Henderson International Income Trust plc – Annual Report 2023

Annual Report 2023

Henderson International Income Trust plc

MANAGED BY
Janus Henderson
INVESTORS

JHI9214/2023

Image of Milliken State Park, Detroit, USA

Strategic Report

Governance

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Strategic Report

Objective

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

Introduction to Henderson International Income Trust plc

Investment philosophy and team

The investment team, led by Ben Lofthouse, invests in industry leading businesses around the world which they believe to be undervalued. They focus on companies that have established competitive positions and generate consistent profitability and cash flow through the cycle. These attributes allow these companies to invest in their businesses whilst at the same time being able to make distributions to investors in the form of dividends, and in some cases share buybacks. The team invests in a wide range of industries but has a bias towards situations where they feel the market has misunderstood the long-term opportunities for a business due to short-term concerns, sometimes also called 'value' opportunities.

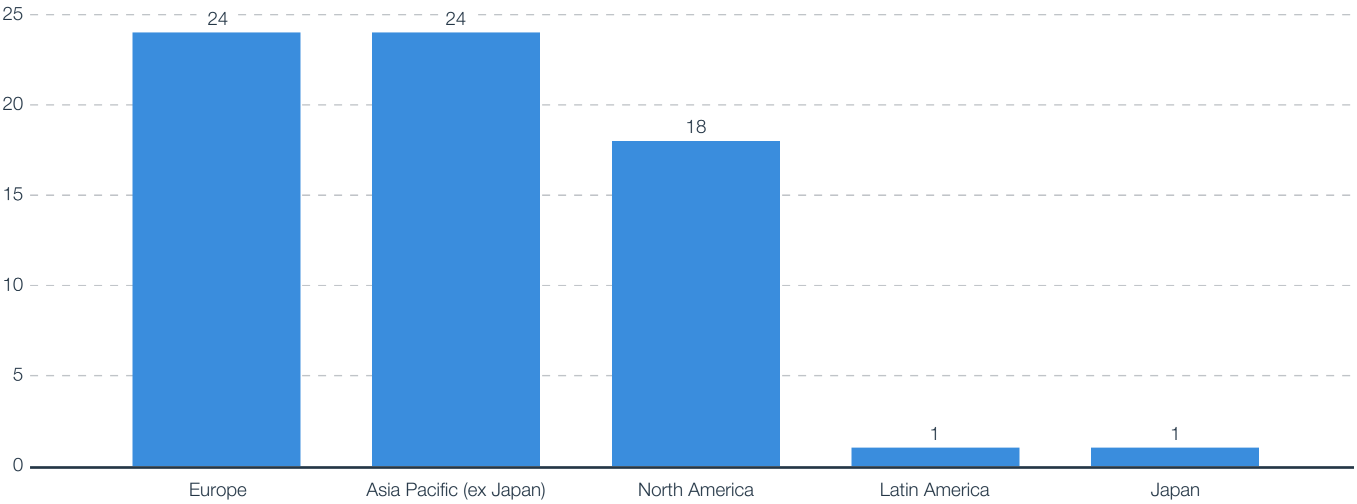
The Global Equity Income team at Janus Henderson consists of 11 highly experienced portfolio managers and analysts with average industry experience of more than 20 years and a strong heritage of equity income investing. The team benefits from access to Janus Henderson's 340 investment professionals located around the world, including research teams dedicated to specific regions, asset classes and industries.

Janus Henderson is a well-resourced asset management company, managing approximately £246bn of assets for clients and currently manages 12 UK listed investment companies. The firm has a long heritage of managing investment trusts and is committed to the investment company industry.

Portfolio characteristics & dividend sustainability

The Company invests in the best global income ideas generated by the Janus Henderson Global Equity Income team. It generally invests in 50-80 investments, which are well diversified by sector and region.

Number of holdings by region



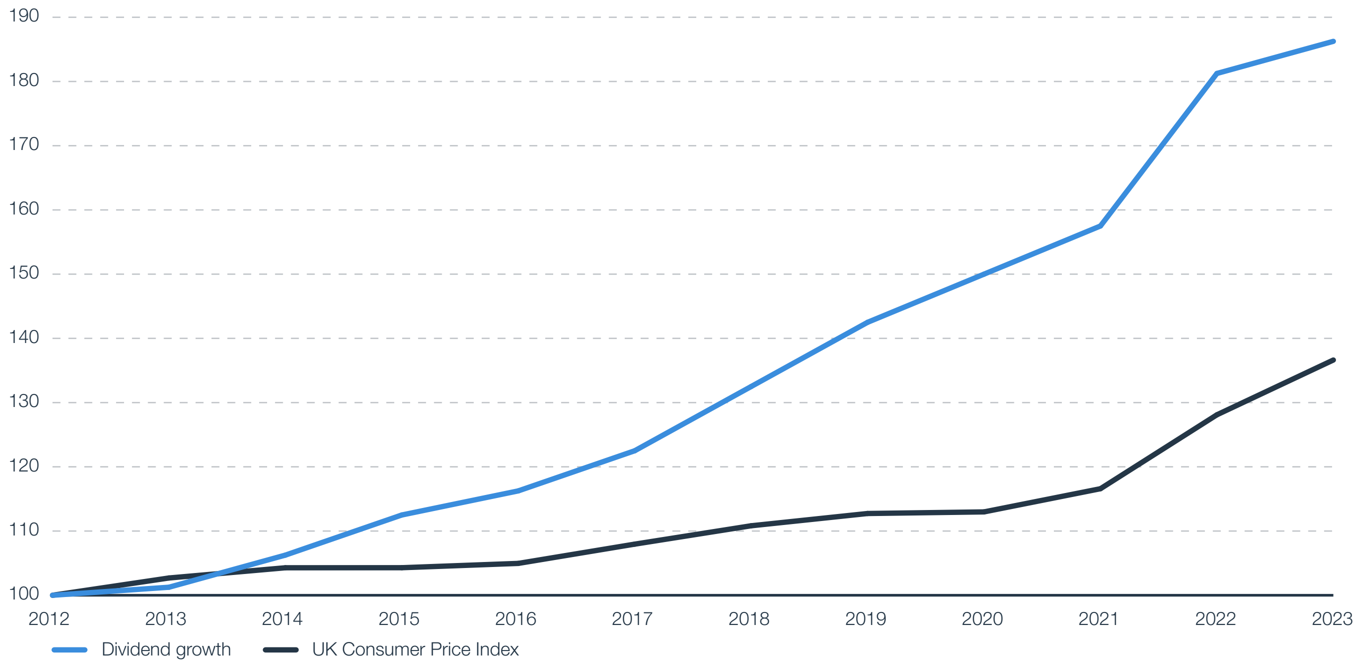
Source: Janus Henderson, as at 31 August 2023

As the world changes over time, it is important to be able to adapt. HINT has a very flexible mandate that is designed to allow it to adjust to the changing investment environment. Investors in HINT benefit from:

- **A global universe of investment opportunities:** different regions can offer different investment opportunities, and global diversification helps mitigate political and economic risks. This is hard in single region portfolios, particularly for regulated sectors such as utilities and financial services. The portfolio is split into three regions, North America, Europe and Asia Pacific, with none representing more than 50% by value of assets. No stock is over 5% of the portfolio at the time of investment.
- **Access to capital and revenue reserves:** investment companies like HINT can use reserves built up in good times to support divided distributions if needed, which can also give the investment team more flexibility to invest on a long term, total return basis.
- **The ability to borrow to enhance returns:** the Company can utilise borrowings of up to 25% of net assets to enhance returns over time.
- **Asset allocation:** in addition to borrowing, the mandate includes the ability to own up to 25% in fixed interest assets to enhance income generation and diversification.

The ex-UK aspect of the portfolio is designed to allow investors to be confident of true stock specific diversification as many UK investors' income portfolios are often overweight the UK FTSE dividend payers. The dividends paid by UK companies are highly reliant on a small number of companies. For example, in 2022 over 60% of the dividends paid by the FTSE 100 Index companies came from just 15 stocks (source: Computershare Dividend Monitor).

HINT dividend growth compared to the Consumer Price Index for the 10 years to 31 August 2023



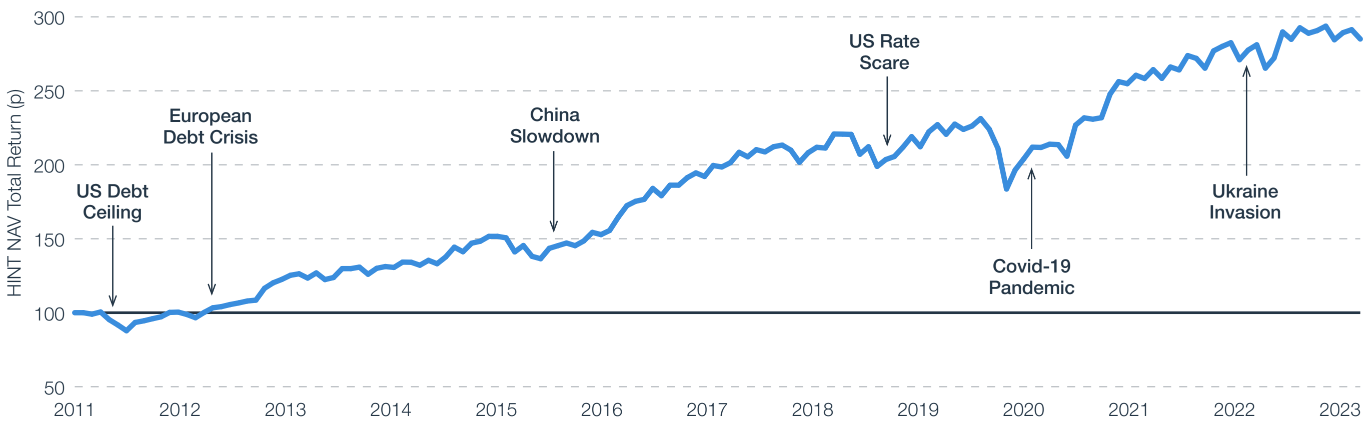
Source: Refinitiv Datastream, Morningstar Direct. Figures rebased to 100 as at 31 August 2012

Outcomes

HINT has established a track record since inception of a growing total annual dividend as well as capital appreciation regardless of economic and political turbulence:

1. The dividend has grown from 1p per quarter to 1.92p per quarter since launch.
2. The capital value of the Company has increased from 100p at launch to 175.7p as at 31 August 2023[1].
3. Income sustainability – dividends have grown every year since launch at a greater rate than inflation (Consumer Price Index), at an average of 5.8% per annum, compared to an average rate of inflation of 2.9% per annum. The long-term sustainability of dividends is enhanced by the Company's ability to smooth distributions through the cycle using its reserves.

The Company's net asset value return from 100p invested at launch with dividends reinvested as compared to key events over the same period



Source: Janus Henderson Investors, AIC, FactSet, as at 31 August 2023

Notes: NAV (debt at fair value) total return since inception, assuming the reinvestment of all dividends and excluding dealing expenses. Excludes 8,300,000 subscription shares in issue until 30 September 2014. Inception date 28 April 2011

1 NAV (debt at par) per share

Performance to/at 31 August

Dividend in respect of the year

2023[1]	2022
7.47p	7.25p

Dividend yield at the year end[2]

2023	2022
4.6%	4.2%

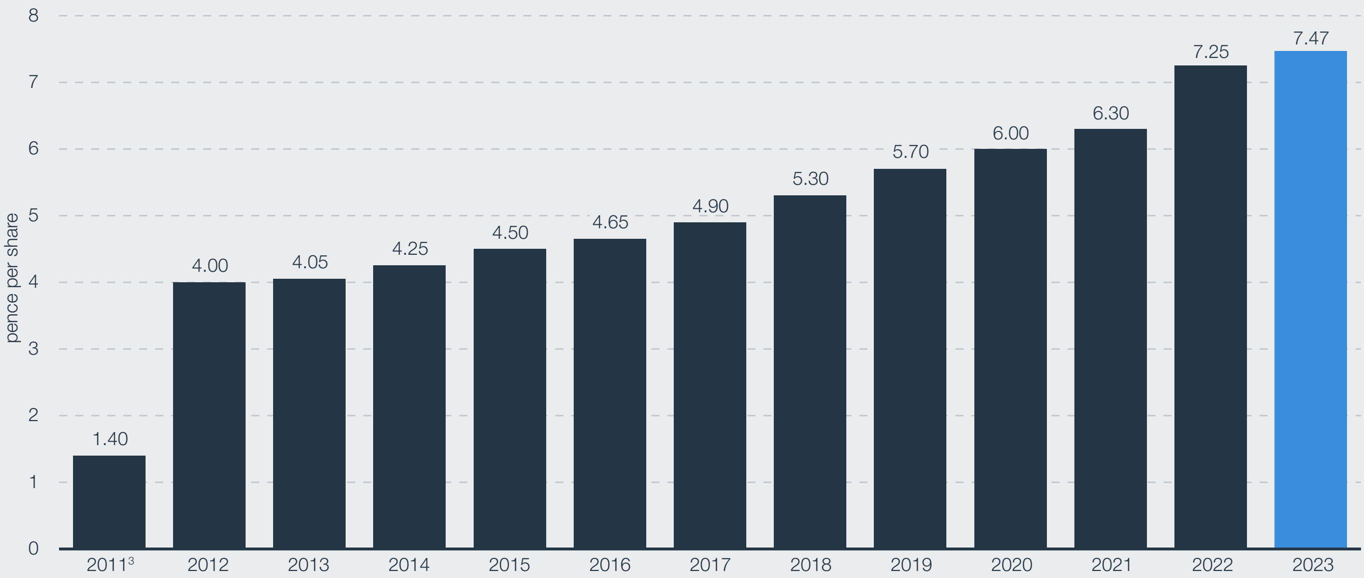
Dividend growth year-on-year

2023	2022
3.0%	15.1%

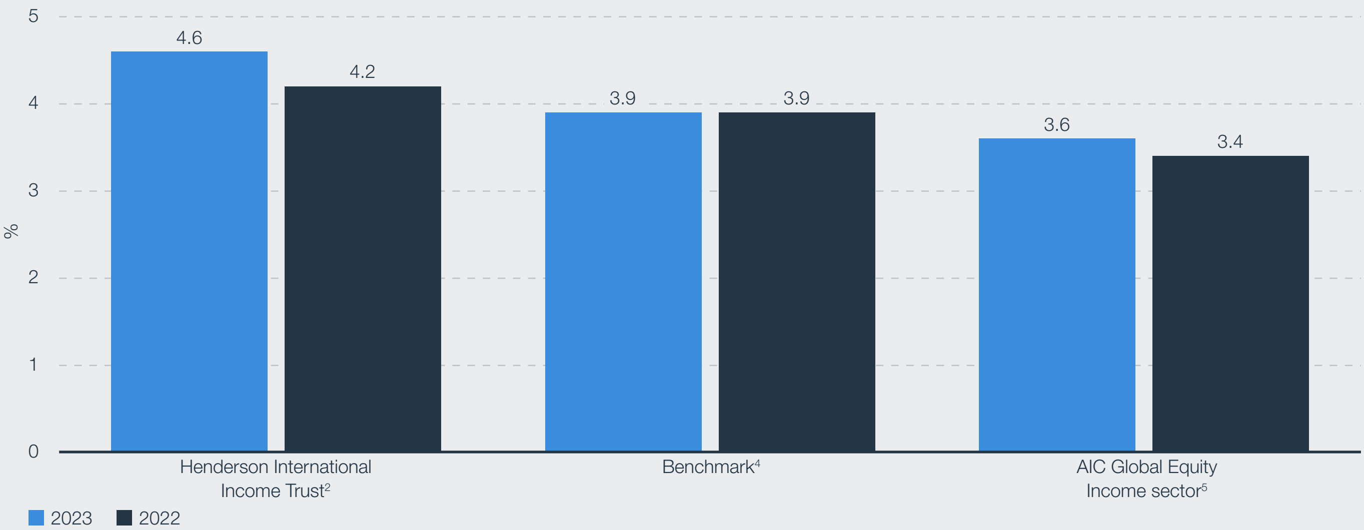
10-year compound dividend growth

2023	2022
5.8%	6.0%

Dividend growth since launch to 31 August 2023



Dividend yields at 31 August



1 Includes the fourth interim dividend in respect of the year ended 31 August 2023 to be paid to shareholders on 30 November 2023
2 Calculated based on the closing share price at 31 August
3 Four-month period from launch on 28 April 2011 to 31 August 2011
4 MSCI ACWI (ex UK) High Dividend Yield Index (sterling adjusted)
5 Excludes British & American Investment Trust plc

A glossary of terms can be found on pages 87 and 88

Performance to/at 31 August

Total return performance for year to 31 August

	2023 %	2022 %
NAV[1] (debt at par)	0.8	3.8
NAV[1] (debt at fair value)	1.4	6.3
Share price[2]	(1.9)	7.8
Benchmark[3]	2.3	6.6
AIC Global Equity Income sector (NAV)[4]	5.7	3.6

NAV per share at year end (debt at par)
2023	2022
175.7p	181.5p

Discount (debt at par)[5]
2023	2022
(8.1)%	(5.3)%

NAV per share at year end (debt at fair value)[5, 6]
2023	2022
178.6p	183.4p

Discount (debt at fair value)[5]
2023	2022
(9.6)%	(6.3)%

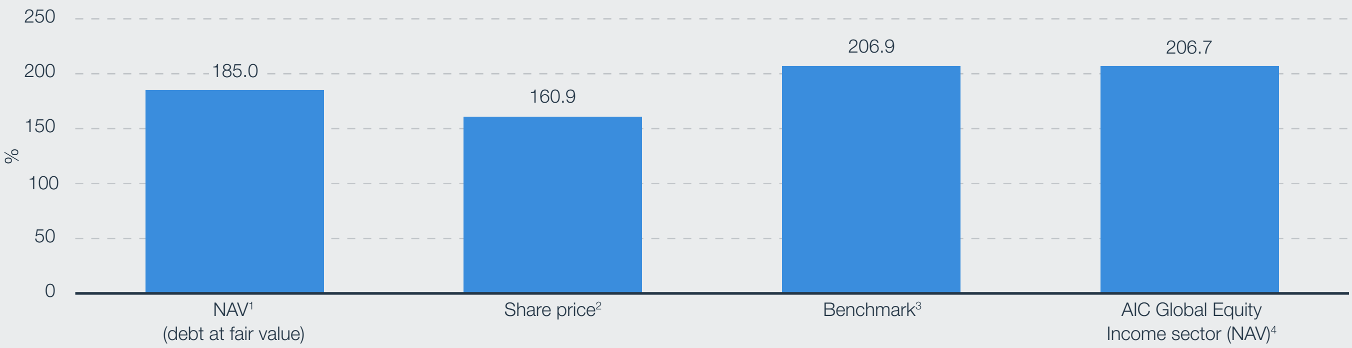
Share price at year end
2023	2022
161.5p	171.8p

NAV total return (debt at fair value)[5]
2023	2022
1.4%	6.3%

Ongoing charge for year[5, 7]
2023	2022
0.72%	0.83%

Gearing at year end[5]
2023	2022
3.9%	6.5%

Total return performance since launch



1 Net asset value ("NAV") total return (including dividends reinvested, net of fees). See note 16.4 for details of the fair value calculation
2 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)
3 MSCI ACWI (ex UK) High Dividend Yield Index (sterling adjusted)
4 Excludes British & American Investment Trust plc
5 Alternative performance measure
6 See note 16.4 on page 81 for details of the fair value calculation
7 Calculated using the methodology prescribed by the Association of Investment Companies ("AIC")

A glossary of terms can be found on pages 87 and 88. Alternative performance measures can be found on pages 85 and 86

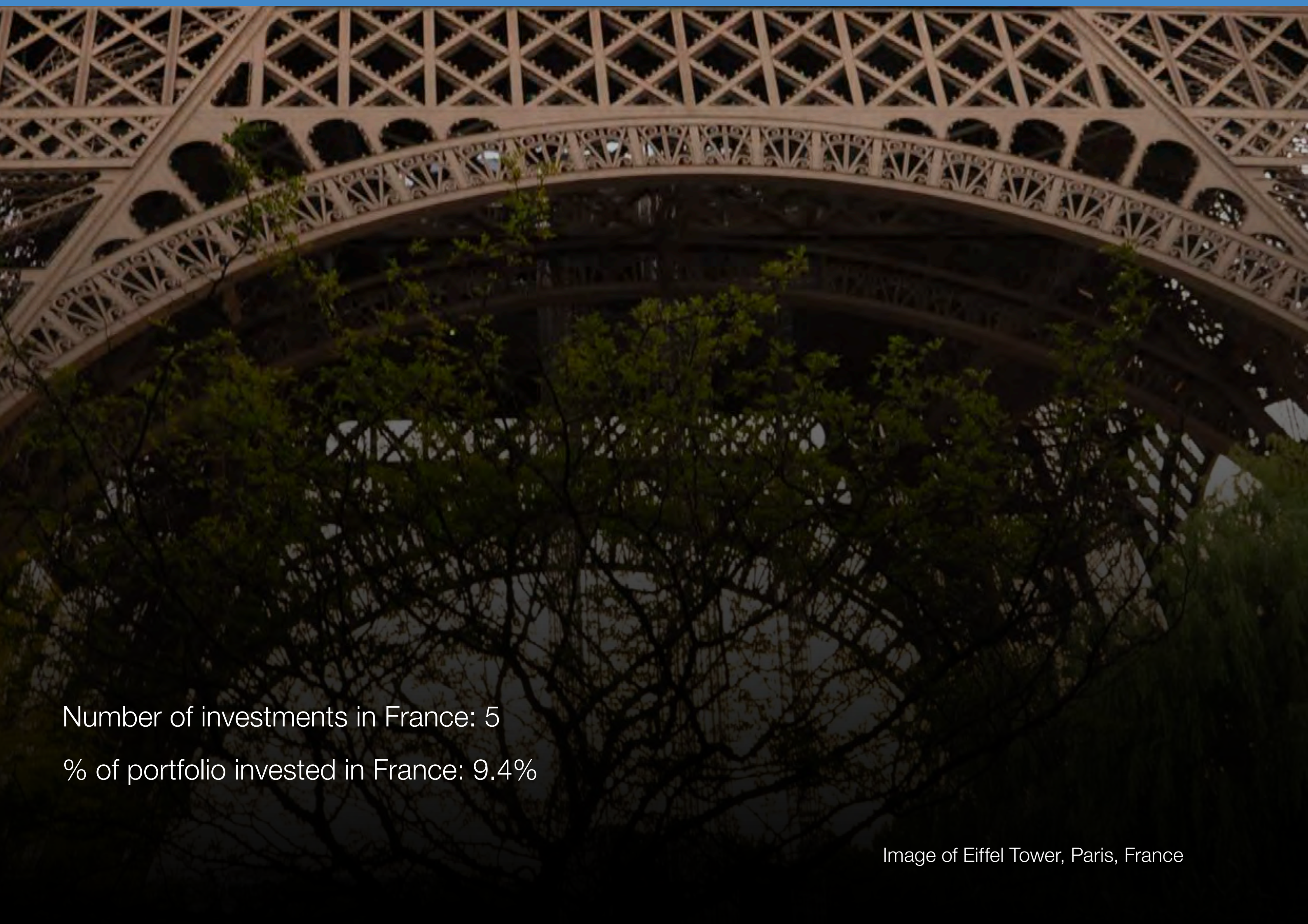
Source: Morningstar Direct, Janus Henderson

Chairman's Statement

Richard Hills
Chairman

Summary:

- **Dividends increased by 3.0% to 7.47p per share for the year, continuing the track record of having increased the dividend for each of the eleven years since launch. The dividend has grown at an average annualised rate of 5.8% compared to CPI growth of 2.9% during this time.**
- **Most companies in the portfolio increased their dividends, supporting the robustness of the income stream.**
- **NAV total return rose by 0.8% (debt at par) and 1.4% (debt at fair value) over the year.**
- **We continue to maintain and follow the Company's existing strategy of identifying companies that have the capacity to grow their earnings and dividends over the medium to long term while being attractively valued.**



Number of investments in France: 5

% of portfolio invested in France: 9.4%

Image of Eiffel Tower, Paris, France

Chairman's Statement

This is my first annual statement since taking over as chairman from Simon Jeffreys. I would like to thank Simon for his hard work as chairman during the past five years and especially during the testing period of the Covid pandemic. His attention to detail is remarkable and he did much to improve the quality of the Company's annual report and accounts.

We are building on this legacy and aim to further simplify the narrative where possible and to highlight the primary objective of the Company, which is to provide a rising annual income to shareholders. To this end I am beginning my statement by talking about earnings and the dividend.

Earnings and dividends

We are pleased to announce a total dividend increase from 7.25p to 7.47p per ordinary share for the year to 31 August 2023, a rise of 3.0%. The total dividend for the year consists of a first, second and third interim dividend of 1.85p per ordinary share, and a fourth interim dividend of 1.92p which will be paid on 30 November 2023 to shareholders on the register at 10 November 2023.

After a significant increase of 23% in 2022, the revenue return of the Company this year is 1% lower than last. This slight decline is primarily the result of sterling's appreciation against several currencies, particularly the US, Hong Kong and Australian dollars against which it has rallied 10%. Most companies held in the portfolio increased their dividends, supporting the robustness of the income stream during this period. A small portion of the dividend was not covered by earnings and so it was necessary to draw on our reserves to meet the shortfall.

We continue to recognise the importance of progressive dividend income to our shareholders. We will employ the flexibility of the investment trust structure to utilise both our strong revenue and capital reserves to support dividend growth when necessary. The distributable reserves of the Company increased by £15m to £107m at the year-end. If required, this provides a significant cushion to support the continued growth of the dividend.

We have increased the dividend for each of the eleven years since launch and this positive growth trend is demonstrated in the graphs on pages 3 and 4.

Capital performance and markets

Our secondary objective is to provide long-term capital appreciation. Over the year, the net asset value ("NAV") total return per ordinary share rose by 0.8% (debt at par) and by 1.4% (debt at fair value). The total return on the ordinary share price was -1.9%, this figure includes total dividends of 7.47p per ordinary share, an increase of 3.0% on the previous year. The Company's performance comparator, the MSCI ACWI (ex UK) High Dividend Yield Index (sterling adjusted), generated a 2.3% total return over the same period.

A more detailed analysis of performance, portfolio and positioning is provided in the Fund Manager's Report on pages 12 to 17.

Gearing

Well-judged gearing can enhance 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 using derivatives. The Company's senior unsecured notes (€30m at 2.43% due 2044) provide low-cost debt financing and have helped to insulate shareholders from rising interest rates over the period. Total gearing at the year end was 3.9% (31 August 2022: 6.5%).

Liquidity and discount management

The Company's share price has traded at a discount to NAV of between 1% to 10% over the period and was 8.1% (with debt at par) at 31 August 2023. The board continues to monitor the Company's premium/discount to NAV and will consider appropriate action if this moves and remains out of line with the Company's peer group. The board's ability to influence the premium or discount over anything but the short term is limited and accordingly we believe it is not in shareholders' interests to have a specific share issuance or buy-back policy. It is sensible to retain flexibility however, and we shall therefore consider share issuance and/or buy-backs where appropriate and subject to market conditions.

Ongoing charge

The ongoing charge for the year to 31 August 2023, as calculated in accordance with the Association of Investment Companies ("AIC") methodology, was 0.72% (2022: 0.83%). It is pleasing that costs have fallen year on year primarily because of the management fee reduction which took effect from 1 September 2022. This reduction has improved the Company's overall cost position making it a more attractive proposition.

Environmental, Social and Governance

The board pays close attention to the importance of Environmental, Social and Governance ("ESG") matters and, together with the investment team, is conscious that investors' interest in ESG matters will continue to grow. The fund manager carefully considers ESG related risks and opportunities when investing. This year we have enhanced disclosures about the manager's and investment team's approach to ESG and these are contained on pages 30 to 33.

Continuation vote

The Company's articles of association give shareholders the opportunity every three years to vote on whether they wish to continue the life of the Company, or to wind it up. Such a

Chairman's Statement (continued)

resolution will be put to shareholders at this year's annual general meeting.

Given that the Company has achieved its primary objective of producing a rising annual income for its shareholders, the board recommends that all shareholders vote in favour of continuing the Company. All directors intend to do so in respect of their own beneficial holdings and recent contact with larger shareholders suggests to the board that they will do likewise.

Board composition

I am delighted to welcome Mai Fenton to the board. Mai was appointed on 1 June 2023. She has a wealth of marketing expertise, having spent over 25 years in this area, focused on high-growth companies. Most recently, Mai was Chief Marketing Officer at Superscript, an SME insurance provider, where she was responsible for all aspects of their brand, digital and partnerships marketing activity. She brings to the board an understanding of, and focus on, the consumer; the key target when creating retail demand for the Company's shares.

The board is fully compliant with the FCA listing rules in relation to targets for board composition and diversity and the directors will endeavour to ensure that it remains so.

Annual general meeting

The twelfth annual general meeting ("AGM") of the Company will be held at 2.30pm on Tuesday, 12 December 2023 at the offices of Janus Henderson Investors, 201 Bishopsgate, London EC2M 3AE. The notice of meeting and details of the resolutions to be proposed are set out in a separate document which accompanies this annual report. Ben Lofthouse, our fund manager, will give a presentation at the meeting.

As an alternative, I invite shareholders to join by Zoom webinar and details of how to register are set out in the notice of meeting. As is our normal practice, there will be live voting for those physically present at the AGM. However, due to technical restrictions, we cannot offer live voting by Zoom. We therefore request all shareholders, particularly those who cannot attend physically, to submit their votes by proxy to ensure that their votes are included.

Outlook

The interest rate environment across the world has changed markedly during the past year in response to higher inflation. By having raised interest rates vigorously over the past 20 months, central banks hope to dampen down economic growth and thus contain inflation without precipitating a major recession. For inflation to fall back to previous levels, interest rates must either be raised further, which may lead to a recession, or be kept at or around current levels for longer. It is therefore unlikely that the very low and, in some cases, negative interest rates of recent years will return in the foreseeable future. A more likely consequence of this interest rate scenario is that stock markets will mark time until the valuations of their underlying companies decline to more attractive levels. This will occur as company earnings continue to grow, albeit slowly, but their share prices do not rise. Eventually, valuations will reach fair value, fully reflecting the inflation background. At this point stock markets can begin to rise again.

Meanwhile, investors will have to rely more on the dividend income from their investments, than they have in recent years, to generate a higher proportion of their total return. Here the relationship between the Company's investment trust status and its dividend is particularly important. This status allows the Company to draw on its reserves to sustain and even grow dividend payments in the most difficult period of an interest rate/inflationary cycle.

We cannot control the macroeconomic background but we can maintain and follow the Company's existing strategy of identifying companies that have the capacity to grow their earnings and dividends over the medium to long term while being attractively valued.

Richard Hills
Chairman
1 November 2023

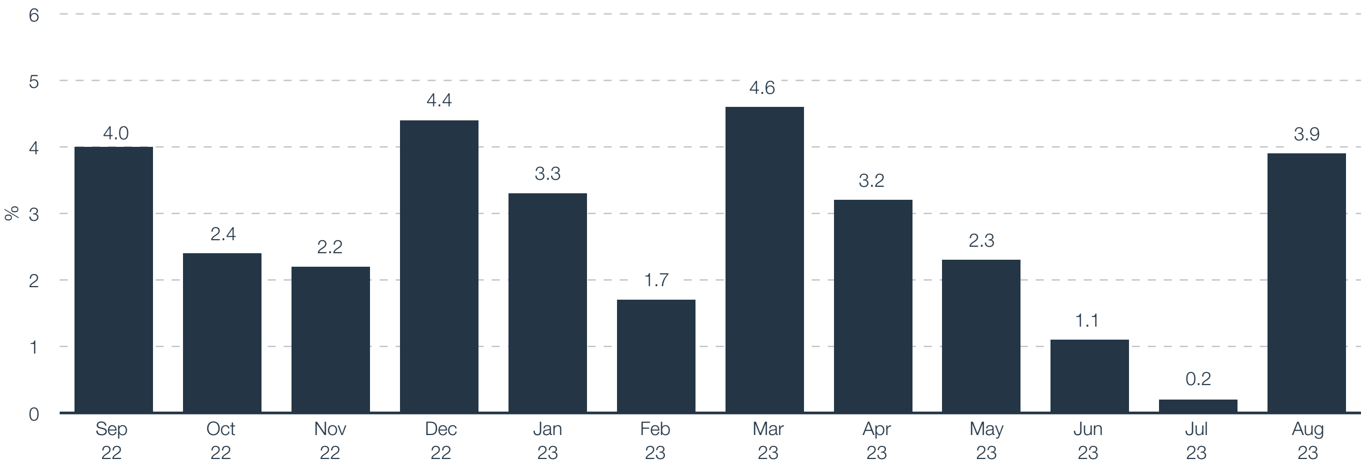
Portfolio Snapshot

Ten largest investments at 31 August 2023

Rank 2023	Rank 2022	Company	Country	Sector	Market value £'000	% of portfolio	Market value at time of investment £'000	Income £'000	Yield[1] %
1	2	**Sanofi**	**France**	Health care	13,665	3.8	11,269	497	3.6
2	1	**Microsoft**	**US**	Technology	13,637	3.8	1,530	135	1.0
3	8	**Merck & Co**	**US**	Health care	10,845	3.0	7,526	287	2.6
4	7	**Cisco Systems**	**US**	Telecommunications	10,380	2.9	6,235	286	2.8
5	6	**Roche**	**Switzerland**	Health care	10,367	2.9	10,245	372	3.6
6	18	**nVent Electric**	**US**	Industrials	10,098	2.8	5,024	133	1.3
7	10	**Air Products & Chemicals**	**US**	Basic materials	9,356	2.6	8,244	209	2.2
8	13	**Novartis**	**Switzerland**	Health care	9,224	2.6	6,947	437	4.7
9	–	**Zurich Insurance**	**Switzerland**	Financials	8,908	2.5	8,972	520	5.8
10	4	**Coca-Cola**	**US**	Consumer staples	8,738	2.5	6,033	286	3.3
Top 10					**105,218**	**29.4**	**72,025**	**3,162**	

1 Dividend yields as at 31 August 2023 are based upon historic dividends, including special dividends where known, and are not representative of future yield

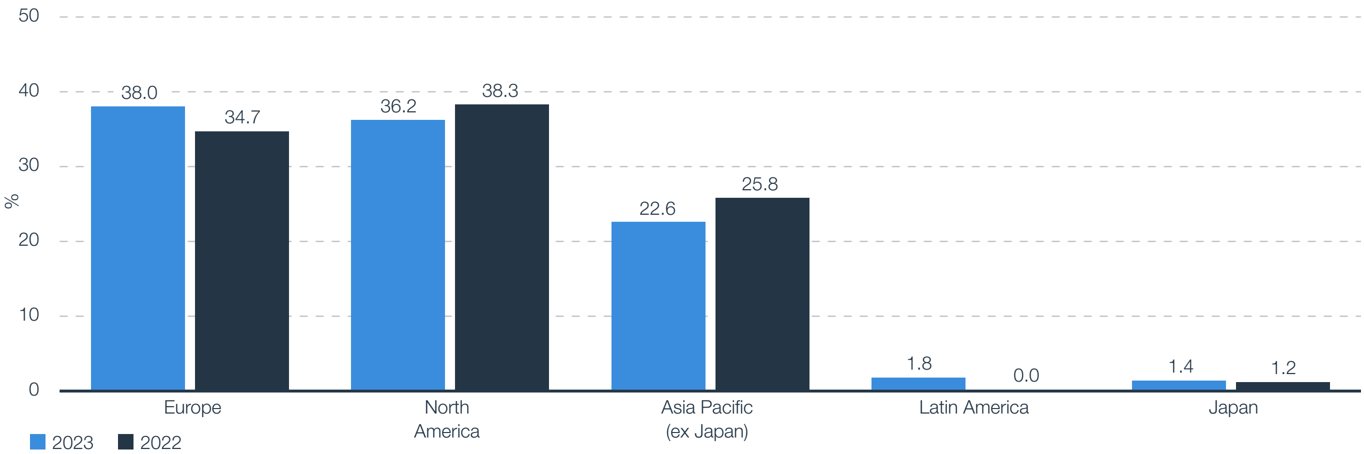
Gearing levels over the year to 31 August 2023[2]



2 Alternative performance measure. See pages 85 and 86

Regional asset allocation weighting of the portfolio at 31 August[3]

As a percentage value of the investment portfolio excluding cash



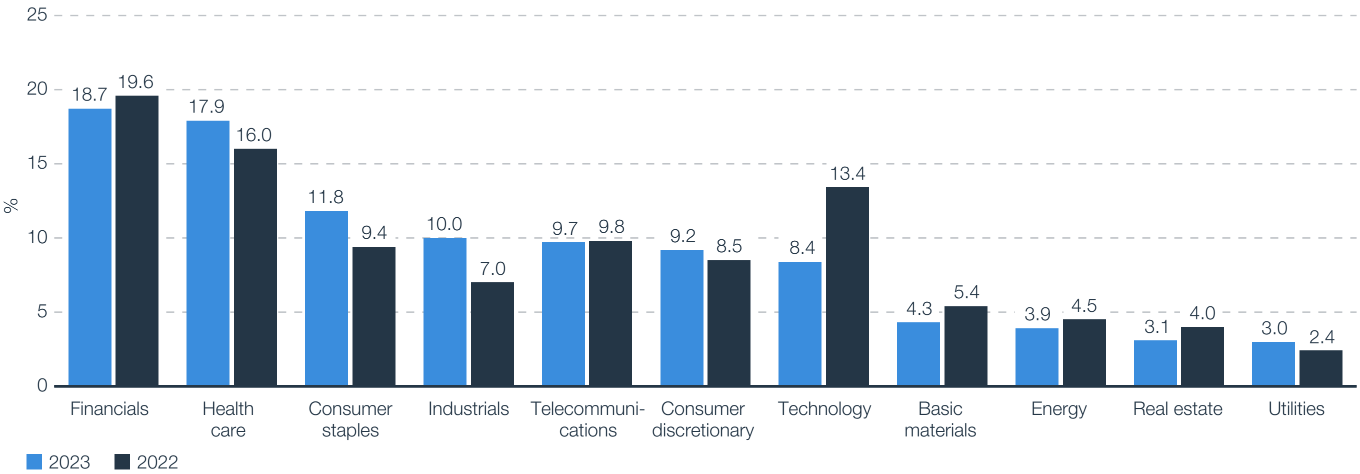
3 Based on MSCI regional data

Source: Janus Henderson, FactSet

Portfolio Snapshot (continued)

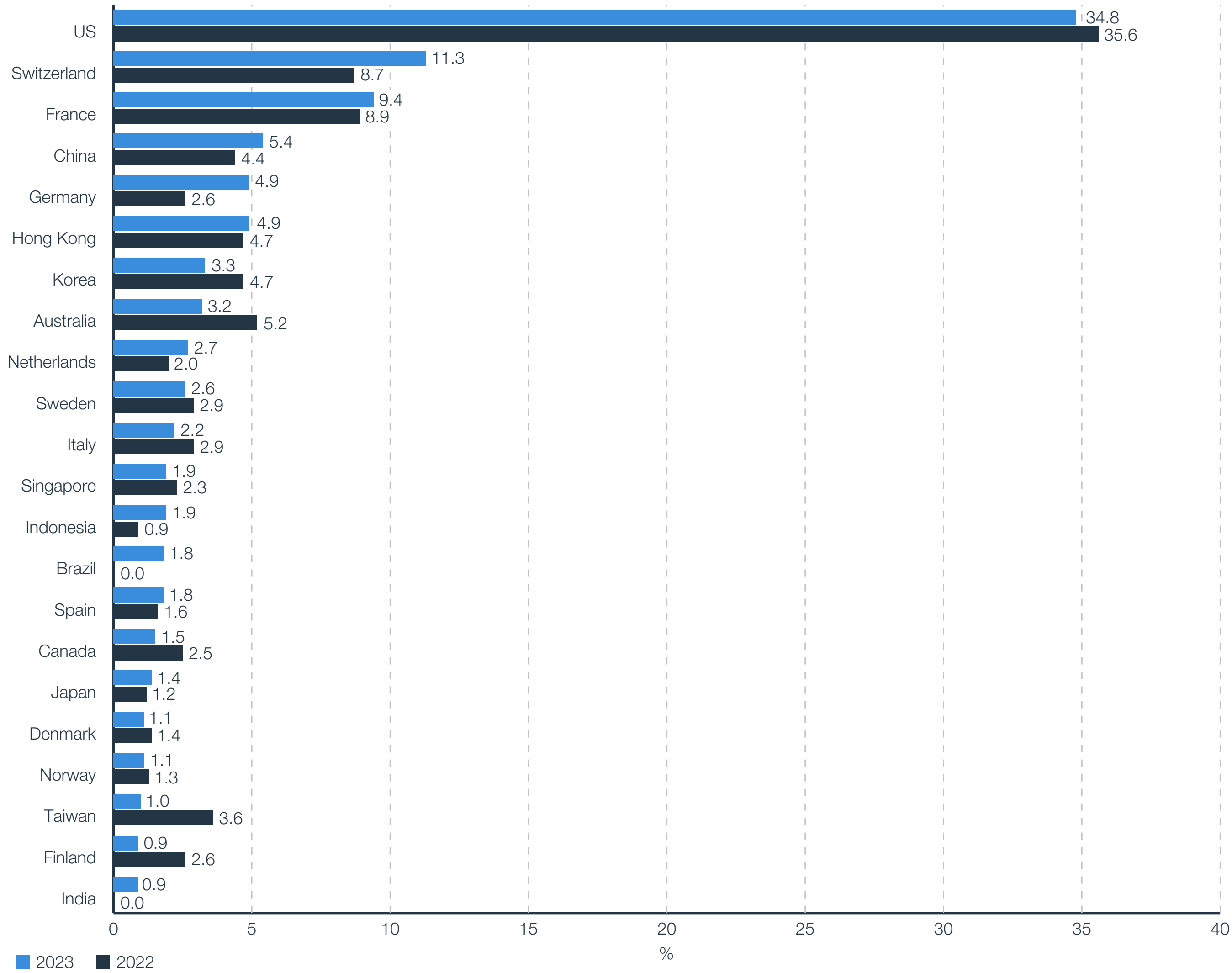
Sector exposure at 31 August

As a percentage of the investment portfolio excluding cash



Geographic exposure at 31 August

As a percentage of the investment portfolio excluding cash



Source: Janus Henderson

Portfolio Snapshot (continued)

Investment portfolio as at 31 August 2023

Company	Country	Market value £'000	% of portfolio
Basic materials			
Air Products & Chemicals	US	9,356	2.6
UPM-Kymmene	Finland	3,235	0.9
Pilbara Minerals	Australia	2,864	0.8
		15,455	**4.3**
Consumer discretionary			
Sony	Japan	4,817	1.4
Alibaba	China	4,046	1.1
Midea	China	3,981	1.1
Compagnie Financière Richemont	Switzerland	3,422	0.9
Mercedes-Benz	Germany	3,248	0.9
Samsonite	Hong Kong	3,064	0.9
BMW	Germany	3,052	0.9
JD.Com	China	2,973	0.8
Li-Ning	China	2,856	0.8
China Yongda Automobiles	China	1,442	0.4
		32,901	**9.2**
Consumer staples			
Coca-Cola	US	8,738	2.5
Nestlé	Switzerland	8,524	2.4
Mondelez	US	8,394	2.3
Pepsico	US	6,595	1.8
Ambev	Brazil	6,453	1.8
Pernod-Ricard	France	3,461	1.0
		42,165	**11.8**
Energy			
TotalEnergies	France	5,321	1.5
Woodside Energy	Australia	4,555	1.3
Aker	Norway	4,151	1.1
		14,027	**3.9**
Financials			
Zurich Insurance	Switzerland	8,908	2.5
Amundi	France	6,678	1.9
CME	US	6,067	1.7
ING	Netherlands	5,928	1.6
Travelers Companies	US	5,055	1.4
Bank Mandiri	Indonesia	4,350	1.2
AXA	France	4,172	1.2
CITIC Securities	Hong Kong	4,163	1.2
Macquarie	Australia	4,048	1.1
ASR Nederland	Netherlands	4,034	1.1
AIA	Hong Kong	3,546	1.0
BFF Bank	Italy	3,538	1.0
United Overseas Bank	Singapore	3,397	0.9
HDFC Bank	India	3,073	0.9
		66,957	**18.7**

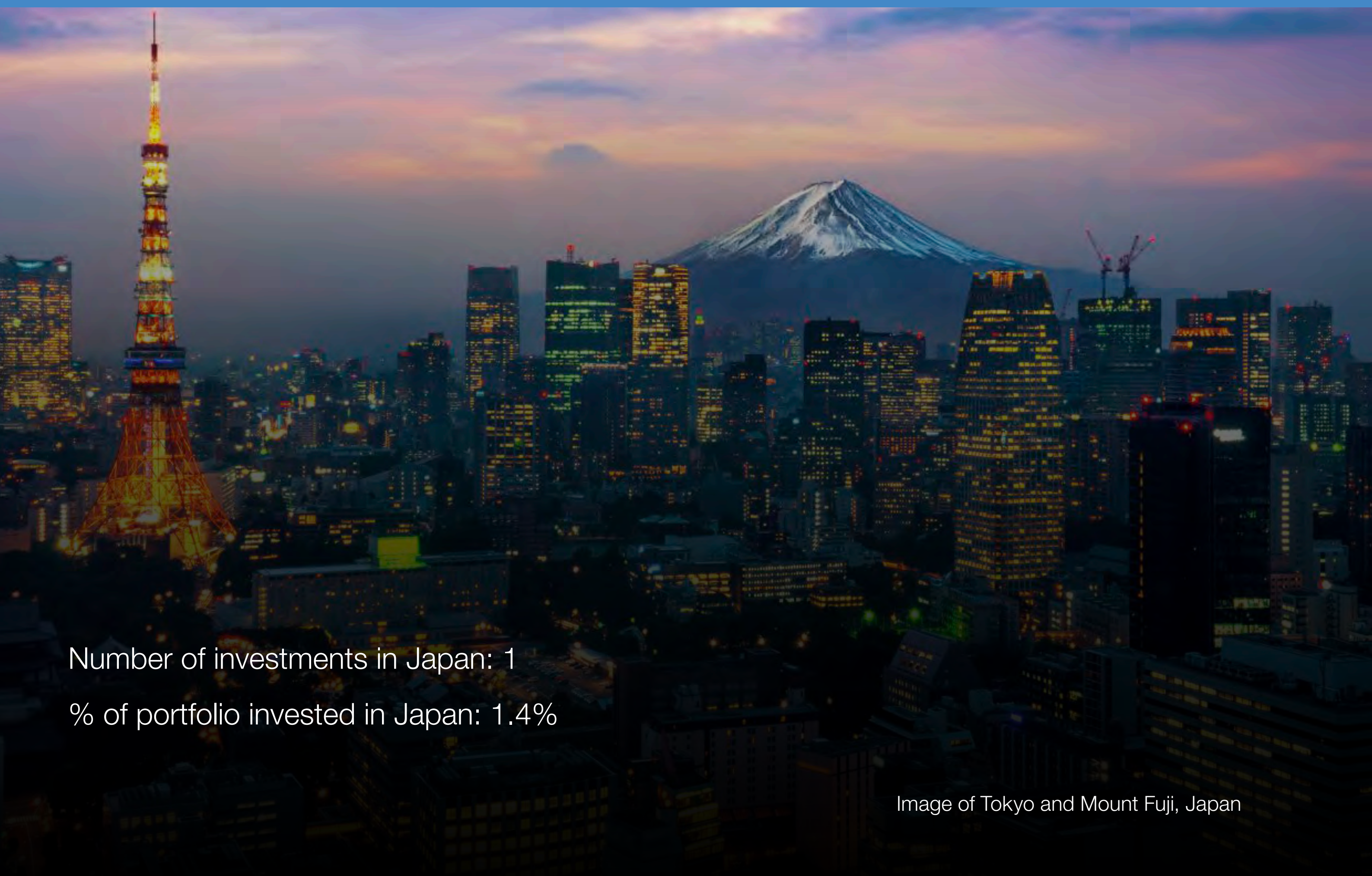
Company	Country	Market value £'000	% of portfolio
Health care			
Sanofi	France	13,665	3.8
Merck & Co	US	10,845	3.0
Roche	Switzerland	10,367	2.9
Novartis	Switzerland	9,224	2.6
Bristol-Myers Squibb	US	6,667	1.9
Medtronic	US	5,326	1.5
Johnson & Johnson	US	3,971	1.1
Novo Nordisk	Denmark	3,948	1.1
		64,013	**17.9**
Industrials			
nVent Electric	US	10,098	2.8
Honeywell International	US	6,722	1.9
Daimler Truck	Germany	5,738	1.6
Sandvik	Sweden	5,448	1.5
LG Corp	Korea	3,487	1.0
Nari Technology Co	China	3,030	0.8
China National Building Material	China	1,380	0.4
		35,903	**10.0**
Real estate			
Crown Castle	US	3,869	1.1
CapitaLand Integrated Commercial Trust	Singapore	3,656	1.0
Sun Hung Kai Properties	Hong Kong	3,466	1.0
		10,991	**3.1**
Technology			
Microsoft	US	13,637	3.8
Qualcomm	US	5,114	1.4
Samsung	Korea	4,084	1.1
Fidelity National Information	US	3,775	1.1
Taiwan Semiconductor Manufacturing	Taiwan	3,560	1.0
		30,170	**8.4**
Telecommunications			
Cisco Systems	US	10,380	2.9
Deutsche Telekom	Germany	5,406	1.5
Telus	Canada	5,003	1.5
SK Telecom	Korea	4,291	1.2
Tele2	Sweden	3,979	1.1
HKT Trust and HKT Ltd	Hong Kong	2,999	0.8
Telekomunikasi	Indonesia	2,477	0.7
		34,535	**9.7**
Utilities			
Iberdrola	Spain	6,302	1.8
Enel	Italy	4,252	1.2
		10,554	**3.0**
Total investments		**357,671**	**100.0**

Fund Manager's Report

Ben Lofthouse

Summary:

- **Equity markets have absorbed a rapid increase in interest rates. Portfolio companies are generally coping well and earnings and dividend growth have been stronger than many investors and commentators expected.**
- **The portfolio slightly outperformed the MSCI ACWI (ex UK) High Dividend Yield Index but after fees the NAV (with debt at fair value) lagged by 0.9%. There has been a significant regional dispersion of returns and the strong performance of the portfolio's European stocks has been offset by the weak performance from the Asia Pacific holdings.**
- **We are in a period of incredible innovation and change which is not reflected in current valuations due to macro-economic concerns.**
- **The diversified nature of the portfolio helps to protect against particular earnings shocks to any one sector or region that might impact dividends in any one year.**



Number of investments in Japan: 1

% of portfolio invested in Japan: 1.4%

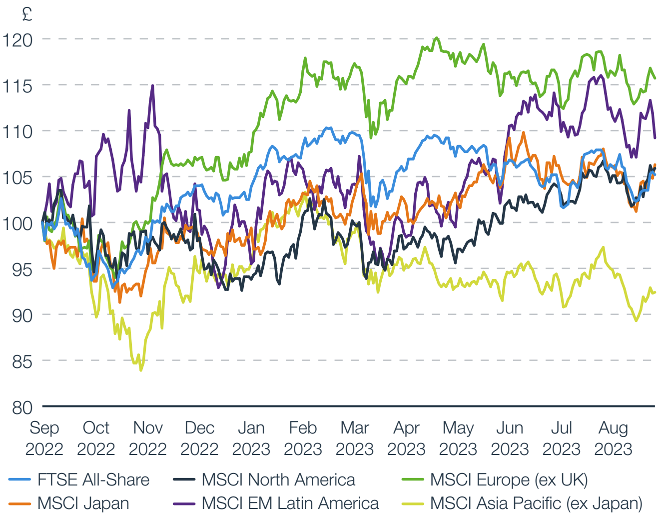
Image of Tokyo and Mount Fuji, Japan

Fund Manager's Report

Over the period some factors that had suppressed economic growth in recent years have abated. The energy crisis precipitated by Russia's invasion of Ukraine was less severe than anticipated while the remaining Covid-impacted countries abandoned their zero Covid policies and opened to the world. Both of these factors have allowed supply chains to continue their recovery and goods and services have become more available.

The chart below shows the performance of some of the major regions' equity markets over the period. European equity markets have recovered well from a difficult 2022, but Asia Pacific has been weak despite moving on from measures implemented to contain Covid.

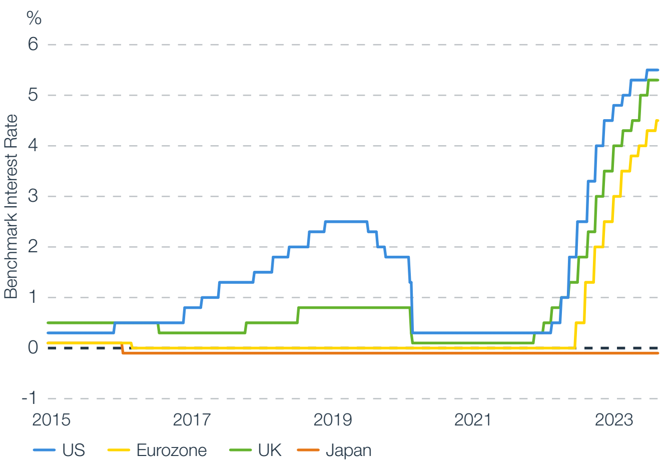
Regional equity market performance (£)



Source: Refinitiv Datastream as at 31 August 2023. Rebased to 100

These developments have benefited economic growth but supply chain improvements have not been reflected in price reductions. As a result, inflation has proved to be more persistent than policy makers had expected, forcing central banks to react by raising interest rates to higher levels than markets predicted. The chart below illustrates the increases by some of the major central banks this year.

Central bank interest rates



Source: Bloomberg, as at 31 August 2023

This is a significant moment for financial markets. Since the financial crisis of 2008, inflation has been lower than the levels that central banks perceived to be healthy and economic growth has been 'below trend' too. Central banks, as a result, have maintained a highly stimulative monetary environment, employing new tools that have included quantitative easing and sub-zero interest rates. This period lasted so long that some market participants began to believe that rates would remain permanently lower. This year put paid to that theory.

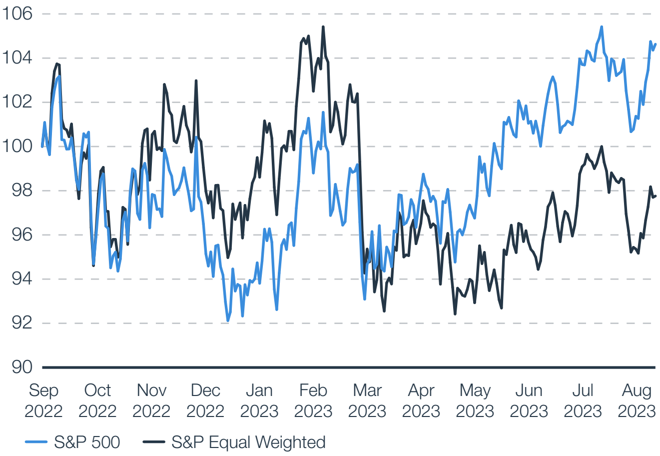
Inflation has spiked to historically high levels and central banks have been forced to respond by increasing interest rates at the fastest rate in 40 years. This change has disrupted businesses that relied on plentiful debt at low interest rates to enhance their returns or fund their cash flow. These businesses include property, renewables, infrastructure, and early-stage companies with little or no net cash flows. A combination of these effects has resulted in problems for regional banks in the United States, leading to the collapse of some relatively large financial institutions.

However, despite the fears and expectations of many observers, the rise in interest rates has so far not caused a significant economic slowdown, increase in unemployment, or recession. The rise in inflation has caused problems for some companies that have not been able to pass on input cost increases, but many other companies that have been able to have benefited from higher pricing. The rise in inflation has also harmed large parts of society where the cost of living has risen faster than wages. Recently wage growth has picked up due to low unemployment and tough labour union negotiations, so some of the cost-of-living crisis is now abating.

In the US, the world's largest stock market, it is notable that macro-economic news has been overshadowed by advances in Artificial Intelligence ("AI"). Excitement around new AI systems that can generate content and the technology infrastructure needed to power them has driven a strong rise in a narrow group of stocks. Many of these companies are already large constituents of the US equity market, including Microsoft, Nvidia, Facebook, Amazon and Apple. The rally in these stocks has masked a general weakness in the US market and reignited the tech/growth equity performance that faltered last year. The chart below shows that these large companies have had a disproportionately large impact in driving the market upwards compared to the average company, as represented by the equal weighted S&P Index.

Fund Manager's Report (continued)

US market returns- the S&P Index vs the equal weighted S&P Index



Source: Bloomberg, as at 31 August 2023. Rebased to 100

Performance review

The portfolio produced a total return of 1.4% in NAV per ordinary share over the period (debt at fair value). This return includes dividends totalling 7.47p per share, a 3.0% increase year on year. Income growth has not been matched by capital appreciation in recent years. Whilst disappointing, it is perhaps understandable that against a background of a sharp rise in interest rates, asset prices have stagnated.

Dividend performance

Investors sometimes ask about dividend trends, and how stable they may be in the face of a recession. Research over long time periods show dividends are significantly less volatile than earnings and tend to reflect the medium-term outlook for companies rather than being overly driven by short-term earnings. The diversified nature of the portfolio helps to protect against earnings shocks in any one sector or region, while the focus on companies' long-term prospects is designed to identify those that can grow through the cycle.

The Company's investment process focuses on companies with attractive dividend yields, strong cash flow generation and the potential to grow. They are often leaders in their respective industries, with established competitive advantages. In a higher interest rate environment these characteristics are increasingly important because they allow companies to continue to invest in their businesses and pay dividends despite higher financing costs. The underlying dividend growth of the portfolio has been solid, reflecting the earnings growth of the underlying holdings.

After a significant increase of 23% in 2022, the revenue return of the Company this year is 1% lower than last year. This slight decline is primarily the result of sterling's appreciation against several currencies, particularly the US, Hong Kong and Australian dollars against which it has rallied 10%. In a global portfolio, currencies often move in different, uncorrelated directions, cancelling each other out. Note 16.1.2 of the financial statements provides some analysis of the portfolio's foreign currency sensitivity.

Local currency dividend growth from the top ten holdings averaged 5.2% during the period, while the weighted average of the portfolio was over 8%, coming from a wide range of sectors and regions. The three largest sectors in the portfolio are financials, health care and consumer staples, where dividend growth has exceeded our expectations.

Several of the financial sector holdings were among the fastest dividend growers: Asia Pacific banks United Overseas Bank, Bank Mandiri and Macquarie all grew their dividends by over 20%, and European insurers Zurich Insurance, ASR Nederland and AXA grew in the region of 10%. This has been driven by increased regulatory clarity about balance sheet requirements and higher interest and insurance rates.

Earnings in the health care sector are less impacted by short-term factors like interest rates or price trends but more by new treatment approvals and competition for specific medicines. Despite concerns about drug pricing reform in the United States all the health care holdings in the portfolio announced dividend increases this year. The fastest growth has come from Novo Nordisk and Sanofi, which have some blockbuster drugs still in the early stages of their adoption and with little competition. Holdings such as Merck & Co, Novartis and Roche are growing but their drugs are more mature, and their dividend growth is more conservative to fund investment in their development pipeline.

Consumer staples is the third largest sector, and the portfolio companies have also benefited from a supportive pricing environment and good demand for their products. They have generally been increasing their dividends. Beverage company Pernod-Ricard increased its dividend by 23% and food company Mondelez by 10%. Their growth is less cyclical and comes more from their exposures to emerging markets where consumption is increasing and consumers are trading up as GDP per capita increases.

Special dividends were received from TotalEnergies, exchange operator CME, and luxury goods company Richemont.

Capital performance

The Company's portfolio is relatively concentrated, consisting of 50-80 positions, so performance can be impacted by stock-specific news as well as regional equity market performance and sector news. The investment process focuses on identifying businesses that are attractively valued and where the dividends both add to shareholders' total return and reward them for being invested until the value is realised by capital appreciation. Portfolio construction ensures the portfolio is diversified to reduce concentration risks, and the portfolio is organised in regional sleeves: North America, Europe and Asia Pacific.

Fund Manager's Report (continued)

The Company produced a net asset total return of 1.4% (debt at fair value), which was 0.9% behind the MSCI ACWI (ex UK) High Dividend Yield Index. The portfolio's performance was 2.8%. An estimated attribution of the portfolio's performance between asset allocation and stock selection is given below, which also includes the impact of other factors to explain the movement of the net asset value over the year.

Estimated performance attribution (relative to the MSCI ACWI (ex UK) High Dividend Yield Index)

Stock selection	-1.3%
Asset allocation	+1.5%
Gearing	+0.3%
Expenses	-0.7%
Timing residual*	-0.7%
Total	-0.9%

*Refer to glossary

There has been a considerable dispersion between the returns of different regions and sectors this year. The average exposures and total returns for each region are detailed below. The positive asset allocation was primarily driven by the overweight position in Europe, as well as the underweight in North America. Stock selection in Europe and North America was positive but was offset by weak stock selection in the Asia Pacific region.

Portfolio exposures and returns by region

	Average exposure %	Total return %
Europe (ex UK)	33.6	+17.1
North America	40.9	+1.5
Asia Pacific (ex Japan)	24.4	-12.1
Other*	2.5	-6.5

*Other represents holdings in Japan and Latin America

The overweight exposure to European stocks, which represented on average a third of the portfolio, contributed most to performance. Due to concerted efforts by European governments to increase gas inventory levels and by consumers to reduce consumption, energy prices gradually abated over the period.

Many of the portfolio's financial holdings have been significant positive contributors to performance aided by rising interest rates and an improving economic environment. In recent years the portfolio has maintained a significant exposure to financial companies because their valuations have not reflected their profitability or dividend sustainability, both of which have endured despite the low interest rate environment of the last decade. European financial companies BFF Bank, ING and AXA, and asset managers Van Lanschot and Amundi were amongst the most positive individual contributors to performance.

The pharmaceutical sector was also a positive contributor. Novo Nordisk has developed its diabetes treatment to also target obesity, where it is proving remarkably effective and seeing a surge in demand. Sanofi was sold off by the market last year due to litigation concerns that have proved unfounded (our position was added to at the time), and revenues have grown faster than the market expected.

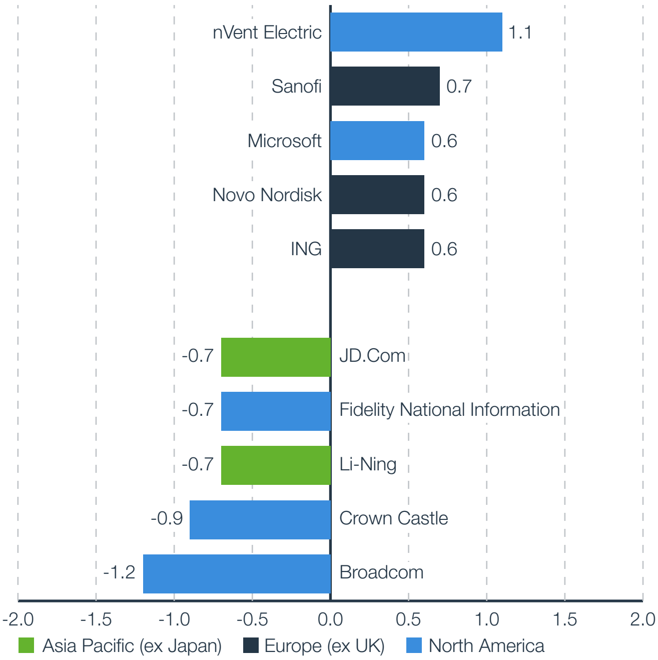
North America returned 1.5% and was a poor performing region for higher yielding stocks. The top performers were those with additional demand related to AI: Microsoft, Cisco and nVent. Microsoft is a leader in AI through its investment in OpenAI, the creator of ChatGPT, and has been one of the first companies to monetise generative AI. nVent is benefiting from AI albeit in a much more moderate way via demand for its data centre cooling systems. Whilst the portfolio avoided exposure to real estate or regional banks, the worst hit sectors from rising interest rates, telecommunications has derated as bond yields have risen and Crown Castle (telecom towers) and Canadian telecoms operator Telus have both fallen in value. Broadcom appears as the largest single detractor. We had held the company for several years and took profit from it. It has subsequently rallied on the excitement around AI, causing a relative underperformance against the index. Fidelity National Information Services is a payments company that has suffered from lower transactions than expected because of a more price competitive market. It has been sold post year-end to invest in other opportunities.

The most significant negative contributor to performance has been the overweight to the Asia Pacific region. The region makes up approximately 25% of the portfolio and the return for the period was -12.1%. Despite high levels of consumer savings, the opening up of the Chinese economy after Covid has not yet triggered the pickup in economic and consumer activity that the rest of the world experienced post Covid. Whilst Chinese exposure is relatively low (5.4%), it has disproportionately impacted performance despite the general avoidance of companies involved in property construction. Consumer facing companies including leisure wear retailer Li-Ning, auto dealer China Yongda Automobiles, and JD.Com were some of the largest underperformers. The companies held in the region are all leaders in their respective industries and in many cases have cash balance sheets, but this has not stopped them falling to very low valuations. Often the best investments are made when sentiment in a particular stock, sector or region is depressed and it certainly feels like sentiment regarding China is now very low.

The table below highlights the most significant stock contributors to performance over the year measured by contribution to absolute return.

Fund Manager's Report (continued)

Most significant positive and negative contributors to performance (%)



Source: Janus Henderson. Based on Total Effect Relative MSCI ACWI (ex UK) High Dividend Yield Index, as at 31 August 2023

Impact of gearing

Since the Company has long-term debt we provide both a fair value and par value return (see note 16.4 for details). The fair value of the debt reflects a theoretical market price which reflects interest rate expectations. The rise in interest rate expectations during the period has reduced the fair value of the debt by £2,196,000, enhancing the fair value net asset value return of the Company by 0.6%. The par value of the debt is only changed by currency movements and has fallen by £224,000 over the year, as a result of sterling slightly strengthening against the euro.

ESG and company engagement

Integration of environmental, social and governance factors into investment decision making and ownership is detailed on pages 30 to 33. During the period under review the investment team continued to actively engage with investee companies. Recent discussions have focused on climate related areas, including how forestry products manufacturer UPM-Kymmene has assessed the potential impact of climate change on its forestry assets. Also, how consumer staples companies such as Nestlé and Mondelez are addressing deforestation and traceability of their supply chain. Elsewhere, the team has engaged with TotalEnergies about their progress on methane emission reductions, and industrial gas company Air Products & Chemicals' investments in hydrogen generation to help the sector decarbonise.

Portfolio positioning

Stock selection is driven by a combination of the attractiveness of the company (leading competitive positioning, positive supply/demand outlook, good cash flow generation, long-term sustainability of business model) and its valuation.

In recent years we have been concerned about two potential macro-economic risks when analysing companies: the risk that interest rates may rise and the ability for companies to deal with cost inflation. The risk of higher interest rates has largely been realised, and new opportunities are being presented as valuations become more attractive in some parts of the market. The main risk now is that the sharp rise in interest rates may slow growth more than expected.

The reduction in the Company's technology and financial sector weightings reflects that many of these stocks have recovered well and could be vulnerable to economic weakness. Financial services positions closed on this basis included Taiwanese financial conglomerate CTBC Financial, insurers Sampo and Manulife, and asset manager Van Lanschot. Where new positions in the sector were initiated, they have less credit exposure and earnings are driven more by volume growth than interest rate movements. These include derivative exchange operator CME, Zurich Insurance and Indian bank HDFC. CME is one of the largest providers of interest rate derivatives, used by investors and financial companies to help manage interest rate risk, especially in times of interest rate uncertainty. Zurich Insurance is benefiting from tightness in insurance markets due to higher-than-expected losses by competitors who have mispriced inflation and natural catastrophe related events.

In the technology sector semi-conductor companies MediaTek and Broadcom were sold, along with glass-focused technology business Corning and consumer gaming company Nintendo. A position in Qualcomm was purchased. Qualcomm designs and manufactures communication technology and software, including for mobile phones, modems and PCs. Although it is well known for supplying the smartphone industry, it is a much more diversified business that it was in the past. The company is seeing growth from new markets including the auto sector which is using more technology on each new car designed, and potentially the AI industry. The increased penetration of technology into society remains one of the most exciting themes for the coming decade and the portfolio continues to own leaders in the area including Microsoft, Taiwan Semiconductor Manufacturing and Samsung.

If the interest rate environment remains high it will be important for companies to be able to grow despite that environment. Some of the changes in the portfolio also reflect the opportunity of falling valuations to invest in companies with more structural growth. A new position was initiated in

Fund Manager's Report (continued)

Sony, which has superior and more diversified long-term growth drivers than many competitors, yet trades at a similar or lower valuation. Emerging markets have been out of favour due to interest rate and currency concerns, which provided an opportunity to initiate new positions in consumer staples companies Pernod-Ricard and Ambev. Both have material exposure to Asian and Latin American markets and the potential to grow earnings and dividends throughout the economic cycle.

The largest individual stock changes are shown below:

Purchases	
Zurich Insurance	+2.6%
Ambev	+1.9%
CME	+1.8%
Daimler Truck	+1.7%
Qualcomm	+1.5%

Sales	
Verizon Communications	-2.1%
Panasonic	-2.1%
Texas Instruments	-1.8%
Quanta Computer	-1.7%
Swire Pacific	-1.3%

Outlook

The portfolio remains well diversified by region and sector with North America and Europe the largest regional exposures. The proportion of the portfolio in the Asia Pacific region has been maintained. In the long term, this region has attractive economic characteristics with many technology leaders listed there. With regard to China and Hong Kong, exposure remains relatively low in a portfolio context, at 9%.

If consensus economic forecasts are correct, the Asia Pacific region could see more investor interest next year.

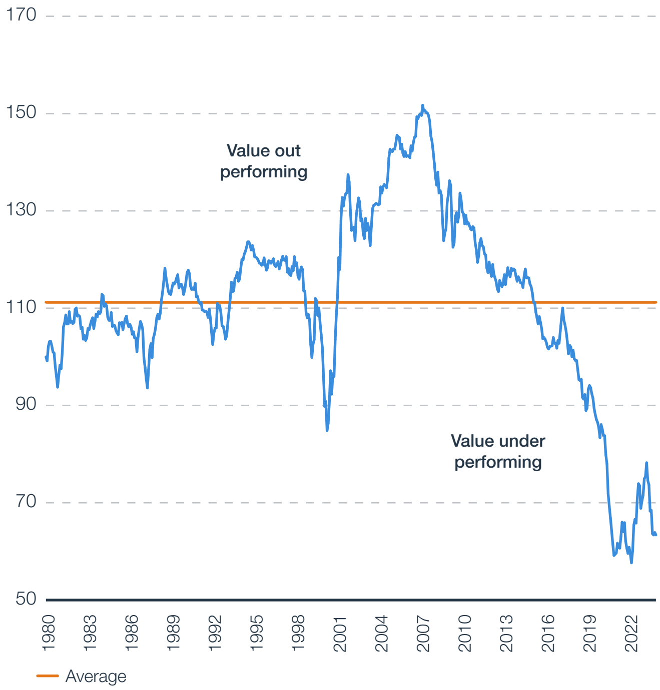
Global gross domestic product (GDP) growth and consensus forecasts

GDP growth (%)	2022	2023e	2024e
World	3.4	2.8	2.6
US	2.1	2.4	1.0
UK	4.3	0.4	0.4
Eurozone	3.3	0.5	0.8
Asia Pacific (ex Japan)	3.2	4.5	4.6
Japan	1.1	1.8	1.0
China	3.0	5.0	4.5

Source: Bloomberg, as at 16 October 2023
Note: 2023-2024 are estimates

It is hard to know the impact of higher interest rates on economies, but as discussed earlier there are interesting long-term demand trends for many companies and sectors that have, if anything, strengthened over the last few years. These include decarbonisation spend, the relocation of supply chains and technological innovation. There is still a very wide divergence between the performance of different regions, stocks and sectors. As the chart below shows, the relative underperformance of value versus growth stocks remains at levels unprecedented in recent history. While stock selection remains important to avoid value traps, there remain many undervalued opportunities.

MSCI World Value/MSCI World Growth



Source: Refinitv Datastream, Janus Henderson Investors Analysis, as at 31 August 2023. Monthly total return index data rebased to 100 at 31 January 1980

Ben Lofthouse
Fund Manager
1 November 2023

Historical Information

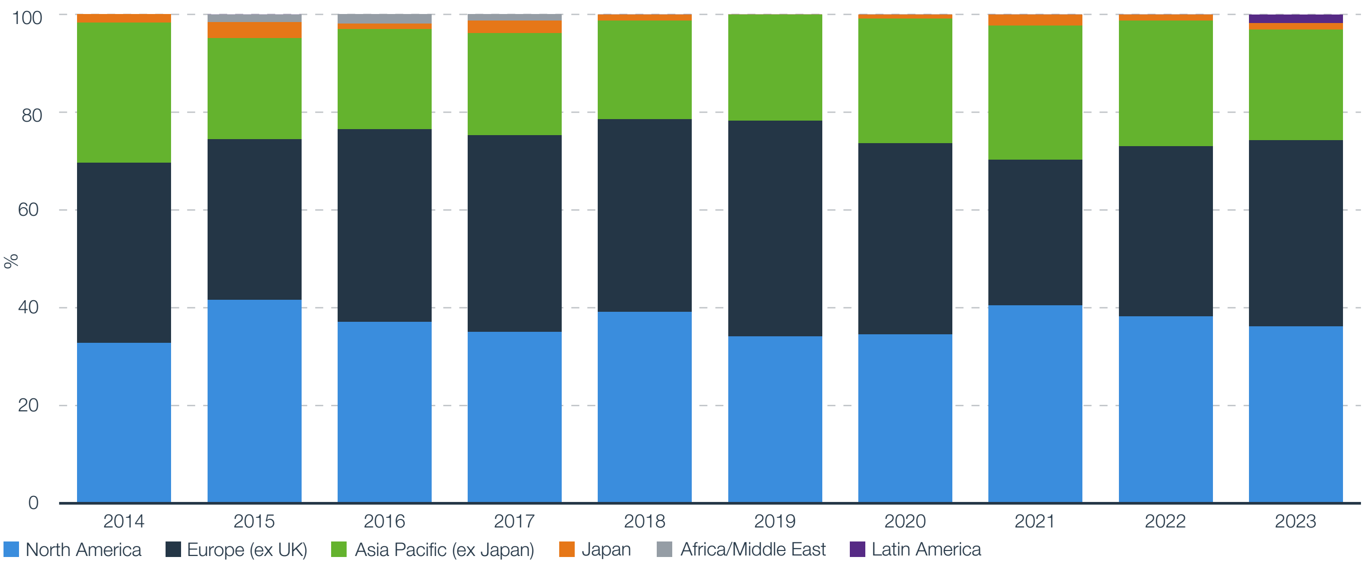
Total return performance to 31 August 2023[1]

	1 year %	3 years %	5 years %	10 years %	Since launch %
Diluted NAV[2] (debt at par)	0.8	28.5	26.9	128.8	180.1
Diluted NAV[2] (debt at fair value)	1.4	33.2	29.2	132.8	185.0
Share price[3]	(1.9)	25.4	17.2	104.8	160.9
MSCI ACWI (ex UK) High Dividend Yield Index (sterling adjusted)	2.3	33.0	39.6	151.0	206.9
AIC Global Equity Income sector (NAV)[4]	5.7	43.1	49.8	161.5	206.7

Financial information for the year to 31 August

Date	Net assets £'000	NAV (debt at par) pence	Share price[3] pence	Premium/ (discount) %	Net return for year £'000	Revenue return pence	Capital return pence	Total return pence	Dividends per ordinary share pence	Ongoing charge %
2014	85,787	118.4	109.8	(7.3)	7,077	5.59	5.99	11.58	4.25	1.09
2015	91,594	115.6	118.8	2.8	1,668	5.14	(2.98)	2.16	4.50	1.11
2016	220,904	141.5	141.8	0.2	37,570	6.12	29.14	35.26	4.65	1.01
2017	283,972	163.0	163.8	0.5	42,836	5.76	21.36	27.12	4.90	0.88
2018	296,748	167.1	167.5	0.2	16,386	5.80	3.50	9.30	5.30	0.83
2019	309,176	164.8	159.5	(3.2)	5,951	6.29	(2.98)	3.31	5.70	0.84
2020	300,915	153.5	145.5	(5.2)	(10,353)	5.53	(10.91)	(5.38)	6.00	0.85
2021	356,152	181.7	166.0	(8.7)	66,997	5.99	28.20	34.19	6.30	0.83
2022	355,687	181.5	171.8	(5.3)	13,645	7.37	(0.41)	6.96	7.25	0.83
2023	**344,370**	**175.7**	**161.5**	**(8.1)**	**3,186**	**7.27**	**(5.64)**	**1.63**	**7.47**	**0.72**

Regional asset allocation breakdown[5]



1 Including dividends reinvested, net of fees
2 Calculated using published daily NAVs including current year revenue
3 The Company's closing share price. Since inception share price return – launch price including discount (97.25p)
4 Excludes British & American Investment Trust plc
5 Based on MSCI regional data

Sources: Morningstar Direct, Janus Henderson and FactSet

Business Review

Number of investments in Asia Pacific (ex Japan): 24

% of portfolio invested in Asia Pacific (ex Japan): 22.5%

Image of Petronas Twin Towers, Kuala Lumpur, Malaysia

Business Model

Purpose, values and culture

Your Company's purpose is to pursue its investment objective and policy to provide shareholders with a growing total annual dividend as well as capital appreciation on their investment in the Company.

The investment process is modelled accordingly to achieve the investment objective of your Company. It is executed by an experienced fund manager supported by the breadth and depth of experience from the Janus Henderson Group. The board is intent on ensuring high standards of governance, as this is integral to ensuring your Company's success and sustainability as a business. It aims to achieve this through a culture based upon openness, mutual respect, integrity and trust. The board seeks always to act in the best interests of shareholders and wider stakeholders, making the most effective use possible of the diversity of skills and experience of its members. The directors are independent-minded and act in an open, positive and collegiate manner. This culture of openness and constructive challenge extends to the board's interaction with the manager, being your Company's most important service provider. The board expects the manager and all of your Company's other service providers to hold values which align with the high standards promoted by the board.

The board has a number of policies and procedures in place to assist with maintaining a culture of good governance including those relating to directors' conflicts of interest, directors' dealings in the Company's shares, bribery (including the acceptance of gifts and hospitality) and tax evasion. The directors assess and monitor compliance with these policies regularly through board meetings and the annual evaluation process.

Structure

Your Company aims to achieve its investment objective by following a disciplined process of investment within an acknowledged risk framework, and by controlling costs and using borrowings to enhance returns. It operates as an investment company, with operational matters delegated to specialist third-party service providers. Their performance is monitored and challenged by an independent board of non-executive directors, which retains oversight of the Company's operations. The board is accountable to the Company's shareholders.

The framework of delegation provides a cost-effective mechanism for delivering operations whilst allowing your Company to take advantage of the capital gains treatment afforded to investment trusts which are approved under section 1158/9 of the Corporation Tax Act 2010 ("section 1158/9").

Status

Your Company is registered as a public limited company. It is an investment company as defined in section 833 of the Companies Act 2006 ("Act") and operates as an investment trust in accordance with section 1158/9 as amended. The directors are of the opinion that the Company has conducted its affairs in compliance with section 1158/9 since approval was granted and intends to continue to do so.

Your Company is listed on the Main Market of the London Stock Exchange and is subject to the Listing Rules, Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules published by the Financial Conduct Authority ("FCA"). The Company is a member of the Association of Investment Companies ("AIC").

Your Company and the board are governed by its articles of association, amendments to which must be approved by shareholders by way of a special resolution.

The Board

It is the board's aim to have an appropriate level of diversity in the boardroom. The current directors have a diverse range of experience and skills, bringing knowledge of investment management, governance, financial and risk management, marketing and distribution to discussions on your Company's business. At the date of this report, the board comprises five directors, two male and three female and one director from an ethnic minority background.

The nominations and remuneration committee considers diversity in its broadest sense when making recommendations for appointments to the board. See pages 49 to 51 for further details of the board's diversity policy and compliance with recommended diversity targets.

The board also takes an interest in the diversity initiatives in place at the manager. Janus Henderson fosters and maintains an environment that values the unique talents and contributions of every individual. The manager strives to cultivate and practice inclusiveness for the long-term success of the business and for the benefit of its employees, clients, investors and shareholders. The board notes and supports the manager's diversity training and initiatives to improve any imbalances. Details of the manager's diversity, equity and inclusion policies and activities can be found on their website at **https://www.janushenderson.com/en-gb/investor/who-we-are/diversity-equity-and-inclusion/**.

Business Model (continued)

Investment objective

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

Investment policy

The Company will invest in a focused and internationally diversified portfolio of 50-80 companies that are either listed in, registered in, or whose principal business is in countries that are outside the UK and will be made up of shares (equity securities) and fixed interest asset classes that are diversified by factors such as geography, industry and investment size. A maximum of 25% of gross assets may be invested in fixed interest securities. The Company does not hold investments in unlisted companies unless it is through subsequent delisting of an existing investment.

Investment in any single company (including any derivative instruments) will not, in gross terms, exceed 5% of net assets at the time of investment and no more than 15% of gross assets may be invested in other listed investment companies (including investment trusts) or collective investment schemes. No more than 10% of gross assets may be invested in companies that themselves invest more than 15% of their gross assets in UK listed investment companies or collective investment schemes.

The Company may use financial instruments known as derivatives for the purpose of efficient portfolio management, for investment purposes or to generate additional income while maintaining a level of risk consistent with the risk profile of the Company. The Company may hedge exposure to foreign currencies up to a maximum of 20% of gross assets and may generate up to a maximum of 20% of gross income through investment in traded options.

The Company can borrow to make additional investments with the aim of achieving a return that is greater than the cost of borrowing. The Company's articles of association allow borrowings up to 100% of net asset value. In normal circumstances, the manager may only utilise gearing up to 25% of net assets at the time of drawdown or investment (as appropriate) in accordance with the board's policy and for these purposes 'gearing' includes implied gearing through the use of derivatives.

Any material change to the investment policy would require the prior approval of both shareholders and the FCA.

Investing

Your Company sets out to be an attractive and straightforward long-term investment vehicle for private investors. As well as investing directly, shares can be purchased through various dealing platforms and held in share plans, ISAs or pensions. Links to some of these dealing platforms can be found using the 'Invest Now' link on our website, **www.hendersoninternationalincometrust.com**.

Benefits

Your Company's business model offers numerous advantages:

- it provides investors with access to a professionally and actively managed portfolio of assets;
- it offers investors exposure to an internationally diversified portfolio of companies outside the UK;
- it enables investors to spread the risks of investing;
- it enhances returns to investors by operating as an approved investment trust meaning no capital gains tax is paid on the realisation of investments;
- the closed end structure allows the fund manager to take a longer-term view on investments and remain fully invested;
- the ability to draw on revenue and distributable capital reserves to support the payment of dividends;
- the ability to use gearing to increase returns for investors; and
- oversight by a board of non-executive directors wholly independent of the manager.

Arrangements with the manager

The Company is an Alternative Investment Fund ("AIF") in accordance with the Alternative Investment Fund Manager Directive ("AIFMD"). The board has appointed Janus Henderson Fund Management UK Limited ("JHFM") to act as its Alternative Investment Fund Manager. JHFM delegates investment management services to Janus Henderson Investors UK Limited in accordance with an agreement which was effective from July 2014 and can be terminated on six months' notice. Both entities are authorised and regulated by the FCA, and form part of the Janus Henderson group of companies. References to "Janus Henderson" or the "manager" refer to the services provided to the Company by the manager's group. References to the "fund manager" are to Ben Lofthouse.

Business Model (continued)

The management fee for the year to 31 August 2023 was 0.575% per annum of net assets (until 31 August 2022: 0.65% per annum of net assets equal to or below £250m and 0.60% per annum of the net assets in excess of £250m). The aggregate amount of fees charged by Janus Henderson on any assets in the portfolio that are invested in in-house funds and connected investment trusts is deducted from any fees charged. The fees are payable quarterly in arrears. There is no performance fee arrangement in place.

Janus Henderson and its subsidiaries also provide accounting, marketing, company secretarial and general administrative services. Some of the administration and accounting services are carried out, on behalf of the manager, by BNP Paribas. Janus Henderson Secretarial Services UK Limited acts as the Corporate Secretary.

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.

Borrowings

Your Company's short-term gearing facility allows borrowing of up to £30m in sterling and other currencies by way of an overdraft facility with HSBC Bank plc. Under this facility the Company borrowed in both sterling and euros in the year under review.

On 30 April 2019, your Company issued €30m fixed rate 25-year senior unsecured notes at an annualised coupon of 2.43%. This long-term fixed rate euro denominated financing was obtained at a price that the board considered attractive. The senior unsecured notes are expected to enhance long-term investment performance.

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 level of gearing at 31 August 2023 was 3.9% of net asset value (2022: 6.5%).

Approval

The strategic report has been approved by the board.

On behalf of the board

Richard Hills
Chairman
1 November 2023

Key Performance Indicators

In order to measure the success of your Company in meeting its objective and to evaluate the performance of the manager, the directors take into account the following key performance indicators ("KPIs"). The charts and data on pages 4, 5 and 18 show how your Company has performed against these KPIs and a glossary of terms and alternative performance measures is included on pages 85 to 88. The board reviews the appropriateness of the KPIs on a regular basis.

KPI	Action
Dividend sustainability and growth	At each board meeting, the board reviews the income generating ability of the Company's portfolio, including a dividend forecast, and monitors the dividend income received as the year progresses. The Company's dividend has been increased significantly over the last few years and although the revenue return decreased slightly year-on-year (by 1.4% to £14,244,000 in the year to 31 August 2023), the dividend remains substantially covered. Most companies held in the portfolio increased their dividends, supporting the robustness of the income stream. This is discussed further in the chairman's statement and fund manager's report.
Performance measured against the benchmark	At each meeting, the board reviews and compares the performance of both the NAV per share and share price for your Company and its benchmark. During the year under review, the NAV (debt at par) and NAV (debt at fair value) slightly underperformed the benchmark. Strong performance in Europe has been offset by a weaker performance in Asia Pacific holdings. The share price lagged the NAV performance due to the increase in the discount. This is discussed in the fund manager's report.
Performance against the Company's peer group	Your Company is included in the AIC Global Equity Income sector. In addition to comparing the Company against the stated benchmark, the board also considers at each meeting the performance of this AIC sector, as well as other investment trusts. Your Company has delivered its dividend objective over the year and grown its dividend at a higher rate than its peer investment trusts in recent years, but has underperformed the peer group sector average this year.
Discount/premium to NAV	At each board meeting, the board monitors the level at which your Company's shares are trading at a discount or premium to the NAV and reviews the average discount/premium for the AIC Global Equity Income sector. The Company publishes its NAV per share figure on a daily basis through the official newswire of the London Stock Exchange. This figure is calculated in accordance with the AIC formula, which includes current year revenue items. Over the year, the Company's shares have traded at an average discount to the NAV (debt at par) of 5%, in a range of 1% to 10%, but has not been significantly out of line with the AIC peer group sector average. Discounts across the investment company industry have generally increased over the year. The board continues to monitor this.
Ongoing charge	The board regularly reviews the ongoing charge and monitors your Company's expenses. For the year ended 31 August 2023, the ongoing charge as a percentage of shareholders funds was 0.72% (2022: 0.83%). The fall in the ongoing charge largely reflects the reduction in the management fee agreed with the manager that took effect from the beginning of the financial year.

Promoting the Company's Success

Section 172 statement

The board regards a well-governed business model as essential for the successful delivery of its investment proposition. The directors carry out their duties under section 172 of the Act to act in good faith to promote the success of your Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the likely consequences of any decisions in the long term, the need to foster your Company's relationship with its wider stakeholders, the impact of the Company's operations on the community and the environment and the desirability of your Company maintaining a reputation for high standards of business conduct.

Your Company has no employees, premises, assets other than financial assets or operations. Core activities are conducted through the manager (Janus Henderson), with whom the board maintains a close working relationship, and the board holds the manager to account for the smooth running of the Company's day-to-day business.

The board retains responsibility for decisions over corporate strategy, corporate governance, risk and internal control assessment, investment performance monitoring and setting marketing budgets. The board also determines the overall limits and restrictions for the portfolio, including gearing and asset allocation. In addition to the strategy discussions at board meetings, the board also has an annual strategy meeting to review these matters.

For more information about the responsibilities with which the board and its committees are charged, please refer to the corporate governance report (pages 38 to 44), the report of the audit committee (pages 45 to 48), the report of the nominations and remuneration committee (pages 49 to 51), the report of the management engagement committee (page 52), the directors' remuneration report (pages 53 to 55) and the directors' report (pages 36 and 37) in addition to the strategic report. The schedule of matters reserved for the board as well as the terms of reference for each of the committees of the board can be found on the Company's website.

Engagement with stakeholders

Shareholders' assets are managed taking account of the Company's stakeholders and their interests. The board has mapped who your Company's stakeholders are in order to support it in identifying and understanding them and fostering the appropriate level and form of interaction. As an externally managed investment company, the board considers that the Company's stakeholders include its shareholders and investors, the manager and other third-party service providers, the companies in which it invests and its lenders. Interaction is facilitated through meetings (both face-to-face and via video conferencing and other electronic means), seminars, presentations, publications and the Company's website. Set out below are examples of the way the board and the Company has interacted with stakeholders.

Stakeholders	Engagement	Outcome
Shareholders, investors (including through retail platforms) and potential investors	Shareholders rely on your Company to deliver sustainable and reliable returns on their investment. The board believes that its primary focus should be on providing an excellent service to its shareholders and it seeks to ensure that your Company is accessible and available. Regular updates on your Company and its activities are provided through: • the annual and half year reports; • the manager's monthly factsheets; • Company announcements, including daily NAV announcements; • the Company's website, which includes video interviews with the fund manager, regular market commentary and investment insights and other relevant information to enhance investors' understanding of the Company and its portfolio and prospects; • use of social media channels (see page 91); and • research notes from Edison Investment Research (paid for by your Company and available to all investors).	Clear communication of your Company's strategy and performance against its objective helps shareholders to make informed decisions about their investments. Close interaction with shareholders enables the board to run the Company in line with shareholders' interests as a whole and for the Company's long-term success. The board is committed to maintaining open channels of communication with shareholders. Shareholders are able to contact the directors directly by writing to the chairman or the senior independent director at the registered office (see page 91) or by email to **ITSecretariat@janushenderson.com**. The senior independent director is also available to shareholders if they have concerns that have not been addressed through the normal channels. Correspondence from shareholders is shared with the chairman immediately and with the board at the next meeting.

Promoting the Company's Success (continued)

<table>
<tr><th>Stakeholders</th><th>Engagement</th><th>Outcome</th></tr>
<tr><td>Shareholders, investors (including through retail platforms) and potential investors (continued)</td><td>Shareholders are encouraged to attend and vote at the Company's general meetings, including the annual general meeting, where they have the opportunity to address questions directly to the directors and the fund manager. Shareholders who cannot attend the AGM in person are invited to attend and raise questions online.
The chairman, senior independent director and other members of the board are available, and have offered, to meet with shareholders where they wish to do so.
Shareholders are able to meet with the fund manager throughout the year. The manager's sales and marketing team, the broker and external marketing research provider (Edison) also meet with shareholders and analysts. Feedback from all meetings is shared with the board.
The fund manager promotes your Company with the support of the manager's dedicated investment trust sales team and the board makes additional spend available to support marketing activities aimed at raising the profile of your Company.</td><td>The board is pleased to invite shareholders to attend the 2023 AGM. Further details are on page 8 and in the notice of meeting.</td></tr>
<tr><td>Manager
• Fund management
• Sales and marketing
• Company secretarial
• Financial reporting
• Internal control functions
• Investment accounting and administration (outsourced by Janus Henderson to BNP Paribas)
• Oversight of third-party service providers</td><td>The board sets and oversees the parameters for the manager's activities, including asset allocation, gearing and risk management.
The board seeks to engage with the manager in a collaborative and collegiate manner, encouraging open and constructive discussion and debate, whilst also ensuring appropriate and regular challenge. The board receives presentations from the fund manager at each board meeting and receives timely and accurate information from the manager. There is continuous engagement and dialogue with the fund manager and corporate secretary between meetings as well as with other representatives of the manager as and when it is deemed necessary.
The board also meets with other key representatives of the manager throughout the year to develop strategy and assess internal controls and risk management and also sales and marketing activities, to promote the success of the Company and raise its profile.
The board, with the assistance of the management engagement committee, formally reviews the performance and terms of appointment of the manager at least annually (see page 52 for further details).</td><td>Successful management of your Company's portfolio is essential for the Company to meet its strategic objectives and enable its long-term sustainable success. The effective provision of the ancillary services ensures the efficient running of your Company's day-to-day affairs.
The board and the manager operate in a supportive, co-operative and open environment, resulting in an effective working relationship. The board places great value on the expertise and experience of the fund manager to execute the investment objective and deliver returns for shareholders, and on the manager's internal controls and risk management.
The portfolio activities undertaken by the manager and the impact of decisions are set out in the fund manager's report on pages 12 to 17.</td></tr>
<tr><td>Third-party service providers
• Depositary and custodian
• Investment accounting and administration (outsourced by Janus Henderson to BNP Paribas)
• Broker
• Registrar
• Auditor</td><td>The board is conscious of the need to foster effective business relationships with its suppliers. As an investment company, all services are outsourced to third-party service providers. The manager maintains the overall day-to-day relationship with the service providers and reports back to the board on performance.
Each service provider has an established track record and has in place suitable policies and procedures to ensure it maintains high standards of business conduct. The board regularly reviews the support provided by the service providers including quality of service, succession planning and any potential interruption of service or other risks.
The board evaluates the terms of engagement and the control environments in place at each service provider and, through the management engagement committee, formally assesses their appointment annually.</td><td>The board meets with the depositary/custodian at least annually and with other service providers as and when considered necessary. This regular interaction provides an environment where day-to-day matters, issues and business development needs can be dealt with efficiently and effectively.
The board is confident that Janus Henderson has developed and maintains good working relationships with all of your Company's third-party suppliers.</td></tr>
</table>

Promoting the Company's Success (continued)

Stakeholders	Engagement	Outcome
Investee companies (listed on page 11)	The board sets the investment objective and discusses stock selection and asset allocation with the fund manager regularly. On behalf of your Company, the manager engages with the investee companies, exercising good stewardship practices with an approach agreed with the board (see pages 30 to 33 for further details).	The fund management team regularly conducts face-to-face and/or virtual meetings with portfolio companies' management teams to enable them to understand current trading and prospects for these businesses. The manager is a responsible investor and has a dedicated Governance and Responsible Investment Team that the fund manager can utilise when making investment decisions and voting.
Lenders	On behalf of your board, the manager maintains a constructive working relationship with the loan note holders and the provider of the Company's overdraft facility, ensuring compliance with covenants and providing regular covenant compliance confirmations and other information as required.	Your Company maintains a good relationship with its lenders which supports its financing arrangements and allows it to operate effectively as an investment trust.
Communities and the environment	The board mandates the manager, supported by its governance function, to engage with investee companies, when and where appropriate, on ESG matters in line with good stewardship practices, and with an approach agreed with the board. The board is also conscious of the importance of providing an investment product which meets the needs of its investors.	An investment approach that meets the needs of investors provides a service valuable to the communities in which your Company operates. The board is also conscious of the need to take appropriate account of broader ESG concerns and for your Company to act as a good corporate citizen. Details of how ESG matters are integrated into investment decisions are set out on pages 30 to 33.

Examples of stakeholder consideration

The board is always mindful of the need to act in the best interests of shareholders as a whole and to have regard to other applicable section 172 factors. The board takes into consideration your Company's purpose, investment objective and investment policy as well as the interests of the Company's stakeholders in all material discussions and decisions. Examples of this can be seen in the year under review as follows:

Dividends paid to shareholders

Your Company's investment objective is to provide shareholders with a growing total annual dividend, as well as capital appreciation. At each meeting, the board carefully reviews the level of revenue income received and forecast as well as the available distributable reserves. For the year under review, dividends amounting to 7.47p have been declared, compared to 7.24p in 2022, an increase of 3.0%. The dividends declared in respect of the year have been substantially covered by revenue earned in the year, with a small draw down from the revenue reserve. As a result, the Company has been able to maintain its record of having grown its dividend every year since launch. See the chairman's statement for more details.

Strategy review

The board holds regular strategy meetings to review your Company's objectives and to ensure they remain appropriate for shareholders and that the strategy for achieving them is working. The board has reviewed the changes made over the last two years in relation to dividends, the change of benchmark and the reduction in the management fee and agreed that these changes had been positive to your Company and shareholders.

Macroeconomic risks

The board keeps the global macro-economic environment under review. The directors have been particularly aware of the significant increase in inflation and rising interest rates over the year, and this has been regularly discussed with the fund manager.

Appointment of a new director

With the retirement of Simon Jeffreys at the 2022 annual general meeting, the board was reduced to four directors. It was agreed that a board of five directors was the optimal number for the Company. A search for a new director was held, resulting in the appointment of Mai Fenton to the board in June 2023.

Shareholder information

Shareholders and potential investors require information in order to make decisions about their investments. Through the approval and publication of your Company's results in the half-year update and annual report as well as the daily NAV announcements, all of which are made available to stakeholders on the Company's website, the Company enables shareholders and potential investors to make informed decisions about their investment in the Company.

Managing Risks

Principal risks and uncertainties

The board, with the assistance of Janus Henderson, has carried out a robust assessment of the principal risks and uncertainties, including emerging risks, facing the Company, including those that would threaten its business model, future performance, solvency or liquidity and reputation.

The board regularly considers the principal risks facing your Company and has drawn up a matrix of risks. The board has also put in place a schedule of investment limits and restrictions appropriate to your Company's investment objective and policy. The principal risks which have been identified and the steps taken by the board to mitigate these are set out in the table below. The principal financial risks are detailed in note 16 to the financial statements.

The risk register has been updated during the year to reflect increasing geopolitical and political risks and increased cyber security risks. The risk arising from the continued consolidation of the wealth management industry has been moved from an emerging risk to a principal risk.

Risk	Trend	Mitigation
Geopolitical risks Geopolitical risks, including the Russian invasion of Ukraine and the conflict in the Middle East, are causing political and economic volatility. Supply chains, energy supply and consequential price increases are among the risks.	↑	The fund manager is active in the review of geographic and sector allocations, including an understanding of underlying impacts of trade with Russia. At each board meeting, the allocation of the assets across the geographic markets and the sector relative weightings are discussed with the fund manager, with a focus on the current market context.
Political risks Political and economic uncertainty, including the political climate in China, could give rise to market volatility. This could affect foreign exchange movements and impact the valuation of your Company's portfolio and dividend income.	↑	The board actively engages in dialogue with the fund manager to ensure an ongoing review of the portfolio and reallocation, if considered appropriate, to adjust stocks or geographical allocations. The fund manager monitors political and economic issues and regularly reviews geographic and sector allocation. The risk is spread through holding a diverse portfolio.
Investment activity and performance risks An inappropriate investment strategy (for example, in terms of asset allocation or the level of gearing) may result in underperformance against your Company's benchmark index and the companies in its peer group. Further increases in interest rates could materially affect the performance of stocks with high levels of gearing. This could impact their cashflows and ability to pay dividends, and thus affect the performance of the Company's portfolio.	↔	The board monitors investment performance at each board meeting, including performance relative to the benchmark. It also regularly reviews the extent of its borrowings, when in use. The fund manager actively monitors the level of gearing in the stocks across the portfolio and adjusts exposure where necessary. This is discussed on a regular basis with the board.
Portfolio and market price risks Although your Company invests almost entirely in securities that are listed on recognised markets, share prices may move rapidly. The companies in which investments are made may underperform or fail entirely with a potential impact on their share price and/or dividend yield. A fall in the market value of your Company's portfolio would have an adverse effect on shareholders' funds. Most of your Company's assets, liabilities, income and expenses are denominated in currencies other than sterling (the Company's functional currency and presentational currency). As a result, movements in exchange rates may affect the sterling value of those items. Increasing inflation could impact the performance of markets internationally, with greater market price volatility having a consequential impact on the performance of the portfolio.	↔	The manager seeks to maintain a diversified portfolio to mitigate against this risk. The board regularly reviews the portfolio, activities and performance. The fund manager monitors your Company's exposure to foreign currencies daily and reports to the board at each meeting. The fund manager measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and total return of a movement in the exchange rates to which your Company's assets, liabilities, income and expenses are exposed. The board has set an investment limit on currency hedging to a maximum of 25% of gross assets to mitigate against this risk.

Managing Risks (continued)

Risk	Trend	Mitigation
Tax and regulatory risks A breach of section 1158/9 could lead to a loss of investment trust status, resulting in capital gains realised within the portfolio being subject to corporation tax. A breach of the Listing Rules could result in suspension of your Company's shares, while a breach of the Companies Act could lead to criminal proceedings, or financial or reputational damage.	⟷	The manager has been contracted to provide investment, company secretarial, administration and accounting services through suitably qualified professionals. The board receives internal control reports produced by Janus Henderson on a quarterly basis, which confirm legal and regulatory compliance.
Operational and cyber risks Disruption to, or failure of, Janus Henderson's accounting, dealing or payment systems or the custodian's records could prevent the accurate reporting and monitoring of the Company's financial position. Your Company is also exposed to the operational and/or cyber risk that one or more of its service providers may not provide the required level of service in the event of a cyber attack.	↑	The board monitors the services provided by the manager and its other third-party suppliers and receives reports on the key elements in place to provide effective internal controls. The board also receives assurances from the manager's chief information security officer that the manager maintains robust cyber and information security policies, processes and procedures. The manager maintains appropriate policies and procedures, together with a robust firewall, to mitigate any such attacks. The board also monitors the principal business risks faced by your Company which are recorded in a risk map which is reviewed regularly. Systems are in operation to safeguard the Company's assets and shareholders' investments, to maintain proper accounting records and to ensure that financial information used within the business, or published, is reliable.
Consolidation of the wealth management industry Continued consolidation of the wealth management industry may result in a narrower customer base and the increasing importance of being on the 'buy list'.	↑	A key focus is on performance and to ensure that your Company meets buy list requirements of institutional investors. The manager makes use of PR and marketing in order to reach individual buyers. The board is enhancing your Company's marketing strategy to ensure the growing needs of individual self-directed investors are met to help stimulate ongoing demand for your Company's shares.

Emerging risks

In addition to the principal risks facing your Company, the board also regularly considers potential emerging risks, which are defined as potential trends, sudden events or changing risks which are characterised by a high degree of uncertainty in terms of the probability of them happening and the possible effects on the Company. Should an emerging risk become sufficiently clear, it may be moved to a significant risk.

The board has identified the following as potential emerging risks:

Emerging risk	Mitigation
Consolidation of the investment trust sector leading to a greater average size of investment trusts becoming the norm.	The board regularly reviews the market to identify and participate in consolidation opportunities and looks to the manager to provide performance to improve the Company's chances for growth.
Unfavourable regulatory changes, including tax changes and the possible imposition of a wealth tax.	The board and the manager monitor potential changes on an ongoing basis.
Increased regulation and focus by investors on climate change and ESG developments.	The board, through the manager and corporate broker, maintains a regular dialogue with major shareholders and discusses the Company's objectives with them. The feedback from this, together with the investment strategy in the context of performance, is regularly reviewed by the board.

Viability and Going Concern

The AIC Code of Corporate Governance includes a requirement for the board to assess the future prospects for your Company, and to report on the assessment within the annual report. The board considers that certain characteristics of your Company's business model and strategy are relevant to this assessment:

- the board looks to ensure that your Company seeks to deliver long-term performance;
- the Company's investment objective, strategy and policy, which are subject to regular board monitoring mean that your Company is invested mainly in readily realisable listed securities and that the level of borrowings is restricted;
- your Company is a closed-end investment company and therefore does not suffer from the liquidity issues arising from unexpected redemptions; and
- the Company has an ongoing charge of 0.72% (2022: 0.83%).

Also relevant were a number of aspects of your Company's operational agreements:

- your Company retains title to all assets held by the custodian under the terms of the formal agreement with the depositary;
- long-term borrowing is in place, being the 2.43% senior unsecured notes 2044, which are also subject to a formal agreement, including financial covenants with which your Company has complied in full during the period since issuance. The value of long-term borrowing is relatively small in comparison to the value of net assets, being 7.4% at 31 August 2023 (2022: 7.2%);
- revenue and expenditure forecasts are reviewed by the directors at each board meeting; and
- cash is held with an approved bank.

In addition, the directors carried out a robust assessment of the principal risks and uncertainties which could threaten your Company's business model, including future performance, liquidity or solvency and reputation and considered emerging risks that could have a future impact on your Company.

The principal risks identified as relevant to the viability assessment were those relating to investment activity and performance, portfolio and market price risks. The board took into account the liquidity of your Company's portfolio, the existence of the long-term fixed rate borrowings, the effects of any significant future falls in investment values and income receipts on the ability to repay and re-negotiate borrowings, grow dividend payments and retain investors and the potential need for share buy-backs in order to maintain a narrow share price discount.

The directors assess viability over three-year rolling periods, taking account of foreseeable severe but plausible scenarios. In coming to this conclusion, the directors have considered the heightened macroeconomic uncertainty following Russia's invasion of Ukraine, the conflict in the Middle East and the political climate in China, in particular, the potential impact on income and your Company's ability to meet its investment objective, and the impact on loan covenants. The directors do not believe that they will have a long-term impact on the viability of your Company and its ability to continue in operation, notwithstanding the short-term uncertainty that these events have caused in the markets and specific short-term issues, such as to energy, supply chain disruption, inflation, interest rate rises and labour shortages.

The directors believe that a rolling three-year period for assessment best balances your Company's long-term objective, its financial flexibility and scope with the difficulty in forecasting economic conditions affecting your Company and its shareholders.

The directors recognise that there is a continuation vote that is due to take place at the 2023 AGM. The directors currently believe that your Company will continue to exist for the foreseeable future and at least for the period of assessment.

Based on their assessment and in the context of your Company's business model, strategy and operational arrangements set out above, the directors have a reasonable expectation that your Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period to 31 August 2026.

The directors consider your Company has adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements and that it is appropriate to adopt the going concern basis of accounting in preparing the financial statements (see page 68 for further details).

ESG

How we integrate environmental, social and governance considerations in our investment decisions

The board believes that integrating environmental, social and governance factors or "ESG" into investment decision-making and ownership practices is an important factor for delivering the investment outcomes shareholders seek.

Defining ESG

- **Environmental** factors include climate change, energy efficiency, resource depletion, and water and waste management.
- **Social** factors include employee and community relations, diversity, quality of life, enhancements in knowledge, and advances in supportive technology for improved sustainability.
- **Governance** factors include mitigating risks such as bribery and corruption, questioning board composition and diversity, remuneration, shareholder rights and positively influencing corporate behaviour.

Janus Henderson's ESG approach

ESG considerations are a component of the investment process employed by the fund manager. The fund manager has a specialised group within the investment department focused on responsible investment and governance, ESG solutions and ESG strategy and operations. ESG risk reporting is also provided by the group to help investment teams monitor the ESG risks in their portfolios, and the manager subscribes to a broad range of external ESG information providers and makes this information directly available to the investment teams.

In addition to monitoring and analysing ESG factors, the investment team actively engages with portfolio companies to encourage them to take steps where appropriate to enhance their corporate practices regarding ESG considerations. Examples of these engagements are detailed in the Engagement and Stewardship section below.

Janus Henderson enables the analysts and portfolio managers to better identify and manage ESG risks and opportunities by:

- enhancing data and analytics on ESG and climate risks and opportunities at security and portfolio levels;
- supporting investment teams with expert resources and training; and
- partnering with investment teams on proprietary ESG research, engagements, and insights.

Over the last year, Janus Henderson has further enhanced its ESG capabilities via:

- The establishment of an ESG Investment Policy that sets out their core approach to ESG integration, engagement, proxy voting, governance and oversight, and baseline exclusions.
- The appointment of a Chief Responsibility Officer (CRO) and addition of specialist resources to the central responsibility team, centred on the three focus areas of ESG strategy and operations, client solutions, and responsible investment and governance.
- The creation of an ESG Oversight Committee to assess the credibility of their ESG-focused strategies and processes, and to ensure that those strategies are fulfilling client goals and aspirations as stated. They have integrated day-to-day management of operational and portfolio ESG risks into existing risk functions and committees to ensure that ESG is appropriately reflected in the investment process, that they respect emerging regulation pertaining to ESG, and that they are delivering appropriate ESG data to internal and external stakeholders.

Industry initiatives

As a founding member of the UN-supported Principles for Responsible Investment ("UN PRI"), Janus Henderson has long been active in the responsible investing industry. Janus Henderson has a strong heritage of involvement with sustainability-related organisations and initiatives. A full list is available in the 2022 Janus Henderson Impact Report.

ESG factors' impact on investment decisions

When employing fundamental security analysis, the Company's investment team takes a long-term view, seeking to identify companies differentiated by their sustainable competitive advantage, strong earnings potential and shareholder friendly management teams. Sustainability of business models is crucial to your Company's investment strategy. As such, a considerable amount of time is spent by the fund manager identifying fundamental factors, including ESG factors, which may impact profits, cash flow and dividends and ensuring that investee companies have robust policies and processes in place to manage these. The primary aim of this analysis is to improve the risk adjusted returns of the portfolio, but the manager is also concerned with ensuring companies are operating responsibly regarding their impact on society and the environment. It is worth noting that the portfolio is global in its nature and as a result the level of disclosure and attitudes to environmental and social factors can vary depending on the sector and the region in which a company operates. Nonetheless, each material ESG factor, in addition to the quantitative and qualitative assessments, is an important consideration when evaluating the opportunity and the portfolio's investments.

The analysis of ESG factors before investments are made can lead to certain stocks or sectors being excluded or not invested in. For example, the investment team continues to avoid several companies in the chemicals sector due to their exposure to a class of harmful chemicals known as PFAS. This is an emerging environmental and social issue and the potential financial impact on the companies involved is difficult to forecast. Material ESG factors can also lead to the disposal

ESG (continued)

of positions where the investment team believes that the risks have increased.

The investment team seeks to understand how investee companies are managing material ESG risks and opportunities through their policies and processes, and where their investments are targeted to evolve their business models to remain sustainable over the long term.

Janus Henderson engages actively with companies and their management teams and uses a variety of sources to help identify and monitor material ESG risks and opportunities, including research from their fund managers, analysts, and input from the manager's responsible investment and governance team and third-party data providers. The investment team is able to engage MSCI, leading firms researching and rating ESG factors globally, to support investment research.

Companies with weaker ESG risk profiles are not automatically excluded from the portfolio provided they are making progress in mitigating these risks. These companies can be good investments if they can address the ESG issues they face, and often low ESG ratings can relate to historic issues that have been remedied. The team does avoid or disinvest from companies where the ESG risk is material and where the company is not willing or able to mitigate these risks, and hence remains on a deteriorating trajectory.

Engagement and stewardship

Stewardship is a fundamental part of the investment team's long-term, active approach to investment management. Strong ownership practices, including engagement with management and boards, can help protect and enhance long-term shareholder value. Janus Henderson supports the UK Stewardship Code. Additionally, Janus Henderson is a supporter of a number of broader ESG initiatives such as the Access to Medicine Index which aims to improve availability of health care in developed and emerging markets and Climate Action 100+, an investor-led initiative to engage with heavily emitting companies to reduce their greenhouse gas emissions.

As a part of the research process portfolio managers and analysts meet frequently with company management, senior executives and boards, with Janus Henderson conducting thousands of meetings per year. These meetings typically occur prior to initiating a position and throughout the holding period. The portfolio managers naturally develop long-term relationships with the management of firms in which they invest. Should concerns arise over a firm's practices or performance, they would seek to leverage these constructive relationships by engaging with company management or express their views through voting on management or shareholder proposals. Escalation of engagement activities depends upon a company's individual circumstances. Above and beyond the expectation that investment teams incorporate ESG considerations in issuer engagement as appropriate to the respective strategy and individual circumstances, Janus Henderson also asks teams to proactively engage on the following core sustainability themes: climate change, diversity, equity and inclusion, and corporate governance. They recorded more than 1,100 company engagements in 2022 in which ESG topics were part of the discussion. Further details regarding Janus Henderson's approach, including examples of engagement, can be found in the firm's 2022 UK Stewardship Code report.

Strategic areas of focus of engagement with portfolio companies have included:

Human rights within supply chain – the manager engaged with certain companies (both global brands and domestic Chinese companies) to understand their exposure to US supply chain legislation – particularly the UFLPA (Uyghur Forced Labour Prevention Act). Discussions focused on how companies were auditing their supply chain and addressing potential human rights violations.

Water scarcity – water risk has been a thematic engagement focus with particular focus on alcoholic beverage, mining and semiconductor companies. For alcoholic beverage companies, water is an essential ingredient; over 90% of beer and 60% of spirits is water. Water is used in production and is also essential for growing and producing the industry's ingredients. The manager has been engaging with a number of brewers and spirits companies on their exposure to water scarce regions, the water dependency of their portfolios, and how they are managing water as an essential resource across their value chain. Water usage in the technology sector is an increasingly important issue as well and a number of engagements are planned with industry leaders to discuss their approach to water usage, wastage, and recycling.

Biodiversity/deforestation – the team has conducted ESG research looking at companies exposed to emerging EU deforestation regulation, levels of traceability and existing policies, particularly around palm oil. Last year EU deforestation regulation discussions brought into focus which types of commodities are associated with deforestation and prompted Janus Henderson to look into which companies may be impacted by the upcoming regulation, and has led to engagement with portfolio companies Mondelez and Nestlé.

Health care – the manager continued to engage with companies as part of the Access to Medicine Index and has also discussed access strategies as part of broader conversations with management teams. Next year Janus Henderson will be responsible for engaging with Merck on behalf of the Access to Medicine programme.

ESG (continued)

Methane emissions/climate change engagement

Janus Henderson has consistently engaged with the large energy companies, including TotalEnergies, on issues relating to energy transition and climate. One area of engagement has been around the industry's methane emissions which occur through flaring, venting or fugitive emissions. This is an area in which the large energy companies are making some progress. They all have put in place LDAR (leak detection and repair) programs, have started to use satellite data and are focusing their efforts on the 'worst offending' parts of their portfolio. Although methane emissions are still a significant problem, we are seeing improvement in transparency and reporting, particularly regarding non-operated assets which have historically been excluded from scope. In the last engagement call with TotalEnergies, they were pleased to see improved reporting in this space, strong target setting and leadership in the global conversation around reducing methane emissions within the oil and gas sector.

Voting

The board believes that voting at general meetings is an important aspect of corporate stewardship, and a means of signalling shareholder views on board policy, practices and performance. Responsibility for voting the rights attached to the shares held in your Company's portfolio has been delegated to the manager, who actively votes at shareholder meetings and engages with companies as part of the voting process.

Voting decisions are guided by the best interests of the investee companies' shareholders and made in consultation with the fund manager, who has an in-depth understanding of the respective company's operations. Voting decisions are taken in keeping with the provisions of the manager's ESG Investment Principles, which set out the manager's approach to corporate governance, corporate responsibility and compliance with the Stewardship Code, and are publicly available on the manager's website. Janus Henderson's proxy voting committee is responsible for establishing positions on major voting issues and creating guidelines. The committee is comprised of experienced members whose expertise includes legal, accounting and compliance. To retain oversight of the process, the directors regularly receive reports on how the manager has voted the shares held in the Company's portfolio, and they review the ESG Investment Principles at least annually.

As an active manager, Janus Henderson's preference is to engage with management and boards to resolve issues of concern rather than to vote against shareholder meeting proposals. In their experience, this approach is more likely to be effective in influencing company behaviour. They therefore actively seek to engage with companies throughout the year and in the build up to the annual shareholder meeting to discuss any potentially controversial agenda items. However, where they believe proposals are not in shareholders' interests or where engagement proves unsuccessful, they will vote against.

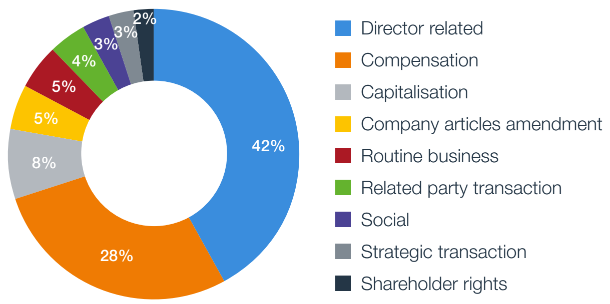
Voting record

In the period under review, your Company voted at 73 general meetings. The level of governance in leading global companies is generally of a high standard in terms of best practice, which meant support in favour of the resolutions proposed by management was warranted. However, in respect of 60 resolutions (5.5% of the resolutions proposed), support was not warranted.

'Director-related' are proposals regarding the membership of the company's board. Compensation votes against management include instances where pay awards are either poorly explained or could be deemed in excess of remuneration policies.

Votes against directors are warranted where there are concerns that the proposed director is not suitable, for example they are not qualified for the role or are not sufficiently independent. Capitalisation proposals relate to the issuance of bonds or equity and votes against management are required where there are insufficient disclosures or excessive levels of issuance.

The breakdown by area of resolutions not supported is shown below. Areas of focus during the period included votes on board directors, executive remuneration and shareholder proposals.



Source: Janus Henderson using Institutional Shareholder Services ("ISS") categories
Note: Some meetings had more than one vote against management.
This is for the one-year period to 31 August 2023

The environment

As an investment company, your Company's own direct environmental impact is minimal. Your Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. For the same reasons, your Company considers itself to be a low energy user under the Streamlined Energy & Carbon Reporting ("SECR") regulations and therefore is not required to disclose energy and carbon information.

ESG (continued)

The manager recognises the importance of managing its operational activities in a sustainable way and minimising any adverse impact on the environment. In 2021, Janus Henderson reached its three-year target to reduce its carbon footprint by 15% per full-time employee from 2018 levels. In 2022, using guidance from the Science-Based Target Initiative, Janus Henderson set new five-year reduction targets to reduce Scope 1 (fuel) and Scope 2 (electricity) emissions by 29.4%, and to reduce Scope 3 (business travel, hotel stays, freight, paper consumption, water, waste) operational emissions by 17.5%.

In addition to this, Janus Henderson has maintained a CarbonNeutral® certification since 2007 and offsets all its operational Scope 1, Scope 2 and Scope 3 emissions each year. Through this process, Janus Henderson has invested in a variety of offset projects around the world, delivering financial support to essential renewable energy, forestry and resource conservation projects that support reductions in greenhouse gas emissions. All projects Janus Henderson supports have been classified as 'additional' by an independent third party, meaning that they would not happen without the sale of carbon credits.

Janus Henderson discloses its carbon emissions annually through regulatory and voluntary reporting frameworks, including SECR and Carbon Disclosure Project ("CDP"), as well as in its annual report and 2022 Impact Report, which provide more information.

Business ethics

As your Company's operations are delegated to third-party service providers, the board seeks assurances, at least annually, from its suppliers that they comply with the provisions of the UK Modern Slavery Act 2015 and maintain adequate safeguards in keeping with the provisions of the Bribery Act 2010 and Criminal Finances Act 2017.

Governance

Number of investments in the US: 17

% of portfolio invested in the US: 34.8%

Image of Congress Avenue Bridge, Austin, Texas, USA

Directors and Fund Manager

All directors are independent of Janus Henderson and are members of the audit committee, management engagement committee, nominations and remuneration committee and insider committee. The directors appointed to the board at the date of this report are:

Richard Hills

Position: Chairman

Date of appointment: 25 April 2016 (Chairman from 7 December 2022)

Richard has spent his entire career in the investment management industry where he has held senior executive positions at two major asset management companies. More recently he has been a non-executive director of a number of investment companies, both listed and private, including Henderson Global Trust plc. He is currently a director of EQT Services (UK) Limited and was formerly chairman of Strategic Equity Capital plc.

Jo Parfrey

Position: Director and chair of the audit committee

Date of appointment: 1 January 2021

Jo is a chartered accountant with strong investment and financial, analytical and risk management skills. She is an experienced non-executive and currently a non-executive director of Octopus AIM VCT plc and Worldwide Healthcare Trust plc, non-executive chair of Babraham Research Campus Limited and a non-executive director and chair of the audit committees of Start Codon Ltd and Ieso Digital Health Limited.

Lucy Walker

Position: Senior independent director

Date of appointment: 1 September 2020

Lucy is chair of Aurora Investment Trust plc, independent member of the audit & risk committee for SportsAid and director of Changing Digital. In 2020 she founded AM Insights, a next generation fund data platform for the asset and wealth management industry. Lucy spent over a decade in investment management, most recently as fund manager and Head of Third Party Funds at Sarasin & Partners, leading the team responsible for researching over £1.2 billion of assets under management, and before that worked at HSBC Global Asset Management.

Mai Fenton

Position: Director

Date of appointment: 1 June 2023

Mai has spent her career in marketing, dedicated to corporate enterprises and high-growth businesses. She has 25 years' experience across consumer goods, retail, ecommerce, lifestyle, digital marketplace and technology, most recently as Chief Marketing Officer at Superscript – an SME insurance provider – where she has been responsible for all aspects of their brand, digital and partnerships marketing activity. She is also on the Board of Trustees and chair of the remuneration, nomination and HR committees of Dallaglio RugbyWorks, a national charity supporting vulnerable young people.

Aidan Lisser

Position: Director

Date of appointment: 25 April 2016

Aidan is chair of JPMorgan Emerging Markets Investment Trust plc, and senior independent director of The Edinburgh Investment Trust plc. He was previously a non-executive director of Henderson Global Trust plc. He is also a marketing ambassador for the Association of Investment Companies, a board member of Chapter Zero (UK) and a trustee of Crossways Community Charity. From 2010 until 2020 he worked for Investec Wealth & Investment as chief marketing officer and subsequently as head of strategy. Before this he held senior marketing roles at Allianz Global Investors, Standard Chartered Bank plc and Unilever plc.

Fund Manager

Ben Lofthouse, CFA

Position: Head of Global Equity Income | Fund Manager

Ben Lofthouse is Head of Global Equity Income at Janus Henderson Investors, a position he has held since 2018. Ben has been part of the Global Equity Income Team since joining Henderson in 2004 and has managed several equity income mandates since 2008. Prior to Henderson, Ben worked as an accountant at PricewaterhouseCoopers, where he started his career in 1998.

Ben graduated with a BA degree (Hons) in business economics from Exeter University. He is an associate of the Institute of Chartered Accountants in England and Wales ("CA") and holds the Chartered Financial Analyst designation. He has 25 years of financial industry experience.

Directors' Report

The directors present their report and the audited financial statements for the year ended 31 August 2023.

The corporate governance statement, audit committee report, nominations and remuneration committee report and management engagement committee report (pages 38 to 52) form part of the directors' report.

Results and dividends

The results for the year are set out in the financial statements. Three interim dividends of 1.85p each and a further interim dividend of 1.92p, totalling 7.47p per share, have been declared and/or paid in respect of the year to 31 August 2023. See note 10 on page 73 for more information. No final dividend is being proposed.

A review of the year and the outlook for the forthcoming year can be found in the chairman's statement on pages 6 to 8 and fund manager's report on pages 12 to 17.

Directors

The directors of the Company are listed on page 35. All served throughout the period under review with the exception of Mai Fenton, who was appointed as a non-executive director on 1 June 2023. Simon Jeffreys retired from the board at the conclusion of the AGM on 7 December 2022.

In accordance with the recommendations of the AIC Code of Corporate Governance, Ms Fenton will stand for appointment at the forthcoming AGM and the remaining directors will offer themselves for re-appointment.

The beneficial interests of the directors and their connected persons in the securities of the Company as at 31 August 2023 are set out in the directors' remuneration report on page 55. Details of directors' insurance and indemnification are set out on page 42.

Share capital

There are no restrictions on the transfer of the Company's share capital and there are no shares or stock which carry specific rights with regards to control of the Company. The Company is not aware of any agreements or arrangements between holders of securities which would result in restrictions on the transfer of securities or voting rights.

The Company's share capital comprises ordinary shares of 1p nominal value. The voting rights of the shares on a poll are one vote for every share held.

No shares were issued or bought back during the year, and at 31 August 2023, the number of ordinary shares in issue (with voting rights) was 195,978,716.

There has been no change to the issued share capital between 1 September 2023 and up to the date of this report.

Shareholder authorities

The directors seek annual authority from the shareholders to allot new ordinary shares, to dis-apply the pre-emption rights of existing shareholders, and to buy back, for cancellation or to be held in treasury, the Company's ordinary shares.

At the AGM held on 7 December 2022, the directors were granted authority to allot up to 19,597,800 ordinary shares (with an aggregate nominal amount of £195,978 and representing 10% of issued share capital) for cash and to repurchase 29,377,209 ordinary shares (with a nominal value of £293,772 and representing 14.99% of issued share capital) for cancellation or to be held in treasury.

The directors will once again be seeking to renew the authorities to allot and repurchase the ordinary shares at the upcoming AGM, when the existing authorities will expire.

Holdings in the Company's shares

Declarations of interests in the voting rights of the Company as at 31 August 2023 in accordance with the FCA Disclosure Guidance and Transparency Rules were as follows:

	% of voting rights
Rathbone Investment Management Ltd	9.1
Evelyn Partners Limited	7.6

No changes have been notified in the period 1 September 2023 to 30 October 2023.

Fund manager's interests

At 31 August 2023, Ben Lofthouse, the fund manager, had a beneficial interest in 212,502 shares.

Duration of the Company

The Company's articles of association require that at every third annual general meeting of the Company an ordinary resolution be put to shareholders asking them to approve the continuation of the Company. The next such resolution will be proposed at the forthcoming annual general meeting on 12 December 2023.

Related party transactions

The Company's transactions with related parties in the year were with the directors and the manager. There have been no material transactions between the Company and its directors during the year. The only amounts paid to them were in respect of expenses and remuneration for which there were no outstanding amounts payable at the year end.

Directors' Report (continued)

In relation to the provision of services by the manager (other than fees payable by the Company in the ordinary course of business and the provision of marketing services) there have been no material transactions with the manager affecting the financial position or performance of the Company during the year under review. More details on transactions with the manager, including amounts outstanding at the year end, are given in note 21 on page 83.

Financial risk management

The principal risks and uncertainties facing the Company are set out on pages 27 and 28. The principal financial risks and the Company's policies and procedures for managing these risks are set out in note 16 to the financial statements on pages 76 to 81.

Greenhouse gas emissions

The Company's environmental statements are set out in the strategic report on pages 32 and 33.

Annual general meeting

The AGM will be held on Tuesday, 12 December 2023 at 2.30pm at 201 Bishopsgate, London EC2M 3AE, or via Zoom webinar connection if shareholders would prefer not to travel. The notice of meeting and details of the resolutions to be put at the AGM are contained in the separate document being sent to shareholders with this report.

Directors' statement as to disclosure of information to auditors

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

Listing Rule 9.8.4

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

Re-appointment of auditors

BDO LLP have indicated their willingness to continue in office as auditors to the Company and a resolution proposing their re-appointment and authorising the directors to determine their remuneration for the ensuing year will be put to shareholders at the forthcoming AGM. Further information in relation to their re-appointment can be found in the audit committee report on pages 45 to 48.

Approval

The directors' report has been approved by the board.

By order of the board

Janus Henderson Secretarial Services UK Limited
Corporate Secretary
1 November 2023

Corporate Governance Report

Governance structure

The board is accountable to shareholders for the governance of the Company's day-to-day affairs and is pleased to report to shareholders on the Company's governance arrangements and how the principles of the applicable codes have been applied during the year under review.

Board of Directors

Comprises independent non-executive directors
Chairman: Richard Hills

Non-executive oversight of the Company's operations; selection and appointment of third-party service providers

Audit committee

Purpose: Ensure the integrity of the financial reporting, evaluate the effectiveness of the systems of internal control and risk management, and oversee the relationship with the external auditors.

Chair: Jo Parfrey

See pages 45 to 48 for the committee report.

Nominations and remuneration committee

Purpose: Ensure the board has a balance of skills, experience and diversity, oversee performance evaluations of the board and its committees and maintain an effective framework for succession planning, with a formal approach to the appointment of directors. It also has responsibility for setting the remuneration policy and remuneration levels for non-executive directors.

Chairman: Richard Hills

See pages 49 to 51 for the committee report.

Management engagement committee

Purpose: Formally evaluate the overall performance of the manager and other third-party service providers engaged by the Company and consider whether their continuing appointment is in the interests of shareholders and their terms of engagement are appropriate.

Chairman: Richard Hills

See page 52 for the committee report.

Company's operations carried out by specialist third-party service providers

Third-party service providers appointed by the board

Janus Henderson Investors
Fund Management: Global equity income team with Ben Lofthouse as the Company's appointed fund manager
Sales, Marketing, Company Secretary
Alternative Investment Fund Manager: Janus Henderson Fund Management UK Limited

HSBC Bank plc
Depositary and custodian

Computershare Investor Services plc
Registrar

Panmure Gordon & Co
Corporate broker

The Company has also constituted an insider committee to assist the board in meeting its obligations under the Market Abuse Regulations.

Applicable corporate governance codes

The Company maintains a premium listing on the London Stock Exchange and is therefore required to report on how the principles of the 2018 UK Corporate Governance Code ("UK Code") have been applied. Being an investment company a number of the provisions of the UK Code are not applicable as the Company has no executive directors or internal operations and all day-to-day activities are outsourced to external service providers. The board has therefore considered the principles and provisions of the Code of Corporate Governance published by the Association of Investment Companies in February 2019 ("AIC Code"). The AIC Code addresses the principles set out in the UK Code as well as additional principles and provisions on issues that are of specific relevance to investment companies. The Financial Reporting Council ("FRC") has endorsed the AIC Code and

Corporate Governance Report (continued)

confirmed that, by following it, the boards of investment companies should fully meet their obligations in relation to the UK Code and paragraph 9.8.6 of the Listing Rules. The board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to the Company's shareholders in terms of its governance arrangements.

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

Statement of compliance

The Company has complied with the principles and provisions of the 2019 AIC Code throughout the year to 31 August 2023 except as set out below.

Given the entirely non-executive nature of the board of directors of investment companies, the AIC Code includes a deviation from the UK Corporate Governance Code permitting the chairman of the board to be a member of the audit committee. The Company has taken advantage of this provision. The AIC Code also permits the tenure of the chairman of the board to exceed nine years. See page 41 for details of the Company's tenure policy.

The chairman of the board is also the chairman of the nominations and remuneration committee, but he would not chair the meeting when discussing his own performance or remuneration.

As the Company is an investment company, it has no chief executive or other executive directors and therefore has no need to consider the remuneration of executive directors. In addition, the Company does not have any internal operations and therefore does not maintain an internal audit function. However, the audit committee considers the need for such a function at least annually (see page 45 for further information).

Board leadership and purpose

The board has overall responsibility for the Company's affairs and for promoting the long-term success of the Company. The board is collectively responsible for providing leadership, setting the investment objective and policy, appointing the Company's third-party service providers, establishing a robust internal control and risk management system and monitoring the performance delivered by service providers within the established control framework. It is also responsible for setting the Company's standards and values and for ensuring that its obligations to its shareholders and other stakeholders are understood and met. Information relating to the Company's purpose and values can be found on page 20 and to the board's engagement with stakeholders on pages 24 to 26.

Division of Responsibilities

Role	Primary responsibilities
Shareholders/investors	• Approving material changes to the Company's investment policy. • Making decisions regarding changes to the Company's constitution. • Electing and re-electing directors to the board, or removing them from office if deemed appropriate. • Determining the overall limit for directors' remuneration.
Chairman	• Leading and managing board business and ensuring the timely flow of information from service providers to the board. He facilitates open, honest and constructive debate among directors. • Leading the nominations and remuneration committee in developing succession planning and the identification of potential candidates for appointment to the board (except when considering their own succession). • Leading the board in determining its governance framework, culture and values. • Leading the board's relationship and engagement with shareholders and other stakeholders. • Managing the relationship with the manager. The role description for the chairman is available on the Company's website.
Senior independent director	• Fulfilling the role of a sounding board for the chairman and intermediary for the other directors as necessary. • Leading the performance evaluation of the chairman. • Acting as a channel of communication for shareholders in the event that contact through the chairman is inappropriate. The role description of the senior independent director is available on the Company's website.

Corporate Governance Report (continued)

Role	Primary responsibilities
Independent non-executive directors	• Providing constructive and effective challenge, especially to the decisions of the manager. • Scrutinising and holding to account the performance of the: – Fund manager in meeting the investment objective. – Manager in the promotion of the Company and day-to-day smooth operations of the Company's business. • Providing strategic guidance and offering specialist advice.
Committee chairs	• The leadership and governance of their committee. • Maintaining the relationships with specialist service providers delivering services within the remit of their committee. • Reporting on the activities of their committee to the board. • Seeking approval from the board for the responsibilities set out in their respective terms of reference. The terms of reference for the board committees are available on the Company's website.
Manager (AIFM)	• Promoting the Company's investment proposition to professional and retail investors. • Making the necessary reporting to the FCA regarding the Company's status as an AIF. • Providing accounting, company secretarial and other administrative services to the Company ensuring compliance with the applicable statutory and regulatory provisions. • Coordinating the delivery of services provided by the Company's other third-party service providers.
Fund manager	• Selecting the stocks held within the portfolio. • Diversification and risk management through stock selection and size of investment. • Determining the volume and timing of acquisitions and disposals. • Determining the frequency and level of gearing within the overall limits set by the board.

Operation of the board

The board meets formally at least five times a year, with additional board or committee meetings arranged when required. The directors have regular contact with the fund manager, corporate secretary and other employees of the manager between scheduled meetings.

The board has a formal schedule of matters reserved for its decision which includes setting strategy and providing oversight of performance against agreed measures. All matters that are not delegated to the manager under the management agreement are reserved for the board's decision. A copy of the schedule of matters reserved is available on the Company's website. The board has adopted a procedure for directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company.

At each meeting the board reviews the Company's investment performance and compliance with the approved investment policy. It also considers financial analyses and other reports of an operational nature. The board monitors compliance with the Company's objective and is responsible for setting asset allocation, investment and gearing limits within which the manager has discretion to act. The manager takes decisions as to the purchase and sale of individual investments, although the board has responsibility for the approval of any investments in in-house funds managed or advised by the manager (of which there are currently none).

The board has engaged third-party service providers to deliver the operational elements of the Company. These include the manager, a depositary who in turn appoints the custodian who is responsible for the safe custody of the Company's assets, and a registrar to maintain the register of members and assist shareholders with queries in respect of their holdings. The management engagement committee meets annually with representatives from the depositary and custodian to discuss amongst other matters performance, service levels, their value for money, information security and business continuity plans.

The manager and corporate secretary ensure that all directors receive, in a timely manner, all relevant management, regulatory and financial information. Representatives of the manager attend each board meeting, enabling the directors to probe further on matters of concern. In addition, the chairman is able to attend meetings of all the chairmen of the investment trust companies managed by Janus Henderson which provide a forum to discuss industry matters which would then be reported to the board.

The directors have access to the advice and services of the corporate secretary through its appointed representative who is responsible to the board for ensuring that board and committee procedures are followed and that applicable rules and regulations are complied with. The proceedings at all board and committee meetings are fully minuted, in a process that allows any director's concerns to be recorded in the minutes.

Corporate Governance Report (continued)

The corporate secretary, Janus Henderson Secretarial Services UK Limited, is a subsidiary of Janus Henderson with its own reporting lines and audited internal controls. There are processes and controls in place to ensure that there is a clear distinction between the two entities, particularly when dealing with any conflicts or issues between the Company and Janus Henderson.

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

The board, the manager and the corporate secretary operate in a supportive, co-operative and open environment

The board

Board composition

Under the Company's articles of association, the total number of directors shall be not less than two, but there is no maximum set; the board currently consists of five non-executive directors. The biographies of the directors holding office at the date of this report, which are set out on page 35, demonstrate the breadth of investment, financial and other professional experience relevant to their positions as directors.

The chairman was independent on appointment in accordance with the criteria set out in the AIC Code and has no relationships that may create a conflict of interest between his interests and those of shareholders. Details of his other significant commitments can be found on page 35. Following review by the nominations and remuneration committee as part of the performance evaluation, the board is satisfied that Richard Hills has sufficient time to devote to the Company.

The independence of the directors is determined with reference to the AIC Code. The nominations and remuneration committee considers the independence of each director at least annually by reviewing their other appointments and commitments, as well as their tenure of service and any connection they may have with the manager. All directors are considered by the board to be independent of the manager and free of any relationship which could materially interfere with the exercise of their independent judgement.

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

Director appointment, tenure and training

Appointment and retirement

The board may appoint directors to the board and any director so appointed must stand for election by the shareholders at the annual general meeting following appointment, in accordance with the articles of association. Each director receives a letter of appointment that sets out, amongst other matters, what is expected of them in terms of time commitment.

In keeping with the provisions of the AIC Code, the board has adopted a policy for all directors to retire and stand for re-appointment annually at each annual general meeting. Under the articles of association, shareholders may remove a director before the end of their term by passing an ordinary resolution at a general meeting.

The board considers a potential candidate's other commitments on appointment and then annually through the performance evaluation process to ensure that directors have sufficient time to commit to the Company. A schedule of directors' other commitments is reviewed at each board meeting and directors are required to seek the chairman's approval prior to accepting further appointments.

Tenure

A progressive approach to refreshment of the board is taken. This allows time for new directors to familiarise themselves with the Company whilst retaining the right balance of knowledge, skills, experience and corporate knowledge on the board. Whilst there is no fixed period of tenure for directors or the chairman, the UK Code guidance refers to a nine-year tenure for the chairman. The board considers the length of appointment on a case-by-case basis taking into consideration the guidance, together with the performance of the individual director and what would be in the best interests of the Company. The board believes that directors with more than nine year's service can still form part of an independent majority and in particular their experience is beneficial to investment company boards.

All directors stand for annual re-appointment by shareholders. In advance of each annual general meeting, the nominations and remuneration committee will consider and make recommendations to the board about whether it is appropriate for eligible directors to be recommended for re-appointment, taking into account the results of the annual performance evaluation and the ongoing requirements of the AIC Code. Further details are set out in the nominations and remuneration committee report on pages 49 to 51.

Professional development

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

Corporate Governance Report (continued)

Directors are also provided on a regular basis with key information on the Company's policies, regulatory and statutory requirements and internal controls. Changes affecting directors' responsibilities are advised to the board as they arise. Directors also regularly participate in relevant training and industry seminars and may do so at the expense of the Company.

Directors' individual training requirements are considered as part of the annual evaluation process which is led by the chairman of the board.

Conflicts of interest

The Company's articles of association permit the board to consider and, if it sees fit, to authorise situations where a director has an interest that conflicts, or may possibly conflict, with the interests of the Company ("situational conflicts"). The board has a formal system in place for directors to declare situational conflicts to be considered for authorisation by those directors who have no interest in the matter being considered. In deciding whether to authorise a situational conflict, the non-conflicted directors must act honestly and in good faith with a view to the best interests of the Company and they may impose limits or conditions when giving the authorisation, or subsequently, if they think this is appropriate. Any situational conflicts considered, and any authorisations given, are recorded in the relevant meetings' minutes. The board believes that the systems it has in place for reporting and considering situational conflicts continue to operate effectively.

Insurance and indemnification

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

Meeting attendance

The following table sets out the number of scheduled board and committee meetings held during the year under review and the number of meetings attended by each director. The number in brackets denotes the number of meetings each director was entitled to attend. Two strategy meetings were also held in the year. All directors in office at the time attended the 2022 AGM.

	Board	AC	MEC	NRC
Scheduled meetings	5	2	1	1
Richard Hills	5 (5)	2 (2)	1 (1)	1 (1)
Mai Fenton*	1 (1)	0 (0)	1 (1)	1 (1)
Aidan Lisser	5 (5)	2 (2)	1 (1)	1 (1)
Jo Parfrey	5 (5)	2 (2)	1 (1)	1 (1)
Lucy Walker	5 (5)	2 (2)	1 (1)	1 (1)

* appointed as a director on 1 June 2023
AC: audit committee
MEC: management engagement committee
NRC: nominations and remuneration committee

Additional meetings of the board and the nominations and remuneration committee were held in the year, attended by all members, in relation to the appointment of a new director. The insider committee did not meet during the year.

Communication with shareholders

See pages 24 and 25 for information about how the Company communicates with shareholders.

Internal control and risk management

The board has overall responsibility for the Company's system of internal control and for reviewing its effectiveness, as set out in the chart on page 44. The audit committee supports the board in the continuous monitoring of the internal control and risk management framework. Details of the principal risks facing the Company, including emerging risks and how these are mitigated are set out on pages 27 and 28.

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

The key components of the internal control framework include:

- clearly defined investment criteria which specify levels of authority and exposure limits. The board reviews reports on compliance with the criteria at each meeting;
- regular reporting which allows the board to assess the Company's financial position. The management accounts and forecasts are reviewed by the board at each meeting;

Corporate Governance Report (continued)

- contractual agreements with the manager and other third-party service providers. The board reviews performance levels and adherence to relevant provisions of the agreements on a regular basis through reporting to the board and the management engagement committee conducts a formal evaluation of the overall level of service provided at least annually (see management engagement committee report on page 52);
- the review of controls (including financial, operational and compliance) at the manager and other third-party service providers. The board receives quarterly reporting from the manager and depositary and reviews annual assurance reports on the effectiveness of the control environments at the Company's key service providers; and
- a review of additional reporting is provided by:
  - the manager's operational risk team on the control environment in operation at the manager and their view of the control environments in place at the third-party service providers used by the Company; and
  - the manager's internal audit team on operations which are relevant to the Company.

The board has carried out a review of the effectiveness of the Company's system of internal controls for the year ended 31 August 2023. During the course of its review the board has not identified or been advised of any failings or weaknesses relating to the Company that have been determined as significant.

Internal audit function

Systems are in operation to safeguard the Company's assets and shareholders' investments, to maintain proper accounting records and to ensure that financial information used within the business, or published, is reliable.

The Company is an investment company, has no employees and delegates all executive activities to third-party service providers, principally among them, the manager, Janus Henderson. The board places reliance on the Company's framework of internal control and the audit committee's view on reporting received from specific second and third line of defence teams at the manager. The manager's risk team supports the audit committee in considering the independently audited reports on the effectiveness of internal controls in place at the Company's third-party service providers. The manager's internal audit department provides regular reporting to the board on the operations at the manager and presents at least annually to the audit committee. The board has therefore concluded that it is not necessary at the present time for the Company to have its own internal audit function.

System of internal controls

How the system of internal control operates

The board delegates contractually to third-party service providers for all of the Company's operational requirements. It maintains oversight of these providers throughout the year by receiving regular reporting on their activities. All are considered key stakeholders.

The management engagement committee formally evaluates the performance and service delivery of all third-party service providers at least annually.

The audit committee evaluates the performance of the auditors on completion of each audit cycle.

Corporate Governance Report (continued)

System of internal controls

Board of Directors

(comprised entirely of independent non-executive directors)

Principal third-party service providers

- receive regular reporting at meetings;
- review the annual assurance report produced by each organisation;
- receive additional reporting on the control environment from the manager's operational risk team;
- receive reporting from the manager's internal audit team on areas relevant to investment trusts; and
- formally evaluate performance on an annual basis.

Janus Henderson

(Investment management, company secretarial, sales, marketing, PR and administration)

Reporting

- Investment performance update (at each meeting)
- Compliance with investment limits and restrictions (monthly)
- Internal controls report (quarterly)
- Effectiveness of control environment (annually)

HSBC

(Depositary & custodian)

Reporting

- Depositary report (quarterly)
- Presentation from the depositary and custodian (annually)
- Effectiveness of control environment (annually)

BNP Paribas

(Accounting services (engaged by the manager))

Reporting

- Balance sheet
- Liquidity and gearing
- Revenue forecasts
- Portfolio valuation
- Portfolio transactions
- Effectiveness of control environment (annually)

Other third-party service providers

- receive regular reporting on their activities at meetings; and
- formally evaluate performance on an annual basis.

Computershare
(Registrar)

Panmure Gordon & Co
(Corporate broker)

BDO LLP have been appointed as the Company's auditors.

Audit Committee Report

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

Membership

All directors are members of the committee, including the chairman of the board. Taking account of the size of the board as a whole, the absence of any executive directors and the collaborative manner in which the board and its committees work, it is not considered practical or constructive to exclude the chairman of the board from the membership of the committee. The chairman of the board was determined to be independent at the time of his appointment. The committee is chaired by Jo Parfrey, a chartered accountant who is considered by the board to have recent and relevant financial experience. The committee as a whole has competence relevant to the sector in which the Company operates and to the Company as an investment trust.

Meetings

The committee meets at least twice a year to review the half-year results, the annual results and to review the Company's internal controls.

The Company's auditors, the fund manager and the manager's financial reporting manager for investment trusts are invited to attend meetings of the committee on a regular basis. Other representatives of the manager and BNP Paribas may also be invited to attend if deemed necessary by the committee.

Role and responsibilities

The audit committee provides an independent oversight of the annual corporate reporting process. The primary responsibilities of the audit committee are to ensure the integrity of the Company's financial reporting, including the preparation and audit of the financial statements, to monitor and review the effectiveness of the systems of internal control and risk management at the manager and the Company's third party service providers. The audit committee also makes recommendations to the board regarding the appointment, re-appointment and terms of engagement, including remuneration, of the external auditor. It is also tasked with monitoring and reviewing the quality of the audit and the independence of the auditors.

The audit committee reports to the board. The committee's responsibilities are set out in formal terms of reference which are reviewed at least annually.

Activities during the year

In discharging its duties over the course of the year, the committee considered the following matters:

Half year results and the annual report

- The appropriateness of the Company's accounting policies and the quality and effectiveness of the accounting records and management information maintained on behalf of the Company, relying on meetings with and reports from the manager.
- The disclosures made in relation to internal controls and risk management, viability, going concern and related parties and consideration of whether the report was fair, balanced and understandable and provided the information necessary for shareholders to assess the Company's position and performance, business model and strategy in order to make recommendations to the board. Each director reviewed the disclosures made, applying their respective knowledge and expertise.

Internal controls and risk management

- Monitoring the principal risks facing the Company, the risk management systems in place and reviewing and updating the Company's risk map.
- The internal controls in place at Janus Henderson and BNP Paribas as administrator, as described on page 44, including compliance with section 1158/9 and the manager's policies in relation to cyber risk and business continuity.

  The committee met with representatives of the manager's operational risk team to discuss internal controls and risk management. The discussion included a detailed overview of the manager's internal controls report and a summary of the HSBC, BNP Paribas and Computershare Investor Services (the Company's other main third-party service providers) internal controls reports that had also been reviewed by the manager's operational risk team. The assurance report for one of the Company's service providers was qualified by the respective service auditor. The Committee reviewed the instances giving rise to the qualification and received confirmation that appropriate action to address the issues identified in the report was being taken. The committee is monitoring the action and performance accordingly. The exceptions identified had no impact on the Company.
- Compliance with the terms of the senior unsecured notes.
- The need for the Company to have its own internal audit function.

  The committee met with a representative of the manager's internal audit team to discuss the manager's internal audit plan, including an overview of those audits which had a direct or indirect relevance to the Janus Henderson managed investment trusts. The committee recommended to the board that it was appropriate to rely on the manager's internal audit function (see page 43).

Audit Committee Report (continued)

- The manager's cyber security arrangements, meeting with the Janus Henderson Chief Information Security Officer.
- The manager's whistleblowing policy and the arrangements that Janus Henderson has put in place for its staff to raise concerns, in confidence, about possible improprieties, including in relation to the Company. The committee was satisfied that the policy included the necessary arrangements for independent investigation and follow up action.
- The Company's third-party suppliers' confirmations that they had appropriate policies and procedures in place in relation to whistleblowing, anti-bribery and corruption and anti-tax evasion. The committee was satisfied that they were in compliance.
- The Company's anti-bribery policy and review of the Company's gifts and hospitality register. The committee was satisfied that the Company was in compliance throughout the year under review and up to the date of this report.
- The annual confirmation from the Company's depositary in respect of the safe-keeping of the Company's assets.

Dividend

- The appropriate level of dividend to be paid by the Company, including review of the revenue forecasts in support of the Company's dividend.

External auditors

- The appointment of the external auditors and their performance and terms of engagement, including remuneration (see below).
- The nature and scope of the external audit, including agreeing with the external auditors the level of materiality (see page 60), and the findings therefrom.
- The external auditors' independence and objectivity and the reporting of the external auditors. The committee also considered its policy on non-audit services (as explained further below).
- The FRC's audit quality inspection report on BDO LLP ("BDO").

Appointment and tenure of the auditors

Regulations currently in force require the Company to rotate audit firms after a period of 10 years, which may be extended where audit tenders are carried out or where more than one audit firm is appointed to carry out the audit subject to a maximum appointment of 20 years.

BDO were appointed as auditors following an audit tender in 2020, and their appointment was confirmed by shareholders at the 2020 annual general meeting. The financial statements for the year ended 31 August 2023 are the third to be audited by BDO and the third year for the audit partner, Peter Smith.

Auditors' independence

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

BDO confirmed that all of its partners and staff involved with the audit were independent of any links to the Company, and that these individuals had complied with their ethics and independence policies and procedures which are fully consistent with the FRC's ethical standards. Having considered the above-mentioned aspects, the performance and behaviour of the auditors during the audit process and the assurances received from BDO, the committee is satisfied that auditor independence and objectivity are safeguarded.

Audit fees

The fees payable to the auditors for audit services were £43,000 (plus VAT) (2022: £38,000 (plus VAT)).

Policy on non-audit services

The committee has approved, and keeps under regular review, the policy on the provision of non-audit services by the auditors. The policy sets out that the Company's auditors will not be considered for non-audit work where this is prohibited by the current regulations and where it appears to affect their independence and objectivity.

In addition, the provision of any non-audit services by the auditors is not permitted to exceed 70% of the average annual statutory audit fee for the three consecutive financial periods proceeding the financial period to which the cap applies. Non-audit services require approval in advance by the audit committee, or the chair of the audit committee, following due consideration of the proposed services.

There were no fees paid or payable to the auditors for non-audit services in the year under review (2022: £nil).

Annual report for the year ended 31 August 2023

The committee is satisfied that the annual report for the year ended 31 August 2023, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Audit Committee Report (continued)

In relation to the annual report for the year ended 31 August 2023, the following significant issues were considered by the committee and discussed in depth with the external auditors:

Significant issue	How the issue was addressed
Valuation and ownership of the Company's investments	The directors have appointed the manager to perform the valuation of the assets of the Company in accordance with its responsibilities under the Alternative Investment Fund Managers Directive ("AIFMD") rules. As required under the AIFMD rules, Janus Henderson has adopted a written valuation policy, which may be modified from time to time. Actively traded investments are valued using stock exchange prices provided by third-party pricing vendors. Ownership of listed investments is verified by reconciliation to the custodian's records and the directors receive quarterly reports from the depositary, who has responsibility for overseeing the Company's operations, including verification of ownership and valuation.
Recognition of income	Income received is accounted for in line with the Company's accounting policy (as set out in note 1e) on page 69) and is reviewed by the committee at each meeting. Special dividends, and their treatment as either revenue or capital, is considered as part of this exercise.
Accounting treatment for senior unsecured notes	The committee reviewed the accounting treatment and disclosures for the senior unsecured notes in line with relevant accounting standards and industry practice, including fair value calculation models presented by the manager for the fair value disclosures and the fair value NAV.
Maintaining internal controls	Information about the internal control and risk management framework adopted by the Company is set out in the corporate governance report on pages 41 to 43.
Maintenance of investment trust status	The committee regularly considers the controls in place to ensure that the regulations for ensuring investment trust status are observed at all times, receiving supporting documentation from Janus Henderson and BNP Paribas.

The audit committee discussed in detail the methodology employed by the auditor in the audit. The chair of the committee had met with BDO as part of the planning process and reviewed the audit plan, together with assessing the BDO team. The auditors also reported to the committee on the Company's compliance with the requirements for maintaining investment trust status. The committee did not consider it necessary to request the auditors to look at any specific areas in relation to the audit for the year ended 31 August 2023.

Activities during the year

The directors:

- have reviewed the KPIs used to monitor the Company's performance to ensure that these remain relevant;
- sought additional information about the effectiveness of internal controls at the service provider who had received a qualified control report. The committee made enquiries both through the manager and meeting with the service provider, where appropriate, about the reasons for the qualification to satisfy itself and the directors that these had had no material impact on the Company and were being addressed;
- review the accounting treatment of the senior unsecured notes on a six-monthly basis to ensure that this remains appropriate, and this treatment was also reviewed and confirmed by the auditors;
- challenged management on the appropriate recognition of the dividend income;
- are provided with regular reports from the manager on special dividends received and the rationale for whether these should be treated as income or capital is discussed;
- have reviewed and discussed with management the scenarios regarding the dividend income stream from the portfolio, specifically the level of dividend cover and the potential use of reserves. It was concluded that, in the current year the dividend would be substantially covered by income received in the year with a small draw down from the revenue reserve; and
- met with management to discuss the approach to ESG and how this is embedded within the investment process.

Effectiveness of the external audit

The auditors attended two audit committee meetings in the year, when the committee considered the audit plan and the annual results. This included a review of BDO's policies and procedures, including an assessment of their quality assurance procedures and independence, which the committee concluded were satisfactory. The committee chair also met with the auditors to review the audit results prior to these being presented to the audit committee.

Audit Committee Report (continued)

The committee evaluates the effectiveness of the external audit. This comprises assessing the auditors' performance during the course of the year together with a post-audit assessment, which is carried out and led by the committee chair.

In assessing the effectiveness of the audit process, the committee chair invites views from the directors, fund manager and other members of the manager's staff. Consideration is given to:

- the quality of the audit team and their understanding of the Company;
- the performance and conduct of the audit team;
- assessing the robustness of the audit and the level of challenge offered by the audit team;
- the timeliness of delivering the tasks required for the audit; and
- the clarity of the reporting to the committee and the nature of any recommendations.

The committee also met privately with the audit partner to discuss how the audit operated from his perspective. Matters considered included an assessment of the manager and the management information, together with the internal control environment.

Consideration is also given to the findings of the FRC's audit quality inspection report, which monitors the audit quality across the major audit firms in the UK. The auditors presented and discussed the findings of the latest audit quality inspection report and reported on the progress made by the firm in terms of addressing the areas identified for improvement in the prior year's report. The committee challenged the auditors on the findings of this report and will continue to monitor progress.

The committee, based on the reporting from the manager and the auditor, considers that BDO conducted a diligent audit, requiring detailed evidence and explanation to support a robust assessment and evaluation of the financial information contained in the annual report. The auditors also assessed the control environment.

Based on their performance to date, the reviews undertaken and the feedback received, the committee concluded that there was no reason to doubt the effectiveness of the audit provided by BDO to the Company and recommended their continuing appointment to the board.

Jo Parfrey
Chair of the audit committee
1 November 2023

Nominations and Remuneration Committee Report

The nominations and remuneration committee advises the board on the composition of the board and its committees, in making appointments to the board and ensuring suitable succession plans are in place for the directors. It also has responsibility for setting the remuneration policy for the non-executive directors.

Membership

All directors are members of the committee. The chairman of the board is the chairman of the committee but would not chair meetings when the committee is considering the chairman's remuneration and would not be in attendance when the committee is considering appointments for his successor.

Meetings

The committee met six times during the year, which included five additional meetings held in relation to the appointment of a new director.

Role and responsibilities

The principal responsibilities of the committee include reviewing the structure, size and composition of the board and its committees and leading the search for suitable candidates to fill roles as required, taking into consideration the balance of skills, knowledge, experience and diversity on the board; ensuring annual performance evaluations are carried out, discussing the outcomes from those evaluations and making recommendations to the board; considering the proposed appointment and re-appointment of directors ahead of each annual general meeting; and setting the remuneration policy and levels of remuneration for board members, including the chairman of the board, the chair of the audit committee and the senior independent director.

Activities in the year

In discharging its duties over the course of the year, the committee considered the following matters:

- the composition of the board and each of its committees, taking account of the skills, experience and knowledge of each director and whether the diversity of these continued to contribute to the success of the Company;
- succession planning for appointments to the board taking account of the provisions of the articles regarding the retirement and rotation of directors, as well as the tenure of the current directors;
- the appointment of a new director to bring the board back up to five directors;
- the outcomes of the board performance evaluation with a view as to whether adjustments should be made to the number of directors or knowledge and skills represented on the board;
- the tenure of each of the directors, giving consideration as to whether the board retained a sufficient balance of length of service without becoming complacent;
- the independence of the directors taking account of the guidelines established by the AIC Code as well as the directors' other appointments;
- the time commitment of the directors and whether this had been sufficient over the course of the year;
- the performance and contribution of all directors standing for re-appointment at the 2023 annual general meeting; and
- the level of directors' fees.

Succession planning

When considering succession planning, the committee bears in mind the balance of skills, knowledge, experience and diversity existing on the board. The committee also acknowledges the need for refreshment of the board to be made on a staggered basis in order to maintain continuity and corporate knowledge. Once a decision is made to recruit an additional director, a formal job description is drawn up and an external recruitment agency is engaged to facilitate the search. The committee assesses candidates against objective criteria and with due regard for the benefits of diversity on the board (including gender, social and ethnic backgrounds, as well as cognitive and personal strengths), taking care that any candidates recommended for appointment will be able to allocate sufficient time to the Company to discharge their responsibilities fully and effectively.

As part of the annual performance evaluation process, the committee considered the tenure of the board. The directors have been on the board for between 0 and 7 years.

The committee also reviews and recommends to the board the directors seeking re-appointment. Recommendation is not automatic and will follow a process of evaluation of each director's performance and consideration of the director's independence. The committee also takes into account the mix of skills and experience of the current board members.

Appointment of director

Following the retirement of Simon Jeffreys at the 2022 annual general meeting, the number of directors was reduced to four. As indicated in last year's report, the committee considers that a board of five directors is the optimal number for the Company. Following a review of specialist recruitment agencies, Odgers Berndtson ("Odgers") were appointed to assist in the search for a new director. Odgers do not undertake any other services for the Company and has no connection with any of the directors.

A skills matrix of the board was prepared and a specification setting out the preferred experience and background for the new director was agreed. The committee took into account expected timings for future refreshment of the board.
The Company's diversity policy was considered and Odgers

Nominations and Remuneration Committee Report (continued)

were requested to ensure the long list included diverse candidates. Following discussion of the long list with Odgers, the preferred candidates were invited for interviews with the board. A shortlist of two candidates was then put forward for in-person interviews with the board. Candidates were evaluated based on their experience, their cognitive and personal strengths and their suitability to the role. The candidates' other commitments were also considered as part of the process.

Following the conclusion of the process and on receipt of satisfactory references, the committee was pleased to recommend to the board the appointment of Mai Fenton. Ms Fenton was appointed as a director with effect from 1 June 2023.

Performance evaluation

Each year, the committee assesses the composition of the board and its performance, including that of individual directors. An external review is held periodically, with the last external review conducted in 2022. This year the performance evaluation was conducted through the use of an internal, online questionnaire, and the outcome presented to the committee. The appraisal of the chairman was led by Lucy Walker, the senior independent director. The areas considered included board composition, expertise and dynamics, management and focus of meetings, investment strategy and performance, risk management, external relations including the quality of the board's understanding of shareholders' views and the manager's sales and marketing activities, remuneration and fees, priorities for change, a review of the effectiveness of the committees of the board and each individual director. The committee also reviewed the independence of each director and their time commitment.

Following completion of the review, the committee concluded that the board, its committees and individual directors and the chairman continued to operate effectively with a clear understanding of the risks facing the Company and that each director continued to commit sufficient time to fulfilling their duties. Taking account of the performance of individual directors, the committee recommended to the board that it should support the appointment/re-appointment of each director standing for election/re-election at the 2023 annual general meeting.

Diversity policy

All board appointments are subject to a formal, rigorous and transparent procedure. The Company seeks to ensure that any board vacancies are filled by the most qualified candidates based on objective criteria and merit and in the context of the skills, knowledge and experience that are needed for the board to be effective.

Whilst the board does not feel that it would be appropriate to use specific diversity targets, given its small size, the directors acknowledge that diversity is important to ensure that the Company can draw on a broad range of backgrounds, skills, knowledge, experience and perspectives to achieve effective stewardship of the Company. An integral part of the appointment process includes the consideration of diversity in its broadest sense and the committee ensures that lists of potential non-executive directors include diverse candidates of appropriate experience and merit.

In all of the committee's activities, there will be no (and there has not been any) discrimination on the grounds of gender, race, ethnicity, religion, sexual orientation, age or physical ability.

Board diversity at 31 August 2023

As at 31 August 2023, three out of the five directors (60%) are women, one of whom holds a senior position as defined under the Listing Rules, being the senior independent director ("SID"). The board is also meeting the recommendation that at least one director is from a minority ethnic background.

In accordance with the Listing Rules and using the AIC's guidance, the board provides the following information about its diversity:

Gender identity

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and chair)
Men	2	40%	1
Women	3	60%	1*

Ethnic diversity

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and chair)
White British or other White (including minority-white groups)	4	80%	2*
Asian/Asian British	1	20%	–

* As an investment trust company with solely independent, non-executive directors and no employees, the Company only has two of the senior roles specified by the Listing rules, that is the position of chair and SID. One of these roles is occupied by a man and one by a woman. However, the Company considers that chairing the permanent sub-committees of the board are senior roles in an investment company context. The position of chair of the audit committee is held by a woman

The information in the tables was provided by individual directors in response to a request from the Company. There have been no changes to the board or the roles of directors between 31 August 2023 and the date of this report.

Nominations and Remuneration Committee Report (continued)

Remuneration

Details of the committee's activities in relation to directors' remuneration are set out in the directors' remuneration report on pages 53 to 55, together with information on the fees paid to directors during the year under review.

Richard Hills
Chairman of the nominations and remuneration committee
1 November 2023

Management Engagement Committee Report

The committee is responsible for formally evaluating the overall performance of the manager and other third-party service providers engaged by the Company, to consider whether their continuing appointment is in the interests of shareholders as a whole.

Membership

All directors are members of the committee. The chairman of the board is the chairman of the committee.

Meetings

The committee met once during the year. The committee has not engaged any service providers to provide advice to the Company during the period.

Role and responsibilities

The primary role of the committee is to review the management agreement and monitor the performance of the manager for the investment, company secretarial, financial reporting, administration, sales, marketing and support services that it provides under that agreement. Its review of the terms of the agreement include the level and structure of fees payable, the length of notice period and best practice provisions generally. The fees paid to the manager should be aligned with the Company's purpose and values and the successful delivery of its long-term strategy. The committee is also responsible for formally evaluating the overall performance of third-party service providers engaged by the Company. The committee reports to the board and its responsibilities are set out in formal terms of reference which are reviewed at least annually.

Activities in the year

In discharging its duties over the course of the year, the committee considered the following matters:

- the investment performance of the Company, taking account of the benchmark and performance of competitors in its AIC peer group, the share price, level of premium/discount and gearing;
- the quality and experience of the team involved in managing all aspects of the Company's business;
- the fee structures of competitors in its AIC peer group and other, similar sized investment companies;
- the key clauses of the investment management agreement, how the manager had fulfilled these and whether these continued to be appropriate;
- the performance and fees of the Company's other third-party service providers, including the brokers, depositary, registrar, marketing and research providers, legal counsel and the Company's accountants;
- the Company's service providers in their role as stakeholders and whether there is an appropriate level of engagement with them; and
- any points of conflict which may arise between the providers of services to the Company.

Continued appointment of the manager

The board monitors investment performance at each meeting and receives updates in respect of professional sales and marketing activities carried out by the manager for the Company twice annually. The committee makes a formal recommendation to the board in respect of the continued appropriateness of the terms of the management agreement at least annually.

The committee's evaluation of the manager included consideration of the quality of the team involved in all aspects of servicing the Company, including company secretarial, administration, sales and marketing, the manager's use of gearing and management of the portfolio's risk profile, the stability of the management group and the priorities for change.

Following completion of the review, the committee recommended to the board that the continued appointment of the manager on the terms agreed is in the interests of the Company's shareholders as a whole and its long-term sustainable success.

Performance of third-party service providers

Each year, the committee carries out an evaluation of the Company's key third-party service providers and their respective terms of engagement. Following this review, the committee recommended the continuation of the appointment of the key third-party service providers.

Richard Hills
Chairman of the management engagement committee
1 November 2023

Directors' Remuneration Report

Remuneration policy

The remuneration policy ("policy") sets out the principles applied in the remuneration of the Company's directors. The policy was last approved by shareholders at the AGM on 8 December 2020. Shareholders will be asked to re-approve the policy at the 2023 AGM; if approved, it will continue in force until the AGM in 2026. No changes to the policy are being proposed.

The nominations and remuneration committee is responsible for matters relating to directors' remuneration. Individual directors do not participate in discussions relating to their own remuneration. The appropriateness and relevance of the remuneration policy is reviewed at least annually, particularly in terms of whether the policy supports the Company's long-term sustainable success. In determining the policy, the board takes into account all factors which it deems necessary, including relevant legal and regulatory requirements, the provisions and recommendations of the UK Code and the AIC Code and fees paid to comparable investment trusts.

The objective of the policy is to attract, retain and motivate non-executive directors of the quality required to manage the Company successfully. The Company's approach is that directors' fees should:

- reflect the time spent on the Company's affairs;
- reflect the responsibilities borne by the directors; and
- be sufficient to promote the long-term success of the Company.

Directors are remunerated in the form of fees payable, to the director personally, quarterly in arrears. Fees are pro-rated where a change takes place during a financial year. The total annual aggregate fees payable to directors shall not exceed £500,000, as set out in the Company's articles of association. Any change to this limit would require the approval of shareholders by way of an ordinary resolution.

The chairman of the board is paid a higher fee in recognition of his additional responsibilities, as is the chair of the audit committee and the senior independent director. The directors may be reimbursed for all reasonable and properly documented expenses incurred in the performance of their duties. The level of fees paid to each director is reviewed annually, although such a review may not necessarily result in any change to the rates. The level of fees paid to the directors of other investment companies of a similar size and nature is taken into account when carrying out the review. The board may amend the level of remuneration paid to individual directors within the parameters of the policy.

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

The policy, irrespective of any changes, will be put to shareholders at intervals of not more than three years with the next approval due to be sought at the AGM in 2023.

Letters of appointment

All directors are non-executive and are appointed under a letter of appointment. No director has a service contract with the Company. There are no set notice periods. A director may resign by giving notice in writing to the board at any time and no compensation is payable for loss of office.

Recruitment principles

All directors, including any new appointments to the board, are paid at the same rate. The chairman of the board, senior independent director and chair of the audit committee are paid higher fees in recognition of their additional responsibilities.

Views of shareholders

Any views expressed by shareholders on the fees being paid to directors would be taken into consideration by the board when reviewing levels of remuneration.

Annual report on remuneration

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

As required by the Act, an ordinary resolution to approve the directors' remuneration report will be proposed at the forthcoming AGM.

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

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

The board has not been provided with advice or services by any person in respect of its consideration of the directors' remuneration.

Statement from the chairman

The board has established a nominations and remuneration committee, which is responsible for reviewing directors' remuneration. All directors are members of this committee.

The committee has carried out its annual review of the fees being paid to directors and as part of this it looked at the fees paid to other investment companies in its AIC peer group (the AIC Global Equity Income sector) and the fees paid to the other Janus Henderson managed investment trusts.
The committee also considered the changes in the retail

Directors' Remuneration Report (continued)

prices index and the consumer prices index since the last fee increase in September 2022, as well as the increasing responsibilities and time commitment required of directors. Following consideration, it was agreed that an increase of approximately 5% should be made to directors' fees with effect from 1 September 2023. The new rates are set out in the table below. The increases were to ensure that the directors are properly remunerated for their services to the Company and so that the Company can remain competitive when seeking new directors. The board is satisfied that the changes to the remuneration of the directors are compliant with the directors' remuneration policy approved by shareholders at the 2020 AGM. There will be no significant change in the way that the remuneration policy will be implemented in the course of the next financial year.

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

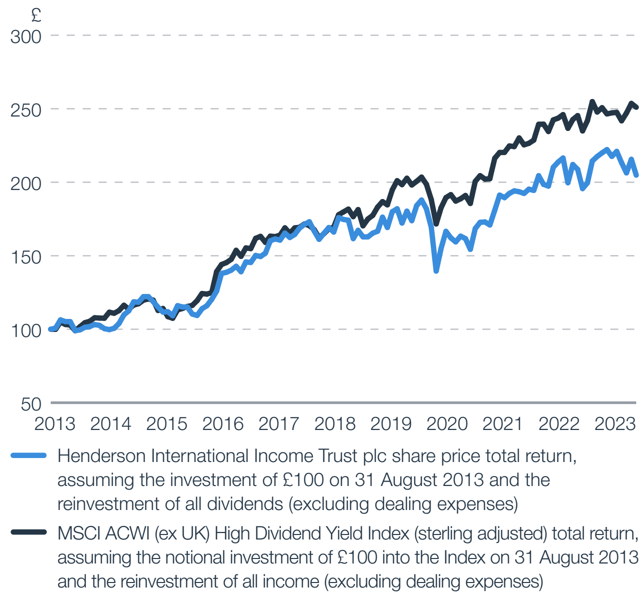
Table of directors' annual fees

The current fees for specific responsibilities are set out in the table below. Other than the chair of the audit committee, no fees are payable for membership of the board committees.

Role	**Rate from 1 September 2023**	Rate at 31 August 2023
Chairman of the board	47,000	44,800
Chair of the audit committee	37,300	35,500
Senior independent director	31,500	30,000
Other non-executive directors	29,200	27,800

Performance

The Directors' Remuneration Report Regulations require the Company to measure its performance against a "broad equity market index" on a total return basis. In this report the MSCI ACWI (ex UK) High Dividend Yield Index (sterling adjusted) has been selected as this is the performance comparator benchmark used by the board when reviewing the Company's performance.



Directors' fees and expenses (audited)

The fees and expenses paid to the directors who served during the years ended 31 August 2023 and 31 August 2022 were as follows:

	Year ended 31 August 2023 Total salary and fees £	Year ended 31 August 2022 Total salary and fees £	**Year ended 31 August 2023 Taxable benefits* £**	Year ended 31 August 2022 Taxable benefits* £	**Year ended 31 August 2023 Total £**	Year ended 31 August 2022 Total £
Richard Hills[1]	40,870	28,600	2,911	–	43,781	28,600
Simon Jeffreys[2]	12,008	42,700	237	572	12,245	43,272
Jo Parfrey[3]	35,500	33,800	–	–	35,500	33,800
Mai Fenton[4]	6,950	–	–	–	6,950	–
Aidan Lisser	27,800	26,500	567	291	28,367	26,791
Lucy Walker[5]	29,414	26,500	–	–	29,414	26,500
Total	**152,542**	**158,100**	**3,715**	**863**	**156,257**	**158,963**

The amounts paid by the Company to the directors were for services as a non-executive directors. The table above omits other columns in the relevant regulations because no payments of other types such as variable pay, performance related pay, vested performance related pay and remuneration related benefits were made.

1 Chairman of the board, management engagement and nominations and remuneration committees with effect from 7 December 2022 (previously senior independent director)
2 Former chairman of the board. Retired from the board on 7 December 2022
3 Chair of the audit committee. Appointed to the board and as audit committee chair on 1 January 2021
4 Appointed to the board on 1 June 2023
5 Senior independent director with effect from 7 December 2022
*Reimbursement of travel expenses to attend board meetings

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

Directors' Remuneration Report (continued)

Annual percentage change in directors' remuneration

The table below sets out the annual percentage change in directors' fees (excluding expenses paid) for the directors for the last three years in respect of each director who has served for a minimum of two financial years.

	Year to 31 August 2023 %	Year to 31 August 2022 %	Year to 31 August 2021 %	Year to 31 August 2020 %
Richard Hills[1]	42.9	6.1	5.7	6.3
Jo Parfrey[2]	5.0	n/a	n/a	n/a
Mai Fenton[3]	n/a	n/a	n/a	n/a
Aidan Lisser	4.9	3.9	–	6.3
Lucy Walker[4]	11.0	3.9	n/a	n/a

1 Appointed as senior independent director with effect from 8 December 2020 and then as chairman with effect from 7 December 2022. The increases in Mr Hills' remuneration reflect the changes in his roles on the board and the different remuneration associated with each role. The large differential for 2023 is a direct result of his appointment as chairman during the year
2 Appointed to the board and as audit committee chair on 1 January 2021
3 Appointed to the board on 1 June 2023
4 Appointed to the board on 1 September 2020. Appointed as senior independent director with effect from 7 December 2022, The large increase in her fees for 2023 reflects her change in role part way through the year and the additional remuneration associated with the new role.

Relative importance of spend on pay

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

	2023 £	2022 £	Change £	Change %
Total remuneration	156,257	158,963	(2,706)	(1.7)
Ordinary dividends paid	14,502,425	14,110,468	391,957	2.8

Directors' interests in shares (audited)

	Ordinary shares of 1p	
	31 August 2023 (or date of retirement, if earlier)	31 August 2022
Richard Hills	39,604	39,604
Simon Jeffreys[1]	206,275	206,275
Jo Parfrey	37,500	37,500
Mai Fenton	–	n/a
Aidan Lisser	26,148	26,148
Lucy Walker	12,307	12,307

1 Resigned as a director on 7 December 2022

The interests of the directors and persons closely associated with them in the ordinary shares of the Company at the beginning and end of the financial year are shown in the preceding table. There have been no changes to any of the directors' interests in the period 1 September 2023 to the date of this report.

In accordance with the Company's articles of association, no director is required to hold shares of the Company by way of qualification.

Statement of voting at annual general meeting

At the Company's AGM held on 7 December 2022, shareholders approved the directors' remuneration report in respect of the year ended 31 August 2022. Shareholders approved the directors' remuneration policy at the AGM on 8 December 2020. The following votes were received on the resolutions:

Resolution	For (including discretionary)	% of votes[1]	Against	% of votes[1]	Withheld
Remuneration policy (poll results at the 2020 AGM)	64,049,793	99.57	273,896	0.43	177,141
Remuneration report (proxy votes at the 2022 AGM)	63,461,932	99.76	155,515	0.24	190,354

1 Excluding votes withheld

Approval of the Annual Report on Remuneration

The Annual Report on Remuneration was approved by the board on 1 November 2023.

Richard Hills
Chairman of the nominations and remuneration committee
1 November 2023

Statement of Directors' Responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Company's financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the net return or loss of the Company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a directors' report, a strategic report and directors' remuneration report which comply with the requirements of the Companies Act 2006.

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

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

Directors' responsibility statement

Each of the directors, who are listed on page 35, confirms that, to the best of their knowledge:

- the Company's financial statements, which have been prepared in accordance with UK Accounting Standards, give a true and fair view of the assets, liabilities, financial position and return of the Company; and
- the annual report and financial statements include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the board

Richard Hills
Chairman
1 November 2023

The financial statements are published on **www.hendersoninternationalincometrust.com** which is a website maintained by the manager.

The maintenance and integrity of the website is the responsibility of the manager; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the annual report since it was initially presented on the website.

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

Financial Statements

Number of investments in Germany: 4

% of portfolio invested in Germany: 4.9%

Image: Berlin, Germany

Independent Auditors' Report to the Members of Henderson International Income Trust plc

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Henderson International Income Trust plc (the "Company") for the year ended 31 August 2023 which comprise the Income Statement, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

Following the recommendation of the audit committee, we were appointed by the board of directors on 8 December 2020 to audit the financial statements for the year ended 31 August 2021 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is three years, covering the years ended 31 August 2021 to 31 August 2023. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- evaluating the appropriateness of the directors' method of assessing going concern in light of market volatility by reviewing the information used by the directors in completing their assessment;
- assessing the liquidity of the investment portfolio, which underpins the ability to meet the future obligations and operating expenses for a period of 12 months from the date of approval of these financial statements;
- reviewing the loan agreements to identify relevant covenants and assessing the likelihood of them being breached based on the directors' forecast and sensitivity analysis;
- assessing the projected management fees for the year to check that it was in line with the current assets under management levels and the projected market growth forecasts for the following year;
- checking the accuracy of historical forecasting by agreeing to actual results; and
- in respect of the forthcoming continuation vote, we challenged the directors on their conclusion that shareholders would vote in favour of continuation considering their efforts to discuss with major shareholders and reviewed past voting history.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent Auditors' Report to the Members of Henderson International Income Trust plc

(continued)

Overview

Key audit matters		2023	2022
	Valuation and ownership of quoted investments	✓	✓
	Revenue recognition	✓	✓
Materiality	Company financial statements as a whole £3.44m (2022: £3.56m) based on 1% (2022: 1%) of net assets		

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.

Key audit matters

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

Key audit matter	How the scope of our audit addressed the key audit matter
Valuation and ownership of quoted investments (note 11 on page 74) The investment portfolio at the year end comprised of equity investments held at fair value through profit or loss. There is a risk that the prices used for the listed investments held by the Company are not reflective of fair value and the risk that errors made in the recording of investment holdings result in the incorrect reflection of investments owned by the Company. Therefore, we considered the valuation and ownership of quoted investments together with the related disclosures to be the most significant audit area as the quoted investments also represent the most significant balance in the financial statements and underpin the principal activity of the Company.	We have responded to this matter by testing the valuation and ownership of 100% of the portfolio of investments. We performed the following procedures: • confirmed the year-end bid price was used by agreeing to externally quoted prices; • assessed if there were contra indicators, such as liquidity considerations, to suggest bid price was not the most appropriate indication of fair value by considering the theoretical realisation period for individual holdings; • obtained direct confirmation of the number of shares held per equity investment from the custodian regarding all investments held at the balance sheet date; • recalculated the valuation by multiplying the number of shares held per the statement obtained from the custodian by the valuation per share; and • we also considered the completeness, accuracy and clarity of investment-related disclosures against the requirements of the relevant accounting standard. **Key observations** Based on our procedures performed we found that the valuation and ownership of quoted investments is considered to be appropriate.

Independent Auditors' Report to the Members of Henderson International Income Trust plc

(continued)

Key audit matter	How the scope of our audit addressed the key audit matter
Revenue recognition (note 1(e) on page 69 and note 3 on page 71 to the financial statements) Income arises from dividends and interest and can be volatile but is often a key factor in demonstrating the performance of the portfolio. As such there may be an incentive to recognise income as revenue where it is more appropriately of a capital nature. Additionally, judgement is required by management in determining the allocation of dividend income to revenue or capital for certain corporate actions or special dividends. For this reason we considered revenue recognition to be a key audit matter.	We assessed the treatment of dividend income from corporate actions and special dividends and challenged if these had been appropriately accounted for as income or capital by reviewing the underlying reason for issue of the dividend and whether it could be driven by a capital event. We analysed the whole population of dividend receipts to identify items for further discussion that could indicate a capital distribution, for example where a dividend represents a particularly high yield. In these instances we performed a combination of inquiry with management and our own independent research, including inspection of financial statements of investee companies, to ascertain whether the underlying event was indeed of a capital nature. We derived our own expectation of income for the whole portfolio during the year using data analytics based on the investment holding and distributions from independent sources and traced a sample of dividend income receipts to bank. **Key observations:** Based on our procedures performed we found the judgements made by management in determining the allocation of income to revenue or capital to be appropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

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

Overall materiality

	Company financial statements	
	2023	2022
Materiality	£3.44m	£3.56m
Basis for determining materiality	1% of net assets	1% of net assets
Rationale for the benchmark applied	As an investment trust, the net asset value is the key measure of performance for users of the financial statements.	
Performance materiality	£2.58m	£2.67m
Basis for determining performance materiality	75% of materiality	
Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

Independent Auditors' Report to the Members of Henderson International Income Trust plc
(continued)

Specific materiality
We also determined that for items impacting revenue return, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users. As a result, we determined materiality for these items based on £821,000 (2022: £794,000) based on 5% (2022: 5%) of revenue return before tax. We further applied a performance materiality level of 75% (2022: 75%) of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

Reporting threshold
We agreed with the audit committee that we would report to them all individual audit differences in excess of £172,000 (2022: £177,000) for the financial statements as a whole. For items impacting revenue return, we agreed that we will report any audit differences in excess of £41,000 (2022: £39,000). We also agreed to report differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

Other information
The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement
The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	• The directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 68; and • the directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 29.
Other Code provisions	• The directors' statement on fair, balanced and understandable set out on page 56; • the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 27; • the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 42 to 44; and • the section describing the work of the audit committee set out on pages 45 to 48.

Other Companies Act 2006 reporting
Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Independent Auditors' Report to the Members of Henderson International Income Trust plc

(continued)

Strategic report and directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the strategic report and the directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.
Directors' remuneration	In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or • the financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. We considered the significant laws and regulations to be the Companies Act 2006, the FCA listing and DTR rules, the principles of the AIC Code of Corporate Governance, industry practice represented by the AIC SORP, the applicable accounting framework, and the Company's qualification as an investment trust under UK tax legislation as any non-compliance of this would lead to the Company losing various deductions and exemptions from corporation tax.

Independent Auditors' Report to the Members of Henderson International Income Trust plc
(continued)

We focused on laws and regulations that could give rise to a material misstatement in the Company financial statements. Our tests included:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management and those charged with governance relating to any instances of non-compliance with laws and regulations;
- review of minutes of board meetings throughout the period for instances of non-compliance with laws and regulations; and
- reviewing the calculation in relation to the Company's investment trust compliance to check that the Company was meeting its requirements to retain its investment trust status.

Fraud
We assessed the susceptibility of the financial statements to material misstatement including fraud.

Our risk assessment procedures included:

- enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- review of minutes of meetings of those charged with governance for any known or suspected instances of fraud; and
- discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment we considered the fraud risk areas to be management override of controls and the classification of dividend income between revenue and capital.

Our tests included:

- the procedures set out in the key audit matters section above;
- recalculating investment management fees in total; and
- testing journals at the period end which met a defined risk criteria by agreeing to supporting documentation and evaluating whether there was evidence of bias by the manager and directors that represented a risk of material misstatement due to fraud.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditors' report.

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

Peter Smith (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London

1 November 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Income Statement

Notes		Year ended 31 August 2023 Revenue return £'000	Year ended 31 August 2023 Capital return £'000	Year ended 31 August 2023 Total £'000	Year ended 31 August 2022 Revenue return £'000	Year ended 31 August 2022 Capital return £'000	Year ended 31 August 2022 Total £'000
2	(Losses)/gains from investments held at fair value through profit or loss	–	(8,984)	(8,984)	–	1,834	1,834
3	Income from investments held at fair value through profit or loss	16,641	–	16,641	16,431	–	16,431
	Loss on foreign exchange	–	(84)	(84)	–	(337)	(337)
4	Other income	894	–	894	852	–	852
	Gross revenue and capital (losses)/gains	**17,535**	**(9,068)**	**8,467**	**17,283**	**1,497**	**18,780**
5	Management fee	(500)	(1,502)	(2,002)	(563)	(1,690)	(2,253)
6	Other administrative expenses	(609)	–	(609)	(682)	–	(682)
	Net return before finance costs and taxation	**16,426**	**(10,570)**	**5,856**	**16,038**	**(193)**	**15,845**
7	Finance costs	(162)	(488)	(650)	(158)	(475)	(633)
	Net return before taxation	**16,264**	**(11,058)**	**5,206**	**15,880**	**(668)**	**15,212**
8	Taxation on net return	(2,020)	–	(2,020)	(1,439)	(128)	(1,567)
	Net return after taxation	**14,244**	**(11,058)**	**3,186**	**14,441**	**(796)**	**13,645**
9	**Return per ordinary share**	**7.27p**	**(5.64p)**	**1.63p**	**7.37p**	**(0.41p)**	**6.96p**

The total column of this statement represents the Income Statement of the Company. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All revenue and capital items derive from continuing operations. The Company had no recognised gains or losses other than those disclosed in the Income Statement.

The notes on pages 68 to 83 form part of these financial statements

Statement of Changes in Equity

Notes	Year ended 31 August 2023	Called up share capital £'000	Share premium account £'000	Special reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
	At 31 August 2022	1,960	194,550	45,732	105,977	7,468	355,687
	Net return for the year	–	–	–	(11,058)	14,244	3,186
10	Dividends paid	–	–	–	–	(14,503)	(14,503)
	At 31 August 2023	**1,960**	**194,550**	**45,732**	**94,919**	**7,209**	**344,370**

Notes	Year ended 31 August 2022	Called up share capital £'000	Share premium account £'000	Special reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
	At 31 August 2021	1,960	194,550	45,732	106,773	7,137	356,152
	Net return for the year	–	–	–	(796)	14,441	13,645
10	Dividends paid	–	–	–	–	(14,110)	(14,110)
	At 31 August 2022	**1,960**	**194,550**	**45,732**	**105,977**	**7,468**	**355,687**

The notes on pages 68 to 83 form part of these financial statements

Statement of Financial Position

Notes		At 31 August 2023 £'000	At 31 August 2022 £'000
11	**Fixed asset investments held at fair value through profit or loss**	357,671	378,931
	Current assets		
12	Debtors	3,588	3,039
	Cash at bank and in hand	18,028	6,590
		21,616	**9,629**
13	Creditors: amounts falling due within one year	(9,375)	(7,107)
	Net current assets	**12,241**	**2,522**
	Total assets less current liabilities	**369,912**	**381,453**
14	Creditors: amounts falling due after more than one year	(25,542)	(25,766)
	Total net assets	**344,370**	**355,687**
	Capital and reserves		
17	Called up share capital	1,960	1,960
18	Share premium account	194,550	194,550
19	Special reserve	45,732	45,732
19	Other capital reserves	94,919	105,977
19	Revenue reserve	7,209	7,468
	Total shareholders' funds	**344,370**	**355,687**
15	**Net asset value per ordinary share**	**175.7p**	**181.5p**

The financial statements on pages 64 to 83 were approved and authorised for issue by the board of directors on 1 November 2023 and signed on their behalf by:

Richard Hills
Chairman

Registered number: 7549407

The notes on pages 68 to 83 form part of these financial statements

Statement of Cash Flows

	Year ended 31 August 2023 £'000	Year ended 31 August 2022 £'000
Cash flows from operating activities		
Net return before taxation	5,206	15,212
Add back: finance costs	650	633
Losses/(gains) on investments held at fair value through profit or loss	8,984	(1,834)
Losses on foreign exchange	84	337
Withholding tax on dividends deducted at source	(2,432)	(2,553)
Taxation recovered	56	439
(Increase)/decrease in debtors	(189)	76
Decrease in creditors	(104)	(5)
Net cash inflow from operating activities	**12,255**	**12,305**
Cash flows from investing activities		
Purchase of investments	(105,273)	(117,656)
Sale of investments	119,914	105,417
Proceeds from capital dividends	2	4,206
Net cash inflow/(outflow) from investing activities	**14,643**	**(8,033)**
Cash flows from financing activities		
Equity dividends paid (net of refund of unclaimed distributions and reclaimed distributions)	(14,503)	(14,110)
Interest paid	(644)	(628)
Net cash outflow from financing activities	**(15,147)**	**(14,738)**
Net increase/(decrease) in cash at bank and in hand	**11,751**	**(10,466)**
Cash at bank and in hand at start of year	6,590	17,199
Effect of foreign exchange rates	(313)	(143)
Cash at bank and in hand at end of year	**18,028**	**6,590**
Comprising:		
Cash at bank and in hand	18,028	6,590
	18,028	**6,590**

The notes on pages 68 to 83 form part of these financial statements

Notes to the Financial Statements

1 Accounting policies

a) Basis of accounting

The Company is a registered investment company as defined in section 833 of the Companies Act 2006 and is incorporated in the United Kingdom. It operates in the United Kingdom and is registered at the address on page 91.

The financial statements have been prepared in accordance with the Companies Act 2006, FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts (the "SORP") issued in July 2022 by the Association of Investment Companies.

The principal accounting policies applied in the presentation of these financial statements are set out below.

Following the issue of the senior unsecured notes on 30 April 2019 it was determined that the Company would adopt the recognition and measurement provisions of IFRS 9 (Financial Instruments), as permitted by sections 11 and 12 of FRS 102. This was determined to better reflect the directors' assessment of the carrying value of the senior unsecured notes and has no impact on the carrying value of the Company's financial assets.

The financial statements are prepared under the historical cost basis except for the measurement at fair value of investments.

The preparation of the Company's financial statements on occasion requires the directors to make judgements, estimates and assumptions that affect the reported amounts in the primary financial statements and the accompanying disclosures. These assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in current and future periods, depending on circumstances. The directors have considered the accounting treatment of the senior unsecured notes as set out in accounting policy 1i) to be an area of judgement, in particular with reference to clauses that would be enacted should the notes be prepaid before maturity and concluded the adoption of IFRS 9 described above is the most appropriate and complies with accounting standards. The decision to allocate special dividends as income or capital is a judgement but not deemed to be material.

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

b) Going concern

The Company's articles of association require that at every third annual general meeting of the Company an ordinary resolution be put to shareholders asking them to approve the continuation of the Company. The next such resolution will be proposed at the forthcoming annual general meeting. The directors believe that the Company will continue to exist for the foreseeable future. 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, the principal risks, as well as considering the heightened macroeconomic uncertainties and other matters discussed in connection with the viability statement, the board has determined that it is appropriate for the financial statements to be prepared on a going concern basis.

c) Fixed asset investments held at fair value through profit or loss

Under IFRS 9, the classification and measurement criteria determine if financial instruments are measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss. Investment assets are classified based on both the business model, and the contractual cash flow characteristics of the financial instruments. This approach determined that all investments are classified and measured at fair value through profit or loss, which is based on their quoted bid price at the Statement of Financial Position date, without deduction of the estimated future selling costs.

Assets are de-recognised at the trade date of the disposal. Proceeds are measured at fair value, which are regarded as the proceeds of sale less any transaction costs.

Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Income Statement as '(Losses)/gains from investments held at fair value through profit or loss'. Transaction costs in relation to the purchase or sale of investments are also expensed within this line. All purchases and sales are accounted for on a trade date basis.

d) Capital gains and losses

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

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

e) Income

Dividends receivable (including overseas withholding taxes) from equity shares are taken to the revenue return on an ex-dividend basis except where, in the opinion of the directors, the dividend is capital in nature, in which case it is taken to the capital return. When a dividend received is capital in nature, the associated proportion of the investment's underlying book cost relating to the capital reduction of the investment is allocated to the dividend and the book cost adjusted accordingly. This results in the realised profits from the capital dividend being the value of the dividend received less the underlying book cost allocated to that dividend. Bank deposit interest is taken to revenue on an accruals basis.

Income from fixed interest securities is recognised so as to reflect the effective interest rate on these securities.

Option premium income is recognised as revenue over the life of the contract and included in the revenue column of the Income Statement unless the option has been written for the maintenance and enhancement of the Company's investment portfolio and represents an incidental part of a larger capital transaction, in which case any premiums arising are allocated to the capital column of the Income Statement.

f) Derivative financial instruments

Derivative transactions which the Company may enter into comprise forward exchange contracts (the purpose of which is to hedge foreign currency exposure). The Company may also write options on shares represented in the portfolio where such options are priced attractively relative to Janus Henderson's expectations for the relevant share prices and to generate additional return for shareholders. The Company does not use derivative financial instruments for speculative purposes. The use of financial derivatives is governed by the Company's policies as approved by the board.

Derivatives are measured at fair value based on market practice or at valuations based on market prices.

Changes in the fair value of derivative financial instruments are recognised in the Income Statement as they arise. If capital in nature, the associated change in value is presented as a capital item in the Income Statement.

Where options are written for the purpose of generating revenue, applicable premiums are recognised evenly over the life of the option and shown in the revenue return, with the appropriate amount shown as capital return such that the total return reflects the overall change in the fair value of the option. At 31 August 2023 there were no open option positions (2022: same).

g) Expenses and finance costs

All expenses are accounted for on an accruals basis. Finance costs, including any premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Income Statement using the effective interest rate method. On the basis of the board's expected long-term split of returns in the form of capital gains and income of 75% and 25% respectively, the Company charges 75% of its finance costs and management fee to the capital return. The overdraft arrangement fee which is included in finance costs is charged 100% to the revenue return. All other expenses are charged to revenue return. All of these amounts are stated inclusive of any related irrecoverable value added tax.

h) Cash at bank and in hand

Cash comprises cash in hand and on demand deposits.

i) Borrowings

Senior unsecured notes are recorded initially at proceeds received, net of direct issue costs. They are subsequently re-measured at amortised cost. The issue costs will be amortised over the life of the loan notes. Finance costs, including interest payable, are accounted for on an accruals basis in the Income Statement using the effective interest rate method.

Within the terms of the senior unsecured notes are clauses relating to an embedded derivative that would be enacted 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 these clauses are highly unlikely to occur. The value of such additional payments have therefore been deemed to be immaterial and have not been recognised in the financial statements.

j) Taxation

The tax expense represents the sum of the current tax and deferred tax arising from the accounting period.

The current tax is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that were applicable at the Statement of Financial Position date.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

j) Taxation (continued)

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

Deferred taxation is provided on all timing differences that have originated but not reversed by the Statement of Financial Position date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of timing differences can be deducted. Any liability to deferred tax is provided at the average rate of tax expected to apply based on tax rates and laws that have been enacted or substantively enacted at the Statement of Financial Position date. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

k) Foreign currency

The results and financial position of the Company are expressed in pounds sterling which is the functional currency and presentational currency of the Company. The board, having regard to the currency of the Company's share capital and the predominant currency in which its shareholders operate, has determined the functional currency to be sterling.

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

Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in revenue return or capital return, depending on whether the gain or loss is of a revenue or capital nature. Gains or losses arising from a change in exchange rates in respect of investments are included within the gain or loss from investments held at fair value through profit or loss.

l) Dividends payable to shareholders

Interim dividends are recognised in the period in which they are paid. Final dividends are not recognised until approved by the shareholders. Dividends are dealt with in the Statement of Changes in Equity.

m) Capital and reserves

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

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

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

The special reserve represents the value of the share premium account that was cancelled and transferred to distributable reserves on 28 February 2013.

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

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

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

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

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

n) Distributable reserves

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

Notes to the Financial Statements (continued)

2 (Losses)/gains on investments held at fair value through profit or loss

	2023 £'000	2022 £'000
Gains on investments sold in the year	17,575	18,118
Revaluation of investments held at 31 August	(26,559)	(16,284)
	(8,984)	**1,834**

Included within gains on investments are special capital dividends of £nil (2022: £4,206,000). These are accounted for in accordance with accounting policy 1e).

3 Income from investments held at fair value through profit or loss

	2023 £'000	2022 £'000
Dividend income	16,641	16,431
	16,641	**16,431**

4 Other income

	2023 £'000	2022 £'000
Bank interest	318	16
Option premium income	576	836
	894	**852**

5 Management fee

	2023			2022		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Management fee	**500**	**1,502**	**2,002**	**563**	**1,690**	**2,253**

A summary of the terms of the management agreement is given in the strategic report on pages 21 and 22.

6 Other administrative expenses

	2023 £'000	2022 £'000
Directors' fees and expenses (see the directors' remuneration report on page 54)	156	159
Auditors' remuneration – for audit services	43	38
Marketing expenses recharged by Janus Henderson	93	150
Depositary fees	43	43
Custody fees	53	67
Broker fees	35	35
Registrar's fees	21	19
Printing and postage expenses	24	15
Legal and professional fees	42	48
Listing and subscription fees	44	55
Other expenses (including irrecoverable VAT)	55	53
	609	**682**

Notes to the Financial Statements (continued)

7 Finance costs

	2023 Revenue return £'000	2023 Capital return £'000	2023 Total £'000	2022 Revenue return £'000	2022 Capital return £'000	2022 Total £'000
Bank interest on short-term overdraft facility	–	1	1	3	9	12
Interest on senior unsecured notes	161	483	644	154	462	616
Senior unsecured notes – amortisation of issue costs	1	4	5	1	4	5
	162	**488**	**650**	**158**	**475**	**633**

8 Taxation

	2023 Revenue return £'000	2023 Capital return £'000	2023 Total £'000	2022 Revenue return £'000	2022 Capital return £'000	2022 Total £'000
Foreign withholding taxes	2,604	–	2,604	1,864	128	1,992
Overseas tax reclaimable	(584)	–	(584)	(425)	–	(425)
Current tax charge for the year	**2,020**	**–**	**2,020**	**1,439**	**128**	**1,567**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 21.5% (2022: 19%). The differences are explained below:

Factors affecting the tax charge for the year

	2023 Revenue return £'000	2023 Capital return £'000	2023 Total £'000	2022 Revenue return £'000	2022 Capital return £'000	2022 Total £'000
Net return before taxation	16,264	(11,058)	5,206	15,880	(668)	15,212
Corporation tax at an effective rate of 21.5% (2022: 19%)	3,497	(2,377)	1,120	3,017	(127)	2,890
Effects of:						
Non-taxable losses/(gains) on investments held at fair value through profit or loss and foreign exchange	–	1,950	1,950	–	(284)	(284)
Expenses not deductible for tax purposes	3	–	3	1	–	1
Non-taxable overseas dividends	(3,443)	–	(3,443)	(3,028)	–	(3,028)
Overseas tax	2,020	–	2,020	1,439	128	1,567
Tax effect of expensed double taxation relief	(8)	–	(8)	(1)	–	(1)
Excess management expenses	(49)	428	379	11	411	422
Current tax charge	**2,020**	**–**	**2,020**	**1,439**	**128**	**1,567**

Deferred tax

No provision for deferred taxation has been made in the current or prior accounting year. The Company has not provided for deferred tax on capital gains or losses arising on the revaluation and disposal of investments as it is exempt from tax on these items because of its investment trust status.

The Company intends to maintain approval as an investment trust company for the foreseeable future.

The Company can offset management fees, other administrative expenses and interest costs against taxable income to eliminate any tax charge on such income.

The tax legislation refers to these management expenses (management fees and other administrative expenses) and non-trade loan relationship deficits (interest costs) and these are captured together under the heading 'Excess management expenses' in the table above. Where these are not fully utilised, they can be carried forward to future years. As the Company is unlikely to generate future taxable profits to utilise these amounts, the Company cannot recognise an asset to reflect them, but must still disclose the deferred tax amount carried forward arising from any unutilised amounts. Consequently, the Company has not recognised a deferred tax asset totalling £3,757,000 (2022: £3,316,000) arising as a result of having unutilised management expenses and unutilised non-trade loan relationship deficits totalling £15,026,000 (2022: £13,265,000), and based on a prospective tax rate of 25% (2022: 25%).

Notes to the Financial Statements (continued)

9 Return per ordinary share

	2023 £'000	2023 pence	2022 £'000	2022 pence
Revenue return	14,244	7.27	14,441	7.37
Capital return	(11,058)	(5.64)	(796)	(0.41)
Total return	**3,186**	**1.63**	**13,645**	**6.96**
Weighted average number of ordinary shares	**195,978,716**		**195,978,716**	

10 Dividends paid on ordinary shares for the year to 31 August

Dividends on ordinary shares	Ex-dividend date	Record date	Payment date	2023 £'000	2022 £'000
4th interim dividend – 1.85p	3 November 2022	4 November 2022	30 November 2022	3,626	–
1st interim dividend – 1.85p	2 February 2023	3 February 2023	28 February 2023	3,626	–
2nd interim dividend – 1.85p	11 May 2023	12 May 2023	31 May 2023	3,625	–
3rd interim dividend – 1.85p	27 July 2023	28 July 2023	31 August 2023	3,626	–
4th interim dividend – 1.80p	4 November 2021	5 November 2021	30 November 2021	–	3,527
1st interim dividend – 1.80p	3 February 2022	4 February 2022	28 February 2022	–	3,527
2nd interim dividend – 1.80p	5 May 2022	6 May 2022	31 May 2022	–	3,528
3rd interim dividend – 1.80p	28 July 2022	29 July 2022	31 August 2022	–	3,528
				14,503	**14,110**

A fourth interim dividend in respect of the year ended 31 August 2023 of 1.92p per share has been declared and will be paid to shareholders on 30 November 2023 with record date 10 November 2023. The Company's shares will go ex-dividend on 9 November 2023.

The total dividends payable in respect of the financial year which form the basis of section 1158 of the Corporation Tax Act 2010 are set out below. At the point of declaring each dividend, the directors consider the revenue earned during the financial period to date as well as the distributable reserves brought forward, out of which total amount the dividend is to be paid.

	2023 £'000	2022 £'000
Revenue available for distribution by way of dividend for the year	14,244	14,441
Interim dividends of 5.55p paid (2022: 5.40p)	(10,877)	(10,583)
Fourth interim dividend for the year ended 31 August 2023 of 1.92p (based on 195,978,716 ordinary shares in issue as at 30 October 2023) (2022: 1.85p)	(3,763)	(3,626)
Transfer (from)/to revenue reserve[1]	**(396)**	**232**

1 The deficit of £396,000 (2022: surplus of £232,000) has been transferred (from)/to the revenue reserve

Notes to the Financial Statements (continued)

11 Fixed asset investments

2023	Total £'000
31 August 2022	311,991
Purchases at cost	107,644
Sales at cost	(102,338)
Cost allocated to capital dividends	(7)
Cost of investments at 31 August 2023	**317,290**
Investment holding gains at 31 August 2023	40,381
Valuation at 31 August 2023	**357,671**

2022	Total £'000
31 August 2021	288,831
Purchases at cost	114,666
Sales at cost	(88,411)
Cost allocated to capital dividends	(3,095)
Cost of investments at 31 August 2022	**311,991**
Investment holding gains at 31 August 2022	66,940
Valuation at 31 August 2022	**378,931**

The Company received £119,913,000 (2022: £105,418,000) from investments sold in the year. The book cost of these investments when they were purchased was £102,338,000 (2022: £88,411,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

Total transaction costs amounted to £199,000 (2022: £212,000) of which purchase transaction costs for the year ended 31 August 2023 were £122,000 (2022: £124,000) and comprise mainly brokers' commissions. Sales transaction costs for the year ended 31 August 2023 were £77,000 (2022: £88,000).

12 Debtors

	2023 £'000	2022 £'000
Sales for future settlement	–	1
Withholding tax recoverable	2,953	2,601
Prepayments and accrued income	621	425
VAT recoverable	9	12
Other debtors	5	–
	3,588	**3,039**

13 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Purchases for future settlement	8,137	5,766
Management fee	843	933
Other creditors and accruals	395	408
	9,375	**7,107**

Notes to the Financial Statements (continued)

14 Creditors: amounts falling due after more than one year

	2023 £'000	2022 £'000
2.43% senior unsecured notes	**25,542**	**25,766**

On 30 April 2019 the Company issued €30m (nominal) 2.43% senior unsecured notes due 2044, net of issue costs totalling £177,000. The issue costs will be amortised on an effective yield basis over the life of the senior unsecured notes.

The senior unsecured notes are redeemable at par on 29 April 2044.

The interest rate on the senior unsecured notes is a fixed interest rate.

The Company has to comply with the following covenant conditions:

- total borrowings must not exceed 40% of adjusted net assets (as defined in the senior unsecured notes agreement); and
- the Company's adjusted net assets shall not be less than £150m.

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

15 Net asset value per ordinary share

The net asset value per ordinary share and the net assets attributable to ordinary shares at the end of the year were as follows:

	2023	2022
Net assets attributable (£'000)	344,370	355,687
Number of ordinary shares in issue	195,978,716	195,978,716
Net assets per ordinary share (pence)	175.7	181.5

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

	2023 £'000	2022 £'000
Net assets at start of the year	355,687	356,152
Total net return after taxation	3,186	13,645
Dividends paid on ordinary shares in the period	(14,503)	(14,110)
Total net assets attributable to the ordinary shares at 31 August	**344,370**	**355,687**

Notes to the Financial Statements (continued)

16 Financial risk management policies and procedures

As an investment trust company the Company invests in equities and other investments for the long term so as to secure its investment objective as stated on page 21. In pursuing its investment objective, the Company is exposed to a variety of financial risks that could result in either a reduction in the Company's net assets or a reduction in the profits available for distribution by way of dividends.

These financial risks, market risk (compromising other price risk, currency risk and interest rate risk), liquidity risk and credit risk, and the directors' approach to the management of these risks, are set out below. The board of directors and Janus Henderson co-ordinate the Company's risk management and there are various risk management systems in place as detailed below:

- straight-through processing via a deal order and management system ("OMS") is utilised for listed securities, exchange-traded derivatives and OTC derivatives contracts with connectivity to third-party affirmation and trade repository services;
- portfolio modelling and investment management functions (including order-raising, dealing and trade execution) are performed using one of, or a combination of, the following third-party software applications: Charles River Development OMS and/or Imagine;
- fund pricing and accounting services are outsourced to a third-party administrator (currently BNP Paribas) which utilises HiPortfolio software;
- the IT tools to which the Janus Henderson Risk, Compliance and Operations teams have access for independent monitoring and risk measurement purposes include:
  - Charles River Compliance module for investment restrictions monitoring;
  - SAI360 operational risk database;
  - Riskmetrics, UBS Delta, Style Research, Cognity and Barra for market risk measurement;
  - Bloomberg for market data and price-checking; and
  - HiPortfolio for portfolio holdings and valuations.

These are supplemented by in-house developments: Derivatives Risk and Compliance database ("DRAC") and Counterparty Exposure Reports ("CER").

The board determines the objectives, policies and processes for managing the risks, and these are set out below under the relevant risk category. The policies for the management of risk have not changed.

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

16.1 Market risk

The fair value of a financial instrument held by the Company may fluctuate due to changes in market prices. Market risk comprises other price risk (see note 16.1.1), currency risk (see note 16.1.2) and interest rate risk (see note 16.1.3). The fund manager assesses the exposure to market price risk when making each investment decision, and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

16.1.1 Other price risk

Other price risks (changes in market prices other than those arising from interest rate risk or currency risk) may affect the value of the investments.

Management of the risk

The board of directors manages the risks inherent in the investment portfolio by ensuring that the portfolio is diversified and through full and timely reporting of relevant information from Janus Henderson. Investment performance is reviewed at each board meeting. The board monitors the fund manager's compliance with the Company's objectives, and is directly responsible for investment strategy, asset allocation and diversification.

Options and forward currency contracts may be used to limit exposure which might adversely affect the value of the portfolio of investments.

The Company's exposure to other changes in market prices at 31 August 2023 on its investments held at fair value through profit or loss was £357,671,000 (2022: £378,931,000).

Notes to the Financial Statements (continued)

16 Financial risk management policies and procedures (continued)

16.1.1 Other price risk (continued)

Concentration of exposure to market price risks

An analysis of the Company's investment portfolio is shown on pages 10 and 11. There is a concentration of exposure to Continental Europe and the US, though it is recognised that an investment's country of domicile or of listing does not necessarily equate to its exposure to the economic conditions in that country.

Other price risk sensitivity

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

	2023		2022	
	Increase in fair value £'000	Decrease in fair value £'000	Increase in fair value £'000	Decrease in fair value £'000
Impact statement – return after tax				
Revenue return	(103)	103	(114)	114
Capital return	71,226	(71,226)	75,445	(75,445)
Total return after tax for the period	**71,123**	**(71,123)**	**75,331**	**(75,331)**
Impact on net assets	**71,123**	**(71,123)**	**75,331**	**(75,331)**

16.1.2 Currency risk

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

Management of the risk

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

Foreign currency borrowings may be used to hedge the Company's exposure to future changes in exchange rates which might otherwise adversely affect the value of the portfolio of investments. These borrowings are limited by the board to 20% of net asset value.

Investment income denominated in foreign currencies is converted into sterling on receipt. The Company does not use financial instruments to mitigate the currency exposure in the year between the time that income is included in the financial statements and its receipt.

Notes to the Financial Statements (continued)

16 Financial risk management policies and procedures (continued)

16.1.2 Currency risk (continued)

Foreign currency exposure

The carrying values of the Company's monetary items that have foreign currency exposure at 31 August 2023 are shown below. Where the Company's equity investments, which are not monetary items, are denominated in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

	2023				2022			
Currency	**Current assets £'000**	**Current liabilities £'000**	**Non-current liabilities £'000**	**Equity investments £'000**	Current assets £'000	Current liabilities £'000	Non-current liabilities £'000	Equity investments £'000
Australian dollar	–	–	–	11,467	20	–	–	19,921
Euro	1,162	(214)	(25,542)	78,031	1,166	(212)	(25,766)	77,122
Hong Kong dollar	115	–	–	29,934	122	–	–	30,693
Korean won	–	–	–	7,571	–	–	–	12,452
Swiss franc	1,656	–	–	40,445	1,288	–	–	33,070
US dollar	300	(7,554)	–	141,985	134	(5,766)	–	147,014
Other (non sterling)	371	(583)	–	48,238	415	–	–	58,659
	3,604	**(8,351)**	**(25,542)**	**357,671**	**3,145**	**(5,978)**	**(25,766)**	**378,931**

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

Foreign currency sensitivity

The following table illustrates the sensitivity of the total return after tax for the period and the net assets with regard to movements in the Company's foreign currency financial assets and financial liabilities caused by changes in the exchange rates.

It is assumed that all exchange rates move by +/- 10% against sterling.

This percentage is deemed reasonable based on the average market volatility in exchange rates in the year. The sensitivity analysis is based on the Company's foreign currency financial assets and financial liabilities held at the Statement of Financial Position date.

If sterling had depreciated against the currencies shown the impact on the total return and net assets would have been as follows:

Impact on total returns year ended 2023	**Australian dollar £'000**	**Euro £'000**	**Hong Kong dollar £'000**	**Korean won £'000**	**Swiss franc £'000**	**US dollar £'000**	**Other £'000**	**Total £'000**
Revenue return	26	451	55	39	143	448	246	1,408
Capital return	1,142	7,769	2,980	754	4,028	14,138	4,803	35,614
Change in total return after taxation for the year and shareholders' funds	**1,168**	**8,220**	**3,035**	**793**	**4,171**	**14,586**	**5,049**	**37,022**

Impact on total returns year ended 2022	Australian dollar £'000	Euro £'000	Hong Kong dollar £'000	Korean won £'000	Swiss franc £'000	US dollar £'000	Other £'000	Total £'000
Revenue return	58	491	73	39	58	316	329	1,364
Capital return	1,983	7,677	3,055	1,239	3,292	14,635	5,840	37,721
Change in total return after taxation for the year and shareholders' funds	**2,041**	**8,168**	**3,128**	**1,278**	**3,350**	**14,951**	**6,169**	**39,085**

Notes to the Financial Statements (continued)

16 Financial risk management policies and procedures (continued)

16.1.2 Currency risk (continued)

If sterling had appreciated against the currencies shown the impact on the total return and net assets would have been as follows:

Impact on total returns year ended 2023	Australian dollar £'000	Euro £'000	Hong Kong dollar £'000	Korean won £'000	Swiss franc £'000	US dollar £'000	Other £'000	Total £'000
Revenue return	(26)	(451)	(55)	(39)	(143)	(448)	(246)	(1,408)
Capital return	(1,142)	(7,769)	(2,980)	(754)	(4,028)	(14,138)	(4,803)	(35,614)
Change in total return after taxation for the year and shareholders' funds	**(1,168)**	**(8,220)**	**(3,035)**	**(793)**	**(4,171)**	**(14,586)**	**(5,049)**	**(37,022)**

Impact on total returns year ended 2022	Australian dollar £'000	Euro £'000	Hong Kong dollar £'000	Korean won £'000	Swiss franc £'000	US dollar £'000	Other £'000	Total £'000
Revenue return	(58)	(491)	(73)	(39)	(58)	(316)	(329)	(1,364)
Capital return	(1,983)	(7,677)	(3,055)	(1,239)	(3,292)	(14,635)	(5,840)	(37,721)
Change in total return after taxation for the year and shareholders' funds	**(2,041)**	**(8,168)**	**(3,128)**	**(1,278)**	**(3,350)**	**(14,951)**	**(6,169)**	**(39,085)**

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

16.1.3 Interest rate risk

Management of the risk

The majority of the Company's financial assets are non-interest bearing. As a result, the Company's financial assets are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Interest rate exposure

The exposure at 31 August of financial assets and financial liabilities to interest rate risk is shown by reference to:

- floating interest rates: when the interest rate is due to be re-set; and
- fixed interest rates: when the financial instrument is due for repayment.

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

	2023 Within one year £'000	2023 Between one and five years £'000	2023 More than five years £'000	2022 Within one year £'000	2022 Between one and five years £'000	2022 More than five years £'000
Exposure to floating interest rates:						
Cash at bank	**18,028**	**–**	**–**	**6,590**	**–**	**–**
Exposure to fixed interest rates:						
Creditors – more than one year:						
Senior unsecured notes[1]	**(638)**	**(2,553)**	**(35,484)**	**(630)**	**(2,520)**	**(36,426)**

1 Within the terms of the senior unsecured notes are clauses that would be enacted should the notes be prepaid before maturity and could impact the total amount repayable, although the directors have assessed these and have concluded these are highly unlikely to occur. Therefore no provision for early repayment has been included in the table above

The above figures show interest payable over the remaining term of the senior unsecured notes. The figures in the "more than five years" column also include the capital to be repaid. Details of repayment are set out on page 75 and interest payment dates on page 91.

Notes to the Financial Statements (continued)

16 Financial risk management policies and procedures (continued)

16.1.3 Interest rate risk (continued)

Interest receivable and finance costs are at the following rates:

- interest received on cash balances, or paid on bank overdrafts, is at a margin linked to HSBC Bank plc applicable base rate (2022: same); and
- interest paid on the senior unsecured notes is at a rate of 2.43%.

Interest rate risk sensitivity

The Company is not materially exposed to changes in interest rates.

16.2 Liquidity risk

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

Management of the risk

Liquidity risk is not significant as the majority of the Company's assets are investments in quoted securities that are readily realisable. The Company had available a multi-currency overdraft facility with HSBC Bank plc of the lesser of £30m or 25% of custody assets. The facility has no expiry date but is reviewed annually.

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

Liquidity risk exposure

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

	2023 Due within one month £'000	2022 Due within one month £'000
Other creditors and accruals	**9,375**	7,107

The contractual maturities of the senior unsecured notes are included in note 16.1.3 above.

16.3 Credit risk

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

Management of the risk

Credit risk is managed as follows:

- investment transactions are carried out with a large number of approved brokers, whose credit standard is reviewed periodically by Janus Henderson, and limits are set on the amount that may be due from any one broker;
- cash at bank is held only with banks considered to be credit worthy and is subject to continual review; and
- with regards to the corporate bonds in the portfolio (when held), there is a risk that the borrowers do not repay the principal or make interest payments. This is managed through careful selection, supported by monitoring of credit ratings, and is reviewed regularly.

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

At each reporting date, the Company measures the loss allowance on amounts due from brokers at an amount equal to expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to the annual expected credit losses.

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

Notes to the Financial Statements (continued)

16 Financial risk management policies and procedures (continued)

16.4 Fair values of financial assets and financial liabilities

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 senior unsecured notes are carried in the Statement of Financial Position at amortised cost.

At 31 August 2023, the fair value of the senior unsecured notes was estimated to be £19,808,000 (2022: £22,004,000).

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 (31 August 2023: 2.944%; 31 August 2022: 2.275%) plus a suitable credit spread. The fair value NAV is calculated using the fair value of the senior unsecured notes. 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 these clauses are highly unlikely to occur. The value of such additional payments have therefore been deemed to be immaterial and have not been recognised in the financial statements.

16.5 Fair value hierarchy disclosures

The table below sets out fair value measurements using the FRS 102 fair value hierarchy.

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**

Financial assets at fair value through profit or loss at 31 August 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	378,931	–	–	378,931

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

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; and

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

16.6 Capital management policies and procedures

The Company's capital management objectives are:

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

The Company's total capital at 31 August 2023 was £369,912,000 (2022: £381,453,000) comprising £25,542,000 (2022: £25,766,000) of senior unsecured notes and £344,370,000 (2022: £355,687,000) of equity share capital and reserves.

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

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

The Company's objectives, policies and processes for managing capital are unchanged.

The Company is subject to additional externally imposed capital requirements:

- as a public company, the Company has a minimum share capital of £50,000; and
- in order to be able to pay dividends out of profits available for distribution by way of dividends, the Company has to be able to meet one of the two capital restriction tests imposed on investment companies by company law.

The Company's covenant conditions are set out in note 14 on page 75.

Notes to the Financial Statements (continued)

17 Called up share capital

Ordinary shares of 1p each	Number of shares	Number of shares entitled to dividend	£'000
At 31 August 2023	**195,978,716**	**195,978,716**	**1,960**
At 31 August 2022	**195,978,716**	**195,978,716**	**1,960**

No shares were issued or bought back during the year (2022: same).

18 Share premium account

	2023 £'000	2022 £'000
At the start of the year	194,550	194,550
At 31 August	**194,550**	**194,550**

19 Reserves

2023	Special reserve £'000	Capital reserve arising on investments sold £'000	Capital reserve arising on investments held £'000	Total capital reserves £'000	Revenue reserve £'000
At 31 August 2022	45,732	39,231	66,746	105,977	7,468
Net movement on investments held at fair value through profit or loss	–	17,575	(26,559)	(8,984)	–
Net movement on foreign exchange	–	(314)	230	(84)	–
Expenses and finance costs charged to capital	–	(1,990)	–	(1,990)	–
Net revenue return after taxation for the year	–	–	–	–	14,244
Dividends paid	–	–	–	–	(14,503)
At 31 August 2023	**45,732**	**54,502**	**40,417**	**94,919**	**7,209**

2022	Special reserve £'000	Capital reserve arising on investments sold £'000	Capital reserve arising on investments held £'000	Total capital reserves £'000	Revenue reserve £'000
At 31 August 2021	45,732	23,549	83,224	106,773	7,137
Net movement on investments held at fair value through profit or loss	–	18,118	(16,284)	1,834	–
Net movement on foreign exchange	–	(143)	(194)	(337)	–
Expenses and finance costs charged to capital	–	(2,293)	–	(2,293)	–
Net revenue return after taxation for the year	–	–	–	–	14,441
Dividends paid	–	–	–	–	(14,110)
At 31 August 2022	**45,732**	**39,231**	**66,746**	**105,977**	**7,468**

At the annual general meeting held in December 2012, the Company's articles of association were changed to allow it to distribute a capital profit by way of a dividend or otherwise than by way of repurchase of the Company's shares. All sums carried and standing to the capital and special reserves may be applied for any of the purposes to which sums standing to any reserve under the articles are applicable.

Notes to the Financial Statements (continued)

20 Net debt reconciliation

2023	Cash at bank and in hand £'000	Other debt repayable after more than one year £'000	Total £'000
Net debt at 31 August 2022	6,590	(25,766)	(19,176)
Cash flows	11,751	–	11,751
Exchange movements	(313)	229	(84)
Non cash flow:			
Amortisation of issue costs	–	(5)	(5)
Net debt at 31 August 2023	**18,028**	**(25,542)**	**(7,514)**

2022	Cash at bank and in hand £'000	Other debt repayable after more than one year £'000	Total £'000
Net debt at 31 August 2021	17,199	(25,567)	(8,368)
Cash flows	(10,466)	–	(10,466)
Exchange movements	(143)	(194)	(337)
Non cash flow:			
Amortisation of issue costs	–	(5)	(5)
Net debt at 31 August 2022	**6,590**	**(25,766)**	**(19,176)**

21 Transactions with the management company and related parties

Under the terms of an agreement effective from 22 July 2014, the Company has appointed wholly owned subsidiaries of Janus Henderson to provide investment management, accounting, administrative and secretarial services. Janus Henderson has contracted with BNP Paribas to provide accounting and administration services.

Details of the fee arrangements are given in the strategic report on page 22. The total of the management fees paid or payable under the management agreement to Janus Henderson in respect of the year ended 31 August 2023 was £2,002,000 (2022: £2,253,000), of which £843,000 (2022: £933,000) (per note 13) was outstanding at 31 August 2023.

In addition to the above services, Janus Henderson facilitates marketing activities with third parties which are recharged to the Company. The total fees, excluding VAT paid or payable for these services for the year ended 31 August 2023 amounted to £93,000 (2022: £150,000) of which £28,000 (2022: £95,000) was outstanding at 31 August 2023.

Fees paid to directors are considered to be a related party transaction. Details of the amounts paid are included in the directors' remuneration report on page 54 and in note 6 on page 71. These amounts do not include National Insurance contributions on directors' fees of £15,000 (2022: £15,000), which is included in other expenses.

22 Subsequent events

The board has evaluated the period since the year end and has not noted any subsequent events.

Additional Information

Number of investments in Italy: 2

% of portfolio invested in Italy: 2.2%

Image of Milan Cathedral, Piazza Del Duomo, Milan, Italy

Alternative Performance Measures

The Company uses the following alternative performance measures ("APMs") throughout the annual report, financial statements and notes to the financial statements. The APMs are reconciled to the financial statements through the narrative below. The board believes that each of the APMs, which are typically used within the investment trust sector, provide additional useful information to shareholders to help assess the Company's performance against its peer group.

Discount or premium

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

	NAV with debt at fair value pence	NAV with debt at par pence	Share price pence	Premium/ (discount) to fair value NAV %	Premium/ (discount) to par NAV %
At 31 August 2023	178.6	175.7	161.5	(9.6)	(8.1)
At 31 August 2022	183.4	181.5	171.8	(6.3)	(5.3)

Gearing/(net cash)

Gearing means borrowing money to buy assets with the expectation that the return on investments bought will exceed the interest cost of the borrowings. The gearing percentage reflects the amount of borrowings the Company has used to invest in the market. If the amount calculated is negative, this is a "net cash" position and no gearing. The Company can also use synthetic gearing through derivatives and foreign exchange hedging – none has been used during the year. The Company's gearing is calculated as follows:

		2023	2022
Investments held at fair value through profit or loss (page 66) (£'000)	(A)	357,671	378,931
Total net assets (page 66) (£'000)	(B)	344,370	355,687
Gearing (C = A/B -1) (%)	(C)	3.9	6.5

Net asset value ("NAV") with debt at par and at fair value

		2023 £'000	2022 £'000
Investments held at fair value through profit or loss (see note 11)		357,671	378,931
Debtors (see note 12)		3,588	3,039
Cash at bank and in hand (see page 66)		18,028	6,590
Creditors amounts falling due within one year (see note 13)		(9,375)	(7,107)
Creditors amounts falling due after more than one year (see note 14)		(25,542)	(25,766)
NAV with debt at par	(A)	**344,370**	**355,687**
Less: fair value of senior unsecured notes (see note 16.4)		(19,808)	(22,004)
Add back: amortised cost of senior unsecured notes		25,542	25,766
NAV with debt at fair value	(B)	**350,104**	**359,449**
Ordinary shares in issue (see note 17) (number)	(C)	195,978,716	195,978,716
NAV per ordinary share with debt at par (see note 15) (A/C x 100) (p)		**175.7**	**181.5**
NAV per ordinary share with debt at fair value (B/C x 100) (p)		**178.6**	**183.4**

The aggregate NAV is also referred to as total shareholders' funds in the Statement of Financial Position. The NAV per ordinary share is published daily and the year end NAV can be found on page 66 and further information is available on page 75 in note 15 within the notes to the financial statements.

Alternative Performance Measures (continued)

Ongoing charge

The ongoing charge ratio has been calculated in accordance with the guidance issued by the AIC as the total management fee and administrative expenses, expressed as a percentage of the average net asset values with debt at fair value throughout the year.

	2023 £'000	2022 £'000
Management fee (see note 5)	2,002	2,253
Other administrative expenses (see note 6)	609	682
Less: non-recurring expenses	(27)	(6)
Ongoing charge	**2,584**	**2,929**
Average net assets[1]	**359,143**	**354,544**
Ongoing charge ratio (%)	**0.72**	**0.83**

1 Calculated using the average daily net asset value with debt at fair value

The ongoing charge calculated above is different from ongoing costs provided in the Company's Key Information Document ("KID") which are calculated in line with the PRIIPs regulations. The ongoing costs in the KID include finance costs and costs of holding other investment companies or funds within the Company's investment portfolio. The non-recurring fees include director recruitment fees (2022: legal fees).

Revenue return per ordinary share

The revenue return per ordinary share is the revenue return for the year (see Income Statement on page 64) divided by the weighted average number of ordinary shares in issue during the year (see note 9).

Total return

The return on the share price or NAV with debt at fair value taking into account both the rise and fall of NAVs/share prices and dividends paid to shareholders. Any dividends received by a shareholder are assumed to have been reinvested in either additional shares (for share price total return) or the Company's assets (for NAV with debt at fair value total return). Dividends paid and payable are set out in note 10.

	NAV per share (debt at fair value)	Share price
NAV/share price per ordinary share at 31 August 2023 (pence)	178.6	161.5
NAV/share price per ordinary share at 31 August 2022 (pence)	183.4	171.8
Change in the year (%)	(2.6)	(6.0)
Impact of dividends reinvested (%)	4.1	4.3
Total return for the year (%)	**1.4**	**(1.9)**

Yield

The yield is the annual dividend expressed as a percentage of the year end share price.

		31 August 2023	31 August 2022
Annual dividend (pence)	(A)	7.47	7.25
Share price (pence)	(B)	161.5	171.8
Yield (C = A/B) (%)	(C)	4.6	4.2

Glossary

Alternative Investment Fund Managers Directive ("AIFMD")

Agreed by the European Parliament and the Council of the European Union and transposed into UK legislation, the AIFMD classifies certain investment vehicles, including investment companies, as Alternative Investment Funds ("AIFs") and requires them to appoint an Alternative Investment Fund Manager ("AIFM") and depositary to manage and oversee the operations of the investment vehicle. The board of the Company retains responsibility for strategy, operations and compliance and the directors retain a fiduciary duty to shareholders.

Alternative performance measures

Alternative performance measures can be found on pages 85 and 86.

Association of Investment Companies ("AIC")

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

Benchmark

An index against which performance is compared. For the Company this is the MSCI ACWI (ex UK) High Dividend Yield Index (sterling adjusted).

Compound dividend growth

The rate of interest that is calculated on the principal amount and the accumulated interest of previous periods.

Custodian

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

Depositary

As an AIF, the Company is required to appoint a depositary who has responsibility for overseeing the operations of the Company including safekeeping, cash monitoring and verification of ownership and valuation and is responsible for the appointment of a custodian. The depositary is strictly liable for the loss of any investments or other assets in its custody unless it has notified that it has discharged its liability in certain markets. The depositary has confirmed that it has not discharged liability in relation to any of the Company's assets.

The depositary has further confirmed that, in all material respects, the Company has been managed in accordance with the FCA's Investment Funds Sourcebook, the Company's articles of association and as required by the AIFMD.

Derivative

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

Dividend dates

When declared or recommended, each dividend will have three key dates applied to it. The payment date is the date on which shareholders will receive their dividend, either by BACS transfer or by receipt of a dividend cheque. The record date applied to the dividend is used as a cut-off for the Company's registrar to know which shareholders should be paid a dividend. Only shareholders on the register of members at the close of business on the record date will receive the dividend. The ex-dividend date is the business day before the record date and is the date upon which the Company's net asset value will be disclosed ex-dividend.

Investment trusts

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

Key Information Document

Information in relation to the Company's disclosures in accordance with the Packaged Retail and Insurance-based Investment Products ("PRIIPs") Regulation is contained in the "Key Information Document" which can be found on the Company's website.

Liquidity

In the context of the liquidity of shares in the stock market, this refers to the availability of buyers in the market for the share in question. Where the market in a particular share is described as liquid, that share will be in demand and holders wishing to sell their shares should find ready buyers. Conversely, where the market in a share is illiquid the difficulty of finding a buyer will tend to depress the price that might be negotiated for a sale.

Glossary (continued)

Market capitalisation ("market cap")

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

Ongoing charge

The ongoing charge reflects those expenses of a type which are likely to recur in the foreseeable future, whether charged to revenue or capital, and which relate to the operation of the Company as a collective fund, excluding the costs of acquisition or disposal of investments, finance costs and gains or losses arising on investments. Details of the calculation of the ongoing charge can be found on page 86.

Timing residual

This figure arises due to differences between the cash and accrual accounting methodologies used to calculate portfolio performance and net asset value performance.

General Shareholder Information

AIFMD disclosures

In accordance with the AIFMD, information in relation to the Company's leverage and remuneration of Janus Henderson, as the Company's AIFM are required to be made available to investors. These disclosures, including those on the AIFM's remuneration policy, are contained in a separate document called "AIFMD Disclosure" which can be found on the Company's website.

BACS

Dividends and interest can be paid to shareholders by means of BACS ("Bankers' Automated Clearing Services"); mandate forms for this purpose are available from the registrar. Alternatively, shareholders can write to the registrar (the address is given on page 91) to give their instructions; these must include the bank account number, the bank account title and the sort code of the bank to which payments are to be made.

Common Reporting Standard

Tax legislation requires the Company to provide personal information to HMRC on certain investors who purchase shares in investment trusts. This information is provided annually to the local tax authority of the tax residencies of a number of non-UK based certificated shareholders and corporate entities.

Equality Act 2010

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

You can contact the registrar, Computershare Investor Services PLC, which has installed textphones to allow speech and hearing impaired people who have their own textphone to contact them directly, without the need for an intermediate operator by dialling 0370 702 0005. Specially trained operators are available during normal business hours to answer queries via this service.

Alternatively, if you prefer to go through a "typetalk" operator (provided by the Royal National Institute for Deaf People) dial 18001 followed by the number you wish to dial.

Foreign Account Tax Compliance Act ("FATCA")

FATCA is a United States federal law whose intent is to enforce the requirement for US persons (including those living outside the US) to file yearly reports on their non-US financial accounts. Each year, investment trusts need to monitor the trading volume and frequency of their shares and securities to assess whether they have financial accounts. The Company makes an annual assessment, before the FATCA return is due, to determine if the shares represent financial accounts and, where they do, will need to identify and report US reportable accounts to HMRC as required.

General Data Protection Regulation ("GDPR")

A privacy statement can be found on the website **www.janushenderson.com**.

ISA

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

Non-Mainstream Pooled Investments ("NMPI") status

The Company currently conducts its affairs so that its ordinary shares of 1p each can be recommended by IFAs to ordinary retail investors in accordance with the Financial Conduct Authority's ("FCA") rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

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

Investors should be aware that PRIIPs requires the manager, as the PRIIP manufacturer, to prepare a KID in respect of the Company. This KID must be made available by the manager to retail investors prior to them making any investment decision and is available on the Company's website.
The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by the law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

General Shareholder Information (continued)

Performance details/share price information

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

The market price of the Company's ordinary shares is published daily in The Financial Times. The Financial Times also shows figures for the estimated NAV and the discount. The market price of the Company's ordinary shares can also be found in the London Stock Exchange Daily Official List.

Shareholder details

Shareholders who hold their shares in certificated form can check their shareholding with the registrar, Computershare Investor Services PLC, via **www.investorcentre.co.uk**.

To gain access to your details on the Computershare website you will need the holder reference number shown on your share certificate.

Taxonomy Regulation

Regulation (EU) 2020/852 establishes the basis for the EU taxonomy. The EU taxonomy is a classification system, establishing a list of environmentally sustainable economic activities to provide companies, investors and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable. In accordance with the Taxonomy Regulation, the Company confirms that the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

FCA Share Fraud Warning

Investment and pension scams are often sophisticated and difficult to spot

FINANCIAL CONDUCT AUTHORITY

Be a **ScamSmart** Investor

Be a ScamSmart investor and spot the warning signs

Fraudsters will often:

- contact you out of the blue
- apply pressure to invest quickly
- downplay the risks to your money
- promise tempting returns that sound too good to be true
- say that they're only making the offer available to you or even ask you to not tell anyone else about it

How to avoid investment and pension scams

1. **Reject unexpected offers**
   Scammers usually cold call, but contact can also come by email, post, word of mouth or at a seminar. If you've been offered an investment out of the blue, chances are it's a high risk investment or a scam.
2. **Check the FCA Warning List**
   Use the FCA Warning List to check the risks of a potential investment – you can also search to see if the firm is known to be operating without our authorisation.
3. **Get impartial advice**
   Get impartial advice before investing – don't use an adviser from the firm that contacted you.

If you're suspicious, report it

You can report the firm or scam to us by contacting our **Consumer Helpline** on **0800 111 6768** or using our reporting form using the link below.

If you've lost money in a scam, contact Action Fraud on 0300 123 2040 or www.actionfraud.police.uk

Be ScamSmart and visit www.fca.org.uk/scamsmart

Corporate Information

Registered office

201 Bishopsgate
London
EC2M 3AE
Email: support@janushenderson.com

Service providers

Alternative Investment Fund Manager

Janus Henderson Fund Management UK Limited
201 Bishopsgate
London
EC2M 3AE

Corporate Secretary

Janus Henderson Secretarial Services UK Limited
201 Bishopsgate
London
EC2M 3AE
Telephone: 020 7818 1818

Depositary and Custodian

HSBC Bank plc
8 Canada Square
London
E14 5HQ

Stockbroker

Panmure Gordon & Co
1 New Change
London
EC4M 9AF

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ
Telephone: 0370 707 4033
Email: web.queries@computershare.co.uk

Investors with share certificates (i.e. not those in a share plan or ISA) can check their holdings at **www.investorcentre.co.uk**

Independent auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Financial calendar

Senior unsecured notes interest payment	30 October 2023
4th interim dividend ex-dividend date	9 November 2023
4th interim dividend record date	10 November 2023
4th interim dividend payable	30 November 2023
Annual general meeting	12 December 2023
1st interim dividend payable	29 February 2024
Half year results	April 2024
Senior unsecured notes interest payment	30 April 2024
2nd interim dividend payable	31 May 2024
3rd interim dividend payable	30 August 2024

Information sources

For more information about Henderson International Income Trust plc, visit the website at: **www.hendersoninternationalincometrust.com**

To sign up for expert insights about investment trusts, updates from our fund managers as well as AGMs and Trust TV episodes please visit this page: **www.janushenderson.com/en-gb/investor/subscriptions/**

Follow the Janus Henderson Investment Trusts on LinkedIn – Janus Henderson Investment Trusts, UK

Investing

Shares can be purchased in the market via a stockbroker or through share dealing platforms. They can also be held through share plans, ISAs or pensions and links to various providers are included on the website.

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

Henderson International Income Trust plc
Registered as an investment company in England and Wales
Registration number: 7549407
Registered office: 201 Bishopsgate, London EC2M 3AE

SEDOL/ISIN number: Ordinary Shares B3PHCS8/GB00B3PHCS86
London Stock Exchange (TIDM) Code: HINT
Global Intermediary Identification Number (GIIN): WRGF5X.99999.SL.826
Legal Entity Identifier (LEI): 2138006N35XWGK2YUK38

Telephone: **0800 832 832**
Email: **support@janushenderson.com**

www.hendersoninternationalincometrust.com

MANAGED BY
Janus Henderson
INVESTORS

aic
The Association of
Investment Companies

PREMIUM MAIN MARKET
LONDON STOCK EXCHANGE

aic Shareholder Communication Awards 2019 WINNER

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Typeset by 2112 Communications, London.

Printed by Paragon, London.

JHI9214/2023