

Company Number: 7549407

HENDERSON INTERNATIONAL INCOME TRUST PLC

HALF-YEAR REPORT (unaudited) for the six months ended 29 February 2024

HENDERSON INTERNATIONAL INCOME TRUST PLC

UNAUDITED RESULTS FOR THE HALF-YEAR ENDED 29 FEBRUARY 2024

This announcement contains regulated information.

INVESTMENT OBJECTIVE

Your Company's investment objective is to provide shareholders with a growing total annual dividend, as well as capital appreciation.

HIGHLIGHTS

- Dividends for the half year increased by 3.8%. NAV total return 5.1% (debt at par) and 4.8% (debt at fair value), slightly underperforming the 6.6% return of the benchmark
- Your Company has been recognised by the AIC as a "next generation dividend hero"
- Returns from all regions over the period were positive, but strong performance in North America was offset by weak relative performance in the Asia Pacific region
- Many of the portfolio's holdings have performed well, and dividend growth and buybacks have exceeded expectations across the portfolio
- The board remains hopeful that interest rates will decline later in the year leading to an improved investment environment

PERFORMANCE SUMMARY

SIX MONTHS TO 29 FEBRUARY 2024

	2024	2023
Dividends in respect of the six months to 29 February	3.84p	3.70p
Total return for the period (debt at par) ¹	5.1%	2.2%

Dividend growth since launch to 29 February 2024

Year to 31 August	Total dividend (pence per share)	Year to 31 August	Total dividend (pence per share)
2011 ²	1.40	2018	5.30
2012	4.00	2019	5.70
2013	4.05	2020	6.00
2014	4.25	2021	6.30
2015	4.50	2022	7.25
2016	4.65	2023	7.47
2017	4.90	2024	3.84*

* Represents the first and second interim dividends that have been declared for the year ending 31 August 2024

Your Company has recently been recognised by the Association of Investment Companies as a Next Generation Dividend Hero, reflecting its record of having consistently grown its dividend for 10 consecutive years.

Dividend yields

	29 February 2024	31 August 2023
Ordinary shares ³	4.8%	4.6%
Benchmark ⁴	3.8%	3.9%
AIC Global Equity Income sector ⁵	3.4%	3.6%

Performance

	29 February 2024	31 August 2023
NAV per share at period end (debt at par)	180.7p	175.7p
NAV per share at period end (debt at fair value)	183.2p	178.6p
Share price at period end	156.0p	161.5p
Discount (debt at par)	(13.7)%	(8.1)%
Discount (debt at fair value)	(14.8)%	(9.6)%
Gearing at period end	1.9%	3.9%

Total return performance to 29 February 2024

	6 months	1 year	3 years	10 years	Since launch
	%	%	%	%	%
Diluted NAV (debt at par) ¹	5.1	3.8	25.5	126.5	194.5
Diluted NAV (debt at fair value) ¹	4.8	3.3	28.8	129.7	198.6
Share price ⁶	(1.0)	(8.8)	18.6	103.7	158.2
Benchmark ⁴	6.6	8.5	32.2	163.0	227.1
AIC Global Equity Income sector (NAV) ⁵	8.6	11.0	41.4	175.7	234.5

¹ Calculated using published daily NAVs including current year revenue

² Four month period from launch on 28 April 2011 to 31 August 2011

³ Calculated using the closing share price at the period end and the last four dividends paid

⁴ MSCI ACWI (ex UK) High Dividend Yield Index (sterling adjusted)

⁵ Excludes British & American Investment Trust plc

⁶ The Company's share price total return (assuming the reinvestment of all dividends excluding dealing expenses). Since inception share price return - launch price including discount (97.25p)

Sources: Morningstar Direct and Janus Henderson

INTERIM MANAGEMENT REPORT CHAIRMAN'S STATEMENT

Performance and markets

During the six months to 29 February 2024, the net asset value ("NAV") total return per ordinary share was 5.1% (debt at par) and 4.8% (debt at fair value). This included dividends totalling 3.84p per share (2023: 3.70p), an increase of 3.8% year on year. The total return of the Company's comparator index (MSCI ACWI (ex UK) High Dividend Yield Index (sterling adjusted)) was 6.6%. The Company's return on the ordinary share price was -1.0%.

Inflation remains the key influencer of interest rate policy in Western economies. It does, however, now appear that the top of the interest rate cycle has been reached and that the next moves will be downwards. The question is when these moves will begin? Most policy makers will look to the US to lead the way and will be cautious of taking a pre-emptive decision.

Over the past year the world has moved on considerably, with new worries replacing previous ones. It appears that the holiday from history which followed the fall of the Berlin Wall is over and we are back to the ideological struggle between capitalism and communism. The West will inevitably have to re-arm to combat Russia in Europe and China in the Pacific. If Mr Trump is elected as the US President, then rearmament in Europe may be quicker and greater than anticipated. Meanwhile, there seems to be a growing realisation that nuclear energy is not such a concern after all and with most of the uranium in the world lying outside of the major oil producing centres this becomes a strategically strong energy option. As long as we avoid a major war then our current state of high alert is not necessarily a bad thing.

Earnings and dividends

The revenue return per ordinary share during the six months to 29 February 2024 was 1.80p (2023: 1.96p). A fourth interim dividend of 1.92p per ordinary share, for the year ended 31 August 2023, was paid to shareholders on 30 November 2023, bringing the total dividend paid in respect of the year to 7.47p per ordinary share (year ended 31 August 2022: 7.25p per ordinary share).

The board declared a first interim dividend payment for the year ending 31 August 2024 of 1.92p per ordinary share and this was paid to shareholders on 29 February 2024. Subsequently, we have declared a second interim dividend of 1.92p per ordinary share that will be paid on 31 May 2024 to shareholders on the register on 10 May 2024.

The long-term objective of your Company since launch is to provide shareholders with a growing total annual dividend, as well as capital appreciation. To date, we have increased the dividend each year and we are very pleased this achievement has now been recognised by the Association of Investment Companies ("AIC"), naming us as a "next generation dividend hero".

Gearing

Well-judged gearing enhances returns to shareholders. The board's current policy is to permit the fund manager to gear up to 25% of net assets at the time of drawdown. Borrowing limits for this purpose include implied gearing through the use of derivatives. The gearing at the period end was 1.9% (31 August 2023: 3.9%).

Discount control

The Company's share price has traded at a discount of between 8% and 15% over the period. As at 24 April 2024, the discount was 11.3% (with debt at par) and 12.4% (with debt at fair value). The board monitors the premium/discount to NAV closely. The factors that usually influence the discount most are the performance of the Company and that of world stock markets. Both of these are covered fully, later on in the fund manager's review. Two other factors have also been at work, but these are more technical. Concerns over current legislation that show the costs of managing an investment trust to be much higher in theory than in reality have led the average discount of the UK investment trust sector to rise markedly over the past 12 months. Secondly, with higher interest rates than in the recent past, bonds have become a more attractive alternative to higher yielding investment trusts where prices have weakened in response. When interest rates, in due course, start to decline we would expect discounts to start to narrow too.

While we understand the importance of dividend income to our shareholders we equally appreciate that they also want to see their capital grow over time and for the current discount to reduce. To that end, the fund manager has made changes to the portfolio and is working with the board to consider ways of better achieving these objectives.

As has been stated before, there is a distinct limit to the board's ability to influence and maintain the premium or discount to NAV over the short term. Further, we continue to believe that it is not in shareholders' interests to have a specific share buy-back or issuance policy, but retain flexibility to consider share buy-backs and/or issuance where appropriate (and actively do so).

Outlook

One new set of worries soon replaces the previous set. It does seem however that the optimist is always the long-term winner. We keep a watching eye on world politics and economics but we can only respond to changing circumstances to a degree and we must guard against chopping and changing short-term strategy to fit each day's changing circumstances. In the meantime, the board remains hopeful that interest rates will decline later in the year leading to an improved investment environment.

Richard Hills
Chairman
25 April 2024

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties associated with the Company's business can be divided into the following main categories:

- Geopolitical risks;
- Political risks;
- Investment activity and performance risks;
- Portfolio and market price risks;
- Tax and regulatory risks;
- Operational and cyber risks; and
- Consolidation of the wealth management industry

Information on these risks and how they are managed are given in the annual report for the year ended 31 August 2023. In the view of the board, the principal risks and uncertainties at the year end remain and are as applicable to the remaining six months of the financial year as they were to the six months under review.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

- (a) the financial statements for the half-year ended 29 February 2024 have been prepared in accordance with 'FRS 104 Interim Financial Reporting';
- (b) the Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months 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).

On behalf of the board

Richard Hills
Chairman
25 April 2024

FUND MANAGER'S REPORT

Performance review

Over the last six months the portfolio produced a total return of 4.8% in NAV per ordinary share over the period (debt at fair value). This return includes dividends totalling 3.84p per share, a 3.8% increase year on year. The portfolio has slightly underperformed its performance comparator, the MSCI ACWI (ex UK) High Dividend Yield Index.

Market summary

Equity markets have rallied over the period. Economic data continues to be mixed; the US economy has been stronger than expected despite the significant increases in interest rates around the world over the last three years. Meanwhile the economies of Japan, Germany and the United Kingdom were weak enough to register some quarters of negative economic growth. The Chinese economy has continued to grow but ongoing concerns remain around the property market and weak consumer sentiment. Generally investors have become increasingly optimistic that inflation has peaked and that central banks will be able to reduce interest rates this year. The combination of stronger US growth and expectations of interest rate cuts have driven a recovery in the performance of cyclically exposed sectors, such as industrials and financials. Companies with less cyclically sensitive, defensive earnings have generally underperformed. Many companies' recent quarterly reports suggest that business activity is not deteriorating but still remains lacklustre and, in some cases (chemicals, staffing companies, consumer staples), marginally worse.

The area of Artificial Intelligence ("AI") remains a bright spot due to an increasing number of companies rolling out their AI focussed semiconductor offerings. It has been a period during which higher yielding stocks have lagged the wider market; the MSCI ACWI (ex UK) High Dividend Yield Index returned 6.6% compared to 13.2% for the MSCI World (ex UK) Index (both sterling adjusted). One of the primary drivers of this has been the fact that markets have been led by these low yielding technology stocks. The market rally in the US has been driven by a relatively small number of the largest technology companies, which are expected to benefit the most from new Generative Artificial Intelligence developments. These have become known as the 'Magnificent Seven' (Nvidia, Microsoft, Meta, Amazon, Alphabet, Apple and Tesla). The extent to which these companies are generating actual revenues from AI varies. Nvidia and Microsoft are already reporting revenues from AI, for the others the opportunities are more speculative.

Portfolio performance

Portfolio exposures and returns by region

	Average exposure %	Total return %
North America	37.3	8.1
Europe (ex UK)	36.8	4.6
Asia Pacific (ex Japan)	21.9	3.3
Japan	2.5	7.6

Returns from all regions over the period were positive, but strong performance in North America was offset by weak relative performance in the Asia Pacific region. There has been a significant dispersion between sectors and regions over the period. Many of the portfolio's holdings have performed well, and dividend growth and buybacks have exceeded expectations across the portfolio. With the benefit of hindsight though, the portfolio has had too much exposure to defensive sectors such as health care, telecommunications and consumer staples which have lagged the market rally. These sectors have generated good dividend yields and are growing earnings but their share prices have underperformed during the cyclical rotation in the equity market that has occurred since October.

Sector and stock performance review

Technology stocks now make up 15.2% of the portfolio and have provided the greatest absolute and relative performance over the period. The largest position is Microsoft which has emerged as one of the leaders in AI by virtue of its investment in OpenAI, the creator of ChatGPT, and its leading positions in cloud computing and business software. Microsoft was the biggest positive contributor to performance over the period. Semiconductor companies Qualcomm and Taiwan Semiconductor Manufacturing were also significant positive contributors to performance because of signs that the semiconductor cycle has bottomed. AI activity is starting to broaden out from semiconductor chip demand to wider computing infrastructure investments. US industrial company nVent, for example, saw its share price increase significantly over the period. It is a leader in electrification related products and is benefiting from the additional demand for data centre cooling systems.

Technology stocks have not been the only good performers. The portfolio's largest sector exposure is the financial sector (18.2% of the portfolio) and it was one of the best performers over the period. Many companies in the sector benefit from higher interest rates. Higher rates coupled with low credit losses are driving strong profit growth

across much of the sector. The portfolio's insurance companies are also benefiting from rising insurance premiums and improving profitability. US insurance company Travelers was one of the top performers and the positions in AXA, Zurich and Dai-ichi Life also performed well.

As discussed earlier, there has been a wide dispersion between sector performance. At a sector level the biggest detractors to performance have been the materials, energy and consumer staples sectors. Commodity prices have been falling as Covid supply chain issues got resolved and emergency inventory was run down and this short-term weakness has weighed on companies in the sector. Whilst investors in technology like the idea of investing for future growth, in other sectors they seem less enthusiastic. Two examples of this are oil and gas company Woodside and pharmaceutical company Sanofi. Both companies raised their investment budgets to invest in growth projects and both saw their share prices react negatively in response to the increased short-term costs of the investments. Air Products, an industrial gases company, was the biggest single stock detractor. The company is investing heavily in low carbon hydrogen projects (known as green and blue hydrogen technologies) but the projects will not be ready for a few years and the market would like to see evidence of demand before rewarding the company for investment.

At a country level the portfolio's exposure to consumer discretionary stocks in Hong Kong and China was a detractor. The country has not seen the recovery from the easing of Covid lockdown that the rest of the world experienced and positions such as internet retailer Alibaba, insurer AIA and sportswear retailer Li-Ning underperformed the market. The positioning in the Asia Pacific portfolio has been changed significantly and this exposure has been reduced (covered below).

The Company's long-term financing means that a fair value and par value return is quoted. The fair value of the debt reflects a theoretical market price and is impacted by changes in interest rate expectations in the financial markets. The fall in interest rate expectations during the period has increased the fair value of the debt, reducing the fair value net asset value return.

Portfolio positioning

The most significant change to the portfolio was the 6.8% increase in exposure to the technology sector. Many companies in the technology sector benefited during Covid from increased demand as companies and individuals updated their systems but suffered a hangover in 2023 as supply chains eased and sales normalised. Many of these companies' long-term growth is driven by the trend of increasing technology adoption across all industries. This trend should accelerate as AI moves from the testing phase into real world use. We have taken the opportunity of short-term weakness to add to some of these companies. The existing technology positions in semiconductor companies Taiwan Semiconductor Manufacturing and Qualcomm were added to. New positions were initiated in equipment manufacturers TE Connectivity (connectors and sensors), Lenovo (PCs and servers) and Hon Hai (smart phones, tablets and servers) and technology software and services companies Oracle and Infosys. This increased exposure was funded by closing a number of positions in consumer discretionary stocks in China and Hong Kong, and a reduction in exposures to telecommunications and consumer staples via sales of Brazilian brewer Ambev, telecommunication company HKT Trust and a reduction in telecoms equipment company Cisco.

Income trends

The underlying dividend growth from the portfolio's holdings has been good but the income return for the period is slightly lower than last year. One of the reasons for this is that there have been fewer special dividends from companies. In recent years the portfolio has benefited from approximately £1m of special dividends per year from companies that paused payments during the Covid period but paid catch up payments later, in particular financial sector companies. The other reason for the fall in income is that more opportunities have presented themselves in some lower yielding areas of the market (often at substantially lower yield levels) and the team are using the flexibility of the investment structure to hold some lower yielding stocks with more capital upside potential.

Outlook

The global economy has weathered increased interest rates better than expected and falling inflation might allow central banks to cut rates without a significant increase in unemployment. Falling interest rates with improving growth has historically been a relatively rare combination but one that can be positive for equity markets. Irrespective of interest rate trends we remain positive about the portfolio's potential for growth due to a number of ongoing trends that are driving activity. These trends include investments focused on reshoring manufacturing activity, especially in the technology space, modernisation of energy supply and increasing AI capabilities.

Ben Lofthouse
Fund Manager
25 April 2024

INVESTMENT PORTFOLIO
at 29 February 2024

Company	Country	Market value £'000	% of portfolio
Basic materials			
Air Products & Chemicals	US	7,424	2.1
UPM-Kymmene	Finland	4,034	1.1
Pilbara Minerals	Australia	2,605	0.7
		14,063	3.9
Consumer discretionary			
Compagnie Financière Richemont	Switzerland	6,351	1.8
Sony	Japan	5,468	1.5
Samsonite	Hong Kong	4,482	1.2
Midea	China	4,465	1.2
Aptiv	US	3,969	1.1
Mercedes-Benz	Germany	3,540	1.0
Hyundai	Korea	3,282	0.9
Anta Sports	China	2,689	0.7
Astra International	Indonesia	1,318	0.4
		35,564	9.8
Consumer staples			
Coca-Cola	US	8,772	2.4
Nestlé	Switzerland	7,387	2.1
Mondelez	US	6,924	1.9
Pepsico	US	5,186	1.4
Pernod-Ricard	France	4,175	1.2
		32,444	9.0
Energy			
TotalEnergies	France	5,398	1.5
Woodside Petroleum	Australia	3,769	1.1
Aker BP	Norway	3,726	1.0
		12,893	3.6
Financials			
Zurich Insurance	Switzerland	10,139	2.8
Amundi	France	8,156	2.3
Travelers Companies	US	8,065	2.2
CME	US	7,035	1.9
AXA	France	4,932	1.4
Bank Mandiri	Indonesia	4,907	1.4
Macquarie	Australia	4,468	1.2
OCBC Bank	Singapore	4,004	1.1
BFF Bank	Italy	3,887	1.1
HDFC Bank	India	3,788	1.1
Samsung Fire & Marine Insurance	Korea	3,332	0.9
Dai-ichi Life	Japan	2,991	0.8
		65,704	18.2

Health care

Merck & Co	US	12,670	3.5
Sanofi	France	12,161	3.4
Novartis	Switzerland	9,287	2.6
Roche	Switzerland	9,284	2.6
Medtronic	US	6,017	1.6
Novo Nordisk	Denmark	5,065	1.4
Bristol-Myers Squibb	US	4,692	1.3
Johnson & Johnson	US	3,967	1.1
		63,143	17.5

Industrials

nVent Electric	US	8,043	2.2
Honeywell International	US	7,118	2.0
Daimler Truck	Germany	6,700	1.9
Sandvik	Sweden	6,513	1.8
Volvo	Sweden	5,086	1.4
Nari Technology Co	China	2,986	0.8
		36,446	10.1

Real estate

CapitaLand Integrated Commercial Trust	Singapore	3,795	1.1
Goodman	Australia	3,170	0.9
Swire Properties	Hong Kong	3,055	0.8
		10,020	2.8

Technology

Microsoft	US	17,227	4.8
Qualcomm	US	7,446	2.1
Taiwan Semiconductor Manufacturing	Taiwan	6,638	1.8
Samsung	Korea	5,593	1.5
Oracle	US	4,381	1.2
TE Connectivity	US	4,172	1.2
Infosys Technologies	India	3,780	1.0
Lenovo	China	2,961	0.8
Hon Hai Precision	Taiwan	2,932	0.8
		55,130	15.2

Telecommunications

Deutsche Telekom	Germany	5,698	1.6
Telus	Canada	4,995	1.4
Tele2	Sweden	4,750	1.3
Cisco Systems	US	4,501	1.2
Verizon Communications	US	4,299	1.2
Telekomunikasi	Indonesia	1,290	0.4
		25,533	7.1

Utilities

Iberdrola	Spain	6,099	1.7
Enel	Italy	4,025	1.1
		10,124	2.8

Total investments

		361,064	100.0
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TEN LARGEST INVESTMENTS
at 29 February 2024

Company	Sector	Country	Market value £'000	% of portfolio
Microsoft	Technology	US	17,227	4.8
Merck & Co	Health care	US	12,670	3.5
Sanofi	Health care	France	12,161	3.4
Zurich Insurance	Financials	Switzerland	10,139	2.8
Novartis	Health care	Switzerland	9,287	2.6
Roche	Health care	Switzerland	9,284	2.6
Coca-Cola	Consumer staples	US	8,772	2.4
Amundi	Financials	France	8,156	2.3
Travelers Companies	Financials	US	8,065	2.2
nVent Electric	Industrials	US	8,043	2.2

These investments total £103,804,000 which represents 28.8% of the portfolio.

SECTOR EXPOSURE as a percentage of the investment portfolio excluding cash

	29 February 2024	31 August 2023
	%	%
Financials	18.2	18.7
Health care	17.5	17.9
Technology	15.2	8.4
Industrials	10.1	10.0
Consumer discretionary	9.8	9.2
Consumer staples	9.0	11.8
Telecommunications	7.1	9.7
Basic materials	3.9	4.3
Energy	3.6	3.9
Utilities	2.8	3.0
Real estate	2.8	3.1
	100.0	100.0

GEOGRAPHIC EXPOSURE as a percentage of the investment portfolio excluding cash

	29 February 2024	31 August 2023
	%	%
US	36.4	34.8
Switzerland	11.9	11.3
France	9.8	9.4
Sweden	4.5	2.6
Germany	4.5	4.9
Australia	3.9	3.2
China	3.5	5.4
Korea	3.3	3.3
Taiwan	2.6	1.0
Japan	2.3	1.4
Italy	2.2	2.2
Singapore	2.2	1.9
Indonesia	2.2	1.9
India	2.1	0.9
Hong Kong	2.0	4.9
Spain	1.7	1.8
Canada	1.4	1.5
Denmark	1.4	1.1
Finland	1.1	0.9
Norway	1.0	1.1
Netherlands	-	2.7
Brazil	-	1.8
	100.0	100.0

Source: Janus Henderson

CONDENSED INCOME STATEMENT

	(Unaudited) Half-year ended 29 February 2024			(Unaudited) Half-year ended 28 February 2023			(Audited) Year ended 31 August 2023		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Gains/(losses) on investments held at fair value through profit or loss	-	14,652	14,652	-	5,496	5,496	-	(8,984)	(8,984)
Income from investments held at fair value through profit or loss	4,308	-	4,308	4,884	-	4,884	16,641	-	16,641
Gains/(losses) on foreign exchange	-	130	130	-	(621)	(621)	-	(84)	(84)
Other income	509	-	509	172	-	172	894	-	894
Gross revenue and capital gains/ (losses)	4,817	14,782	19,599	5,056	4,875	9,931	17,535	(9,068)	8,467
Management fee (note 3)	(251)	(755)	(1,006)	(245)	(736)	(981)	(500)	(1,502)	(2,002)
Other administrative expenses	(364)	-	(364)	(334)	-	(334)	(609)	-	(609)
Net return before finance costs and taxation	4,202	14,027	18,229	4,477	4,139	8,616	16,426	(10,570)	5,856
Finance costs	(79)	(235)	(314)	(81)	(243)	(324)	(162)	(488)	(650)
Net return before taxation	4,123	13,792	17,915	4,396	3,896	8,292	16,264	(11,058)	5,206
Taxation on net return	(599)	-	(599)	(553)	-	(553)	(2,020)	-	(2,020)
Net return after taxation (note 5)	3,524	13,792	17,316	3,843	3,896	7,739	14,244	(11,058)	3,186
Return per ordinary share	1.80p	7.04p	8.84p	1.96p	1.99p	3.95p	7.27p	(5.64p)	1.63p

The total columns of this statement represent the Income Statement of the Company, prepared in accordance with FRS 104. The revenue and capital columns are supplementary to this and are published under guidance from the Association of Investment Companies.

The Company has no recognised gains or losses other than those disclosed in the Income Statement and Statement of Changes in Equity.

All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period.

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

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Called up share capital £'000	Share premium account £'000	Special reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Half-year ended 29 February 2024 (unaudited)						
At 31 August 2023	1,960	194,550	45,732	94,919	7,209	344,370
Net return after taxation	-	-	-	13,792	3,524	17,316
Dividends paid (note 6)	-	-	-	-	(7,526)	(7,526)
At 29 February 2024	1,960	194,550	45,732	108,711	3,207	354,160
	Called up share capital £'000	Share premium account £'000	Special reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Half-year ended 28 February 2023 (unaudited)						
At 31 August 2022	1,960	194,550	45,732	105,977	7,468	355,687
Net return after taxation	-	-	-	3,896	3,843	7,739
Dividends paid	-	-	-	-	(7,251)	(7,251)
At 28 February 2023	1,960	194,550	45,732	109,873	4,060	356,175
	Called up share capital £'000	Share premium account £'000	Special reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Year ended 31 August 2023 (audited)						
At 31 August 2022	1,960	194,550	45,732	105,977	7,468	355,687
Net return after taxation	-	-	-	(11,058)	14,244	3,186
Dividends paid	-	-	-	-	(14,503)	(14,503)
At 31 August 2023	1,960	194,550	45,732	94,919	7,209	344,370

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

CONDENSED STATEMENT OF FINANCIAL POSITION

	(Unaudited) At 29 February 2024 £'000	(Unaudited) At 28 February 2023 £'000	(Audited) At 31 August 2023 £'000
Investments held at fair value through profit or loss (note 4)			
Fixed asset investments held at fair value through profit or loss	361,064	362,248	357,671
Current assets			
Debtors	4,996	3,258	3,588
Cash at bank	16,206	18,886	18,028
	<u>21,202</u>	<u>22,144</u>	<u>21,616</u>
Creditors: amounts falling due within one year	<u>(2,592)</u>	<u>(2,094)</u>	<u>(9,375)</u>
Net current assets	<u>18,610</u>	<u>20,050</u>	<u>12,241</u>
Total assets less current liabilities	<u>379,674</u>	<u>382,298</u>	<u>369,912</u>
Creditors: amounts falling due after more than one year	<u>(25,514)</u>	<u>(26,123)</u>	<u>(25,542)</u>
Total net assets	<u>354,160</u>	<u>356,175</u>	<u>344,370</u>
Capital and reserves			
Called up share capital (note 8)	1,960	1,960	1,960
Share premium account	194,550	194,550	194,550
Special reserve	45,732	45,732	45,732
Other capital reserves	108,711	109,873	94,919
Revenue reserve	3,207	4,060	7,209
Total shareholders' funds	<u>354,160</u>	<u>356,175</u>	<u>344,370</u>
Net asset value per ordinary share (note 7)	<u>180.7p</u>	<u>181.7p</u>	<u>175.7p</u>

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

CONDENSED STATEMENT OF CASH FLOWS

	(Unaudited) Half-year ended 29 February 2024 £'000	(Unaudited) Half-year ended 28 February 2023 £'000	(Audited) Year ended 31 August 2023 £'000
Cash flows from operating activities			
Net return before taxation	17,915	8,292	5,206
Add back: finance costs	314	324	650
(Less)/add: (gains)/losses on investments held at fair value through profit or loss	(14,652)	(5,496)	8,984
Less: (gains)/losses on foreign exchange	(130)	621	84
Withholding tax on dividends deducted at source	(500)	(553)	(2,432)
Taxation recovered	53	-	56
Increase in debtors	(274)	(167)	(189)
(Decrease)/increase in creditors	(303)	380	(104)
Net cash inflow from operating activities	2,423	3,401	12,255
Cash flows from investing activities			
Purchase of investments	(74,724)	(43,497)	(105,273)
Sale of investments	78,216	60,235	119,914
Proceeds from capital dividends	8	-	2
Net cash inflow from investing activities	3,500	16,738	14,643
Cash flows from financing activities			
Equity dividends paid (net of refund of unclaimed distributions and reclaimed distributions)	(7,526)	(7,251)	(14,503)
Interest paid	(318)	(322)	(644)
Net cash outflow from financing activities	(7,844)	(7,573)	(15,147)
Net cash (decrease)/increase in cash and cash equivalents	(1,921)	12,566	11,751
Cash and cash equivalents at start of year	18,028	6,590	6,590
Effect of foreign exchange rates	99	(270)	(313)
Cash and cash equivalents at end of year	16,206	18,886	18,028
Comprising:			
Cash at bank	16,206	18,886	18,028
	16,206	18,886	18,028

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

NOTES TO THE FINANCIAL STATEMENTS

The half-year financial statements cover the period from 1 September 2023 to 29 February 2024.

1. Principal activity

The Company is an investment company as defined in section 833 of the Companies Act 2006 and operates as an investment trust in accordance with section 1158 of the Corporation Tax Act 2010.

2. Accounting policies – basis of preparation

The condensed set of financial statements has been prepared in accordance with FRS 104, Interim Financial Reporting and FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements have also been prepared in accordance with the Statement of Recommended Practice (“SORP”), ‘Financial Statements of Investment Trust Companies and Venture Capital Trusts’ issued in July 2022 by the Association of Investment Companies.

The accounting policies applied are consistent with those of the most recent annual financial statements for the period ended 31 August 2023.

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

3. Management fee

The management fee is payable quarterly in arrears at a rate of 0.575% per annum of the Company’s net assets. In accordance with the directors’ policy on the allocation of expenses between income and capital, in each financial year 75% of the management fee payable is charged to capital and the remaining 25% to income.

4. Financial instruments

The financial assets and financial liabilities are either carried in the Statement of Financial Position at their fair value or the Statement of Financial Position amount is a reasonable approximation of fair value (debtors and creditors falling due within one year).

The table below analyses fair value measurements for investments held at fair value through profit or loss.

Financial assets and financial liabilities at fair value through profit or loss at 29 February 2024

	Level 1 £’000	Level 2 £’000	Level 3 £’000	Total £’000
Equity investments	361,064	-	-	361,064
Derivatives (options)	-	(540)	-	(540)
Total financial assets carried at fair value	361,064	(540)	-	360,524

Financial assets at fair value through profit or loss at 28 February 2023

	Level 1 £’000	Level 2 £’000	Level 3 £’000	Total £’000
Equity investments	362,248	-	-	362,248
Total financial assets carried at fair value	362,248	-	-	362,248

Financial assets at fair value through profit or loss at 31 August 2023

	Level 1 £’000	Level 2 £’000	Level 3 £’000	Total £’000
Equity investments	357,671	-	-	357,671
Total financial assets carried at fair value	357,671	-	-	357,671

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

The Company’s holdings in options are included within Level 2.

Premiums from written options during the half-year ended 29 February 2024 were £198,000 (half-year ended 28 February 2023: £81,000, year ended 31 August 2023: £576,000).

Financial liabilities

The senior unsecured notes are carried in the Statement of Financial Position at par.

As at 29 February 2024, the fair value of the senior unsecured notes was estimated to be £20,723,000 (28 February 2023: £20,075,000; 31 August 2023: £19,808,000).

The fair value of the senior unsecured notes is calculated using a discount rate which reflects the yield of a euro swap of similar maturity plus a suitable credit spread. Within the terms of the senior unsecured notes are clauses that would be enacted in certain scenarios should the notes be prepaid by the Company before maturity. These clauses could impact the total amount repayable.

The directors have assessed these and have concluded that these clauses are highly unlikely to occur. The value of such additional payments has therefore been deemed to be immaterial and has not been recognised in the financial statements.

The senior unsecured notes are categorised as level 3 in the fair value hierarchy.

Fair value hierarchy categories

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:

Level 1: Valued using quoted prices in active markets for identical assets.

Level 2: Valued by reference to valuation techniques using observable inputs other than quoted prices included in level 1.

Level 3: Valued by reference to valuation techniques using inputs that are not based on observable market data.

5. Return per ordinary share

	(Unaudited) Half-year ended 29 February 2024 £'000	(Unaudited) Half-year ended 28 February 2023 £'000	(Audited) Year ended 31 August 2023 £'000
The return per ordinary share is based on the following figures:			
Revenue return	3,524	3,843	14,244
Capital return	13,792	3,896	(11,058)
Total	17,316	7,739	3,186
Weighted average number of ordinary shares in issue for each period			
	195,978,716	195,978,716	195,978,716
Revenue return per ordinary share	1.80p	1.96p	7.27p
Capital return per ordinary share	7.04p	1.99p	(5.64)p
Total return per ordinary share	8.84p	3.95p	1.63p

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

6. Dividends

	£'000
Fourth interim dividend of 1.92p for the year ended 31 August 2023 (paid 30 November 2023)	3,763
First interim dividend of 1.92p for the year ending 31 August 2024 (paid 29 February 2024)	3,763
Total	7,526

The board has declared a second interim dividend of 1.92p per ordinary share to be paid on 31 May 2024 to shareholders registered at the close of business on 10 May 2024. The shares will be quoted ex-dividend on 9 May 2024.

7. Net asset value per ordinary share

The net asset value ("NAV") per ordinary share is calculated on the net assets attributable to shareholders' funds and the number of ordinary shares in issue. The NAV per ordinary share with debt at par and the NAV per ordinary share with debt at fair value is calculated as follows:

	(Unaudited) 29 February 2024	(Unaudited) 29 February 2023	(Audited) 31 August 2023
NAV per ordinary share with debt at par			
Net assets (£'000)	354,160	356,175	344,370
Number of ordinary shares	195,978,716	195,978,716	195,978,716
NAV per ordinary share with debt at par (p)	180.7	181.7	175.7
NAV per ordinary share with debt at fair value			
Net assets (£'000)	354,160	356,175	344,370
Add back debt at par (£'000)	25,514	26,123	25,542
Less debt at fair value (£'000)	(20,723)	(20,075)	(19,808)
Net assets with debt at fair value (£'000)	358,951	362,223	350,104
Number of ordinary shares	195,978,716	195,978,716	195,978,716
NAV per ordinary share with debt at fair value (p)	183.2	184.8	178.6

8. Called up share capital

	Number of shares in issue	Nominal value £'000
Ordinary shares of 1p each		
In issue at start of year	195,978,716	1,960
At 29 February 2024	195,978,716	1,960

No ordinary shares were issued during the half-year to 29 February 2024 (half-year to 28 February 2023 and year to 31 August 2023: none).

9. Related party transactions

The Company's current related parties are its directors and Janus Henderson Fund Management UK Limited ("Janus Henderson"). There have been no material transactions between the Company and its directors during the period. The only amounts paid to them were in respect of expenses and remuneration for which there were no outstanding amounts payable at the period end.

In relation to the provision of services by Janus Henderson (other than fees payable by the Company in the ordinary course of business and the provision of marketing services) there have been no material transactions with Janus Henderson affecting the financial position of the Company during the period under review.

10. 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 twelve months from the date of approval of the financial statements. Having assessed these factors and the principal risks, as well as considering the heightened macroeconomic uncertainties, the board has determined that it is appropriate for the financial statements to be prepared on a going concern basis.

11. Comparative information

The financial information contained in this half-year report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The figures and financial information for the year ended 31 August 2023 are extracted from the latest published accounts and do not constitute the statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the report of the independent auditor, which was unqualified and did not include a statement under either section 498(2) or 498(3) of the Companies Act 2006.

A glossary of terms and details of alternative performance measures can be found in the annual report for the year ended 31 August 2023.

12. Half-year report

The half-year report will shortly be available on the Company's website (www.hendersoninternationalincometrust.com) or in hard copy from the Company's registered office. An abbreviated version of this half-year report, the 'update', will be circulated to shareholders in mid-May 2024.

13. General information

Company status

Registered as an investment company in England and Wales.
London Stock Exchange (TIDM) Code: HINT
SEDOL/ISIN number: Ordinary shares B3PHCS8/GB00B3PHCS86
Global Intermediary Identification Number (GIIN): WRGF5X.99999.SL.826
Legal Entity Identifier (LEI): 2138006N35XWGK2YUK38

Registered office

201 Bishopsgate, London EC2M 3AE

Company registration number

7549407

Directors

The directors of the Company are Richard Hills (chairman), Jo Parfrey (chair of the audit committee), Lucy Walker (senior independent director), Mai Fenton and Aidan Lisser.

Corporate Secretary

Janus Henderson Secretarial Services UK Limited, represented by Sally Porter, ACG.

Website

Details of the Company's share price and net asset value, together with general information about the Company, monthly factsheets and data, copies of announcements, reports and details of general meetings can be found at www.hendersoninternationalincometrust.com.