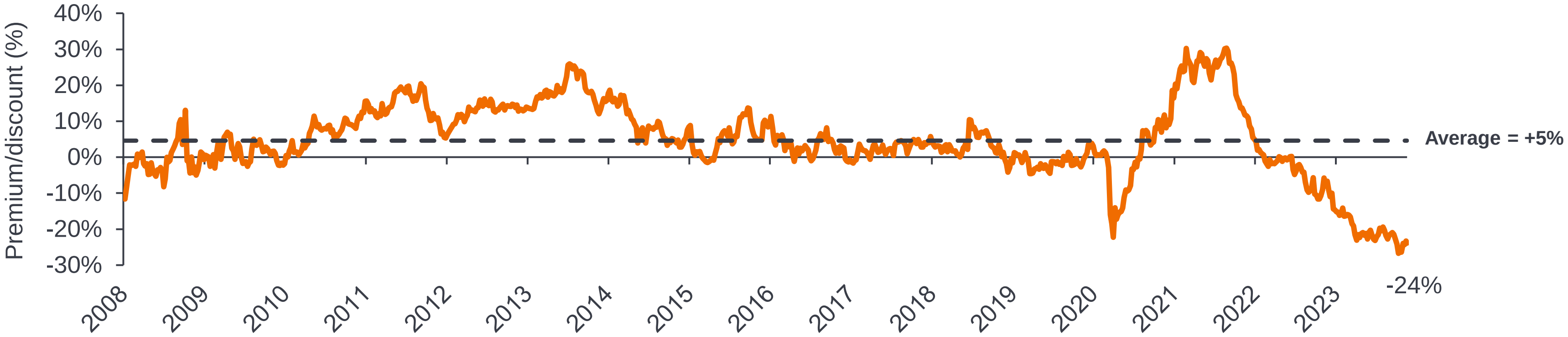
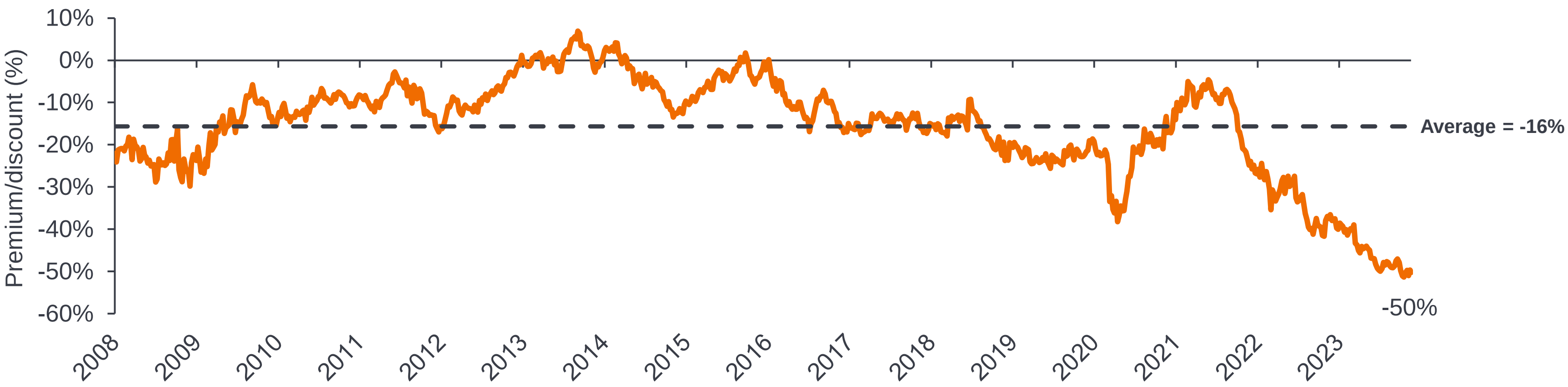
Small Cap valuations

Relative valuations at an extreme

UK Mid cap valuation Premium/Discount versus European Large caps



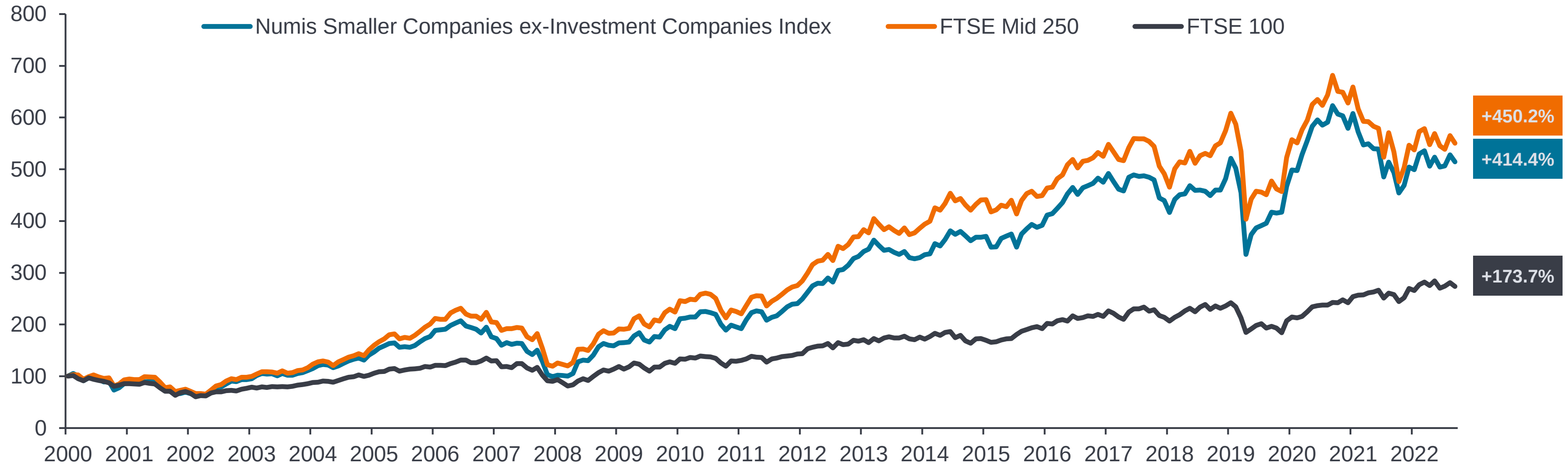
UK Mid cap Premium/Discount versus US Large caps



Source: Bloomberg, Janus Henderson Investors Analysis, as at 21 November 2023.
Past performance does not predict future returns.

Why UK Small Cap?

UK SMID Caps outperform UK Large Caps most of the time (%)



UK mid caps have outperformed large caps in 14 of the last 22 years (%)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 YTD
FTSE Mid 250	5.09	-5.10	-25.06	40.28	23.62	29.74	32.12	-3.69	-38.42	52.79	28.41	-10.30	28.71	34.94	2.79	12.04	5.08	18.24	-15.15	30.79	-8.48	18.36	-18.44	1.17
FTSE 100	-8.23	-14.09	-22.17	17.89	11.25	20.78	14.43	7.36	-28.33	27.33	12.62	-2.18	9.97	18.66	0.74	-1.32	19.07	11.95	-8.73	17.32	-11.55	18.44	4.70	2.84
Relative (250 vs. 100)	13.32	8.99	-2.88	22.38	12.38	8.96	17.69	-11.05	-10.09	25.46	15.79	-8.12	18.73	16.27	2.05	13.36	-13.99	6.29	-6.42	13.47	3.07	-0.09	-23.14	-1.67

Source: Refinitiv DataStream, in GBP, as at 31 August 2023.
Note: Indices used: Numis Smaller Companies ex-Investment Companies Index, FTSE Mid 250 Index, FTSE 100 Index. Rebased to 100.
Past performance does not predict future returns.

M&A

If we don't notice, others will…

Company	Acquirer	Country	Year
St Modwen Properties[1]	Blackstone	🇺🇸	2021
UDG Healthcare	Clayton, Dubilier & Rice	🇺🇸	2021
Sanne[1]	Apex Private Equity	🇺🇸	2021
John Laing[1]	KKR	🇺🇸	2021
Vectura[1]	Philip Morris	🇺🇸	2021
WM Morrison Supermarkets	Clayton, Dubilier & Rice	🇺🇸	2021
Ultra Electronics[1]	Cobham Ltd	🇬🇧	2021
Vivo Energy	Vitol Investment Partnership	🇺🇸	2021
Clinigen[1]	Triton Funds	🇨🇭	2021
John Menzies	Agility Public Warehousing	🇰🇼	2022
Clipper Logistics	GXO Logistics	🇺🇸	2022
Stagecoach	Pan Euro Infrastructure	🇩🇪	2022
Avast	NortonLifeLock	🇺🇸	2022
McKay Securities	**Workspace**[1]	🇬🇧	2022
Brewin Dolphin[1]	Royal Bank of Canada	🇨🇦	2022
Ideagen	HG Capital	🇬🇧	2022
Countryside	Vistry	🇬🇧	2022
Biffa	ECP	🇺🇸	2022
Go-Ahead	Kinetic/Globalvia	🇦🇺 🇪🇸	2022
EMIS[1]	United Health	🇺🇸	2022
Euromoney[1]	Epiris/Asborg	🇬🇧 🇫🇷	2022
RPS[1]	WSP	🇨🇦	2022
Micro Focus	Open Text	🇨🇦	2022
Aveva	Schneider Electric	🇫🇷	2022
Devro	SARIA	🇩🇪	2022
Dignity	Consortium	🇬🇧	2023
Hyve[1]	Providence	🇺🇸	2023
Dechra	EQT	🇺🇸	2023
Network International	Brookfield	🇺🇸	2023
Medica	IK Investment Partners	🇬🇧	2023
Numis	Deutsche Bank	🇩🇪	2023
Lookers	Global Auto	🇨🇦	2023
Gresham House[1]	Searchlight Capital	🇺🇸	2023
Blancco Technology[1]	Francisco Partners	🇺🇸	2023
Ergomed[1]	Premira	🇬🇧	2023
Instem	Archimed	🇫🇷	2023

Source: BNP Paribas. [1] Held in the fund.

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Major purchases and sales

9 months to 30 September 2023

IPOs[1] taken	Purchases	Disposals	Takeovers
	Clarkson*	Capricorn Energy**	Blancco Technology
	Ergomed*	EMIS	Ergomed
	Focusrite*	Gym Group	Gresham House
	Future	Oxford Instruments**	Hyve
	Globaldata*	TI Fluids	
	JTC	Volex	
	PageGroup		
	Spirent*		

Source: Janus Henderson Investors, as at 30 September 2023.
*New holding. **Partial sale.

Note: [1] IPO = Initial public offering, The process of issuing shares in a private company to the public for the first time. References made to individual securities do not constitute a recommendation to buy, sell or hold any security, investment strategy or market sector, and should not be assumed to be profitable. Janus Henderson Investors, its affiliated advisor, or its employees, may have a position in the securities mentioned. Portfolio holdings are subject to change without notice.

Key attributes

Investment process	**Growth bias**
Mid-cap bias	**High conviction**
ESG	**Geographical diversification**

Source: Janus Henderson Investors, as at 30 September 2023.

Note: ESG integration is the practice of incorporating material environmental, social and governance (ESG) information or insights in a non-binding manner alongside traditional measures into the investment decision process to improve long term financial outcomes of portfolios. Not all products within the fund pursue a sustainable investment objective or otherwise take ESG factors into account in a binding manner. ESG related research is one of many factors considered within the fund's investment process and in this presentation, we seek to show why it is financially relevant.

Investment process

Quality growth at the right price

Idea Generation

- Team-based experience
- Company meetings
- Broker research

Research/Debate

Stock analysis

4ms
- Model
- Management
- Money
- Momentum

Valuation
Macro analysis
ESG analysis embedded

Implementation

Portfolio construction
- Bottom-up stock picking
- Typical holding period 4 yrs
- Sell discipline

Risk management
- Liquidity and concentration protection
- Quarterly independent risk team reviews
- Independent Board

Investable Universe 1000+ stocks → 100 Stocks

Growth | Valuation | Quality

Bottom-up stock picking approach

Source: Janus Henderson Investors, as at 30 September 2023.
Note: Any risk management process discussed includes an effort to monitor and manage risk which should not be confused with and does not imply low risk or the ability to control certain risk factors. There is no assurance that the investment process will consistently lead to successful investing.

Mid-cap bias

	Weighting	Strategy Holdings
FTSE 100	0.6%	1
FTSE 250	73.0%	49
FTSE Small Cap	14.4%	22
FTSE AIM	26.1%	28
Gearing	-14.1%	

Why we have a mid-cap bias

- Liquidity
- Benchmark weighting
- Run the winners approach
- Relative quality and growth

Source: Janus Henderson Investors, as at 30 September 2023.
Note: FTSE 250 refers to FTSE 250 (ex-Investment Trusts) Index. Portfolio holdings are subject to change without notice.
Past performance does not predict future returns.

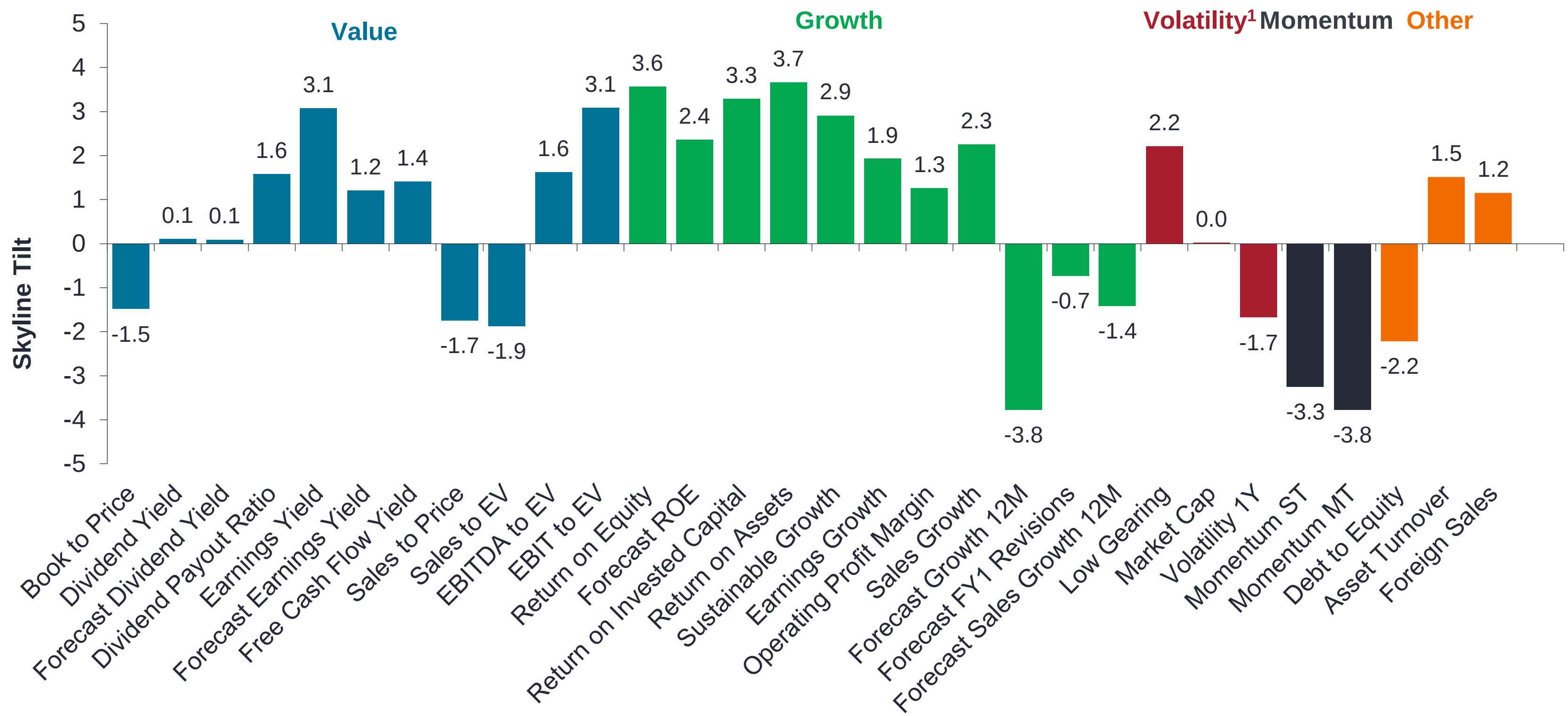
10 years total return performance:
FTSE 250 vs FTSE Small Cap Index
(September 2013 – September 2023)

Source: Refinitive Datastream, Janus Henderson Investors Analysis, as at 30 September 2023.
Past performance does not predict future returns.

Growth bias

Skyline tilt

Henderson Smaller Companies Trust vs Numis Ex IT Index



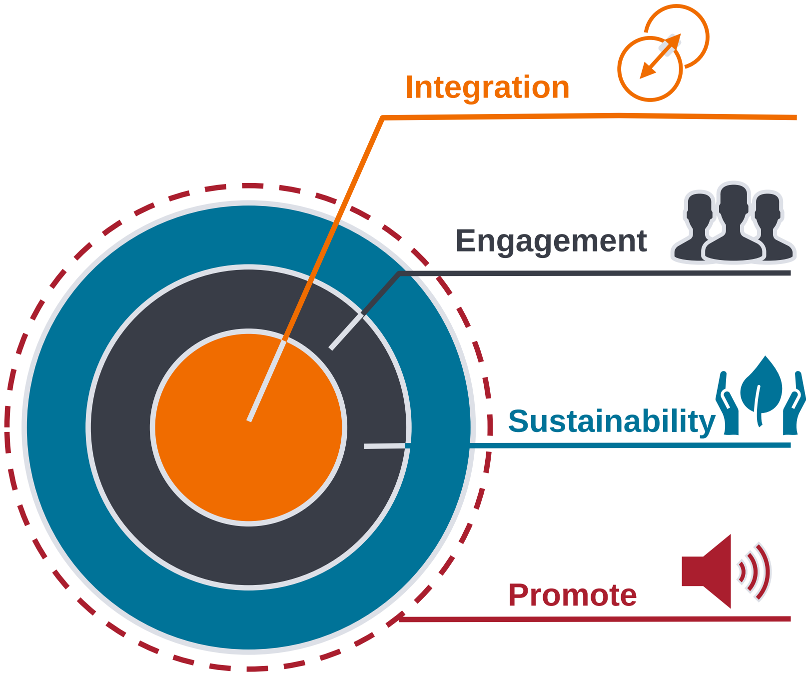
Source: Style Research Analytics, Janus Henderson Investors Analysis, as at 30 September 2023.

Note: [1] Volatility = The rate and extent at which the price of a portfolio, security or index, moves up and down. If the price swings up and down with large movements, it has high volatility. If the price moves more slowly and to a lesser extent, it has lower volatility. The higher the volatility the higher the risk of the investment.

Past performance does not predict future returns.

Integrated approach to ESG

- ESG issues are identified as part of the team's well established 4Ms process
- **Core belief: companies that score well on ESG factors and sustainability warrant a valuation premium over time**
- We seek to determine what is / is not a fair premium for those assets rather than exclude stocks on ESG ratings alone
- Companies offering goods and services which address issues such as aging populations, urbanisation and the savings gap have all been attractive propositions from a growth perspective
- Take active approach to using shareholder influence to effect change
- Strong collaboration with JH Governance & Responsible Investing team
- An appreciation that ESG themed investing comes with its own risks; policy instability, uncertainty around customer adoption, technological obsolescence etc.



Source: Janus Henderson Investors, as at 30 September 2023.
Note: The above are the team's views and should not be construed as advice and may not reflect other opinions in the organisation.
ESG integration is the practice of incorporating material environmental, social and governance (ESG) information or insights in a non-binding manner alongside traditional measures into the investment decision process to improve long term financial outcomes of portfolios. This fund does not pursue a sustainable investment strategy or have a sustainable investment objective or otherwise take ESG factors into account in a binding manner. ESG related research is one of many factors considered within the Fund's investment process and in this presentation we seek to show why it is financially relevant.

ESG in action

FY22 activity and outcomes

Planned Engagement

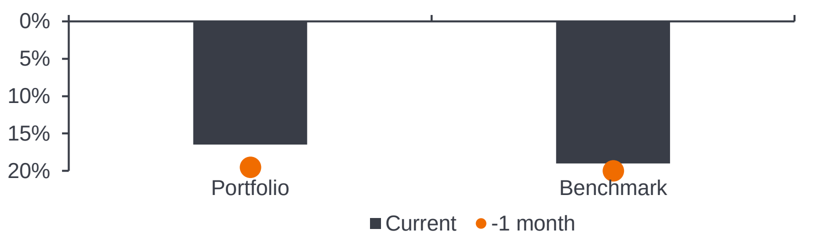
- **254** direct engagements with companies
- **133** meeting in which we discussed environmental, social and governance issues
- **70** meetings in which **environmental** issues were discussed
- **59** meetings in which **social** issues were discussed
- **52** meetings in which **governance** issues were discussed

Quarterly engagement outside of BAU

- **Q1** – Recycling in the Technology sector
- **Q2** – Carbon reduction targets in the Industrial sector
- **Q3** – Cost of living crisis
- **Q4** – Carbon reduction targets in the Industrial sector

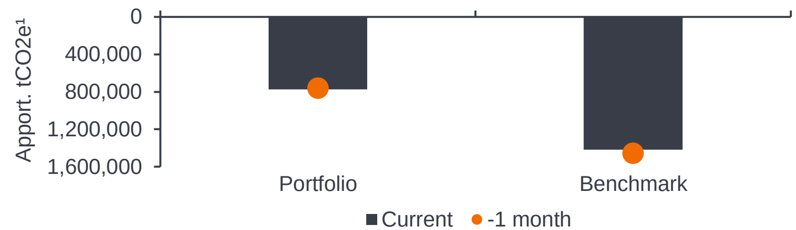
ESG risk

Exposure to companies with rating of “high” or “severe” vs benchmark



Carbon footprint

Carbon footprint chart (Scope 1, 2 & 3 Emissions)

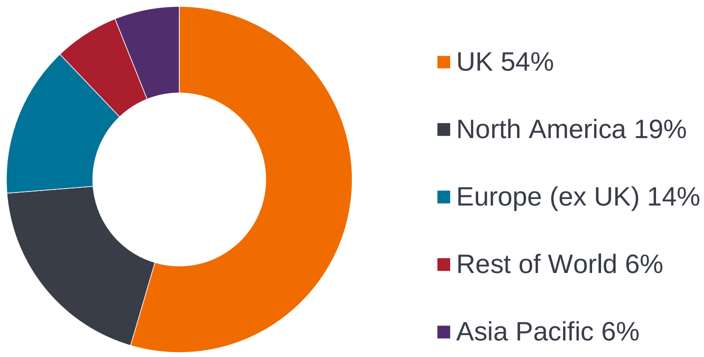


	Scope 1+2	Scope 3	Total
Portfolio	39,326	733,704	773,030
Benchmark	129,460	1,287,601	1,417,016

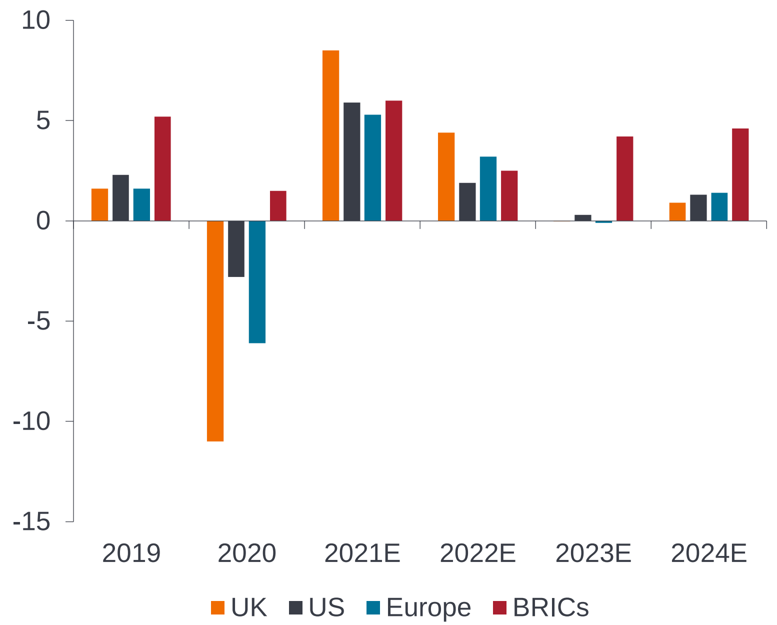
Source: Janus Henderson Investors, as at 31 December 2022.
Note: Portfolio: Henderson Smaller Companies Investment Trust, I Acc, in GBP, Benchmark: Numis Smaller Companies Ex-Investment Trusts
[1] ISS Climate Impact data including Scope 1 (direct), Scope 2 (purchased electricity), Scope 3 (other indirect not included in Scope 2).
Provided for illustrative purposes only and is not a recommendation to buy or sell / Carbon Neutral certification for Janus Henderson Investors.
Fund allocations are subject to change without notice.

Portfolio positioning

Geographical dispersion of portfolio's end market sales



GDP[1] growth around the world (%)

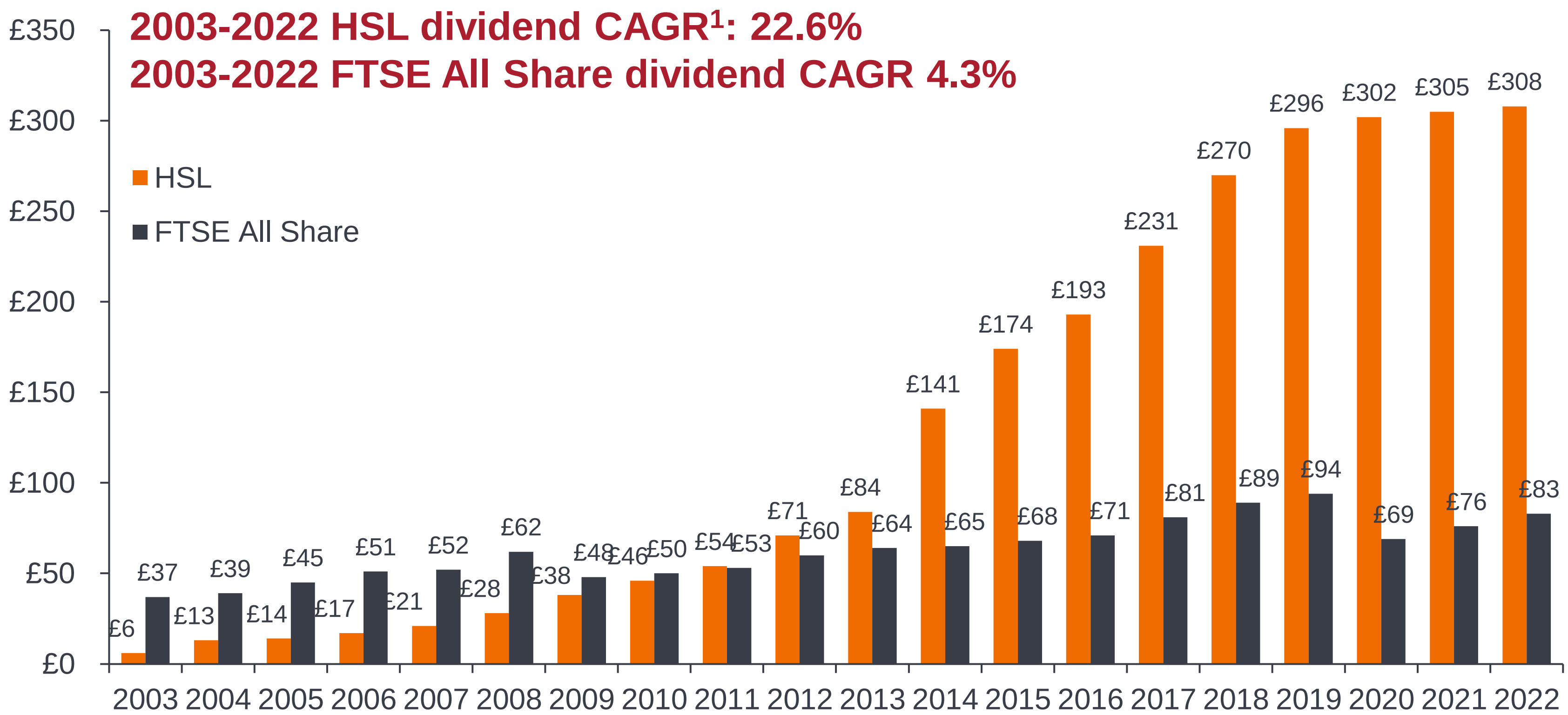


Source: Bloomberg, Janus Henderson Investors Analysis, as at 31 December 2022.
Note: [1] GDP = Gross domestic product, The value of all finished goods and services produced by a country, within a specific time period (usually quarterly or annually). When GDP is increasing, people are spending more, and businesses may be expanding, and vice versa. GDP is a broad measure of the size and health of a country's economy and can be used to compare different economies. BRICs: Brazil, Russia, India, China.

Source: Janus Henderson Investors, as at 31 December 2022.
Note: Positioning is subject to change without notice. There is no guarantee that past trends will continue, or forecasts will be realized.

Dividend growth

Annual income an investor would have received on an initial £1000 investment in HSL on 31/10/02 versus similar investment in FTSE All Share



Source: Janus Henderson Investors, as at 31 December 2022.

Note: [1] Compound Annual Growth Rate (CAGR) measures an investment's annual growth rate over time, including the effect of compounding. CAGR is typically used to measure and compare the past performance of investments or to project their expected future returns.

Past performance does not predict future returns.

Outlook

Conclusion

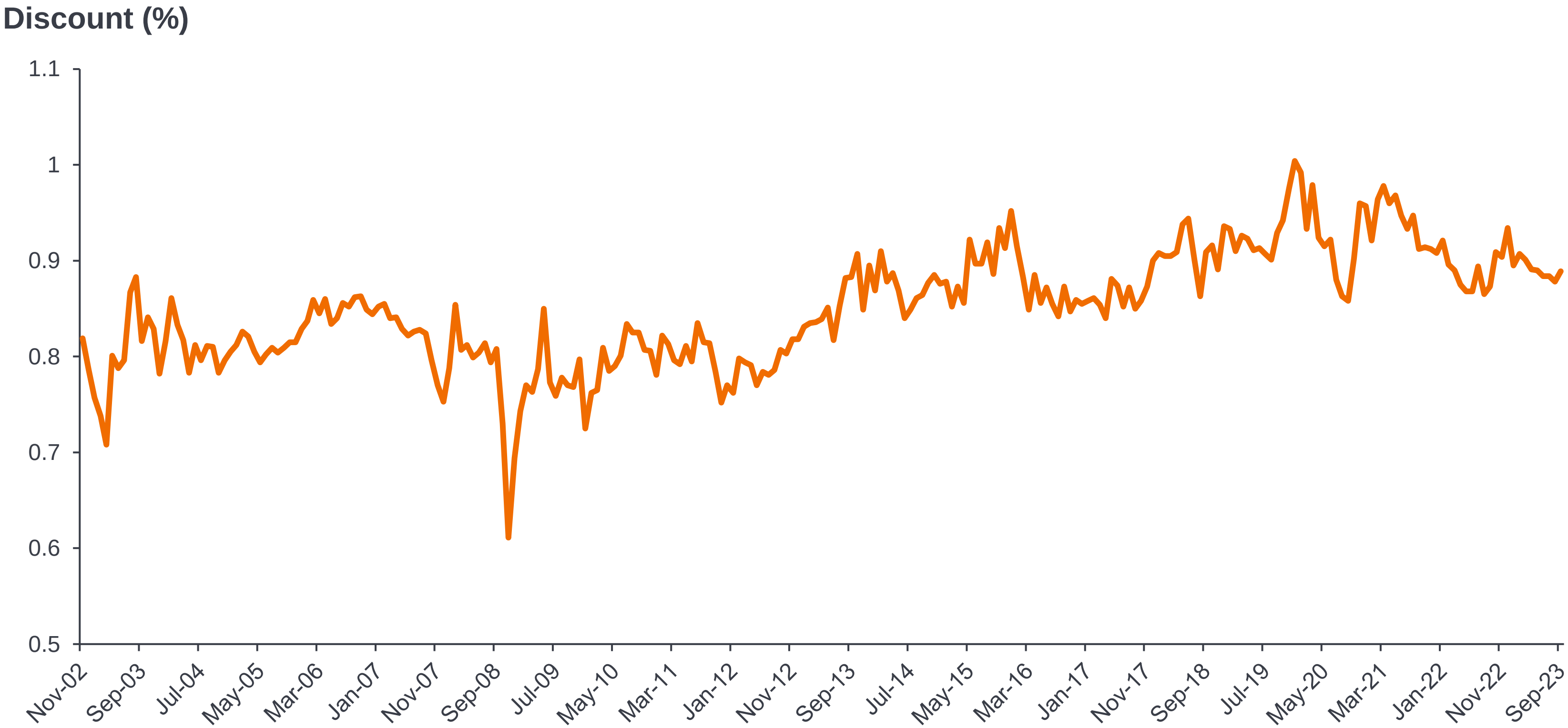
- Experienced team of small cap investors
- Long history of outperformance
- Bottom up, consistent approach to investing
- Long-term time horizon and a portfolio with low turnover
- Portfolio of high quality, mid and small cap stocks

Source: Janus Henderson Investors, as at 30 September 2023.
Note: The above are the Portfolio Managers' views and should not be construed as advice and may not reflect other opinions in the organisation. The views are subject to change without notice.

Appendix

Discount

Share price discount to NAV[1] (NB 1.00 = NAV)



Source: Refinitiv Datastream, Janus Henderson Investors Analysis, as at 30 September 2023.
Note: [1] NAV = Net asset value, The value of investments and cash, including current year revenue, less liabilities (prior charges such as loans, debenture stock and preference shares at fair value).
Past performance does not predict future returns.

Biographies

Neil Hermon, CA

Portfolio Manager

Neil Hermon is a Portfolio Manager on the UK Equities Team at Janus Henderson Investors, a position he has held since 2013. He joined Henderson in 2002 as head of UK smaller companies. Prior to this, he served as head of UK smaller companies for General Accident Investment Management (later to become CGU plc). He began his career at Ernst & Young as a chartered accountant.

Neil received an MA (Hons) in mathematics from Cambridge University. He is an associate member of the Society of Investment Professionals (ASIP) and has 34 years of financial industry experience.

Indriatti van Hien, ACA, CFA

Portfolio Manager

Indriatti van Hien is a Portfolio Manager on the UK Equities Team at Janus Henderson Investors, a position she has held since 2016. Indriatti joined Henderson in 2011 as a UK equity analyst. Prior to Henderson, she was with PricewaterhouseCoopers, where she qualified as a chartered accountant.

Indriatti graduated with a BA degree (Hons) in modern history and economics from Oxford University. She is a member of the Institute of Chartered Accountants in England and Wales and the Investment Management Certificate (IMC). She has 16 years of financial industry experience.

Source: Janus Henderson Investors, as at 30 September 2023.

Biographies

Shivam Sedani, ACA, CFA

Associate Portfolio Manager

Shivam Sedani is an Associate Portfolio Manager on the UK Equities Team at Janus Henderson Investors, a position he has held since 2022. Prior to that, he was a research analyst with the team since joining Henderson in 2017. Shivam previously worked at Deloitte, where he qualified as a Chartered Accountant and was a manager in the mergers and acquisitions tax team.

Shivam graduated with a BSc degree (Hons) in economics from the University of Birmingham. He is a member of ICAEW. Shivam holds the Chartered Financial Analyst designation and has 11 years of financial industry experience.

Source: Janus Henderson Investors, as at 30 September 2023.

Contact us

janushenderson.com

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