

THIS PROSPECTUS AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take or the contents of this Prospectus, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside of the United Kingdom, without delay.

This document comprises a prospectus (the "**Prospectus**") relating to Henderson High Income Trust plc (the "**Company**"), in connection with the issue of Shares in the Company (the "**New Shares**") pursuant to a scheme of reconstruction and members' voluntary winding up of Henderson Diversified Income Trust plc ("**HDIV**") under section 110 of the Insolvency Act 1986 (the "**Scheme**"), prepared in accordance with the UK version of the EU Prospectus Regulation ((EU) 2017/1129) which is part of UK law by virtue of the European Union Withdrawal Act 2018, as amended and supplemented from time to time, including, but not limited to, by the Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234 and The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (the "**UK Prospectus Regulation**") and the prospectus regulation rules of the Financial Conduct Authority (the "**FCA**") made pursuant to section 73A of FSMA (the "**Prospectus Regulation Rules**").

This Prospectus has been approved by the FCA, as competent authority under the UK Prospectus Regulation. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Company or of the quality of the Shares that are the subject of this Prospectus. This Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of the UK Prospectus Regulation. HDIV Shareholders should make their own assessment as to the suitability of investing in the Shares. This Prospectus will be made available to the public in accordance with the Prospectus Regulation Rules by being made available at the Company's website: <https://www.janushenderson.com/combination-with-henderson-diversified-income-trust-plc/>.

Applications will be made to the FCA for the New Shares to be admitted to listing on the premium segment of the Official List and to the London Stock Exchange for the New Shares to be admitted to trading on the Main Market. If the Proposals become effective, it is expected that Admission will become effective, and dealings in the New Shares will commence, on 17 January 2024.

HENDERSON HIGH INCOME TRUST PLC

(Incorporated in England and Wales with registered number 02422514 and registered as an investment company under section 833 of the Companies Act 2006)

Prospectus relating to the Issue of New Shares pursuant to a scheme of reconstruction and members' voluntary winding up of Henderson Diversified Income Trust plc under section 110 of the Insolvency Act 1986

The Directors of the Company, whose names appear on page 34 of this Prospectus, and the Company accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Directors and the Company the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

Janus Henderson Fund Management UK Limited (the "**AIFM**" or "**JHFM**") and Janus Henderson Investors UK Limited (the "**Investment Manager**" or "**Janus Henderson**") accept responsibility for the information and opinions contained in this Prospectus relating to them and all statements made by them. To the best of the knowledge of the AIFM and the Investment Manager, as applicable, the information contained in this Prospectus related to or attributed to the AIFM and/or the Investment Manager, as applicable, and their affiliates is in accordance with the facts and such parts of this Prospectus make no omission likely to affect their import. In particular, the AIFM and the Investment Manager accept responsibility for the information and opinions contained in: (a) the risk factors contained under the heading '*Risks relating to the investment policy*' in the *Risk Factors* section of this Prospectus; (b) paragraph 8 of Part 1 (*Henderson High Income Trust plc*) of this Prospectus; (c) Part 2 (*Market Outlook, Investment Strategy, Performance Track Record and Portfolio*); (d) paragraphs 2.1, 2.2, 2.3 and 6.4 of Part 3 (*Directors, Management and Administration of the Company*) of this Prospectus; and (e) any other information or opinion related to or attributed to either of them or to any of their affiliates contained within this Prospectus.

Dickson Minto Advisers, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting as sponsor and financial adviser to the Company only and for no one else in connection with the Issue, the Scheme and the other arrangements referred to in this Prospectus. Dickson Minto Advisers will not regard any other person (whether or not a recipient of this Prospectus) as its client in relation to the Issue, the Scheme and the other arrangements referred to in this Prospectus and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to the Issue, the Scheme, the contents of this Prospectus or any transaction or arrangement referred to in this Prospectus. This does not exclude any responsibilities that Dickson Minto Advisers may have under FSMA or the regulatory regime established thereunder.

Apart from the responsibilities and liabilities, if any, that may be imposed on Dickson Minto Advisers by FSMA or the regulatory regime established thereunder, or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Dickson Minto Advisers makes no representations, express or implied, nor accepts any responsibility whatsoever for the contents of this Prospectus or for any statement made or purported to be made by it or on its behalf in connection with the Company, the Issue, the Scheme, the Shares or any other transaction or arrangement referred to in this Prospectus. Dickson Minto Advisers and its affiliates accordingly, to the fullest extent permitted by law, disclaim all and any responsibility or liability, whether arising in tort or contract or otherwise (save as referred to above), which it or they might otherwise have in respect of this Prospectus or any such statement.

Dickson Minto Advisers and its affiliates may have engaged in transactions with, and provided various financial advisory and other services to, the Company and/or the AIFM for which they would have received customary fees. Dickson Minto Advisers and its affiliates may provide such services to the Company and/or the AIFM and any of their respective affiliates in the future.

The contents of this Prospectus are not to be construed as legal, financial, business, investment or tax advice. HDIV Shareholders should consult their own legal adviser, financial adviser or tax adviser for legal, financial, business, investment or tax advice. Investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, repurchase or other disposal of New Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of New Shares which they might encounter; and (c) the income and other tax consequences that may apply in their own countries as a result of the purchase, holding, transfer or other disposal of, or subscription for, New Shares. Investors must rely on their own representatives, including their own legal advisers and accountants, as to legal, financial, business, investment, tax, or any other related matters concerning the Company and an investment therein. None of the Company, the AIFM, the Investment Manager or Dickson Minto Advisers nor any of their respective representatives is making any representation regarding the legality of an investment in the New Shares. **HDIV Shareholders should also consider the risk factors relating to the Company set out on pages 12 to 24 of this Prospectus.**

THE NEW SHARES ARE ONLY AVAILABLE TO HDIV SHAREHOLDERS AND ARE NOT BEING OFFERED TO EXISTING SHAREHOLDERS (SAVE TO THE EXTENT AN EXISTING SHAREHOLDER IS ALSO A HDIV SHAREHOLDER) OR TO THE PUBLIC.

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase, subscribe for or otherwise acquire, any securities by any person in any circumstances or jurisdiction in which such offer or solicitation would be unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, the AIFM, the Investment Manager or Dickson Minto Advisers.

The distribution of this Prospectus in certain jurisdictions may be restricted by law. Other than in the United Kingdom, no action has been taken, nor will any action be taken, by the Company or Dickson Minto Advisers that would permit an offer of the New Shares or possession, issue or distribution of this Prospectus (or any other offering or publicity material relating to the New Shares) in any jurisdiction where action for that purpose is required or where doing so is restricted by law. Accordingly, neither this Prospectus, nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus (or any other offering materials or publicity relating to the New Shares) comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

In particular, the New Shares described in this Prospectus have not been, and will not be, registered under the securities laws of any of Australia, Canada, Japan, New Zealand, the Republic of South Africa or any EEA Member State, or their respective territories or possessions. Accordingly, the New Shares may not

(unless an exemption from such legislation or such laws is available) be offered, sold or delivered, directly or indirectly, in or into Australia, Canada, Japan, New Zealand or the Republic of South Africa or any EEA Member State, or their respective territories or possessions. Persons resident in territories other than the UK should consult their professional advisers as to whether they require any governmental or other consents or need to observe any formalities to enable them to apply for, acquire, hold or dispose of the New Shares.

New Shares are being offered or sold only: (i) outside the United States in “offshore transactions” to non-US Persons pursuant to Regulation S under the US Securities Act of 1933, as amended (the “**US Securities Act**”); and (ii) to persons who are both “qualified institutional buyers”, or “QIBs”, as defined in Rule 144A under the US Securities Act and “qualified purchasers” as defined in the US Investment Company Act of 1940, as amended (the “**US Investment Company Act**”) (“**Qualified Purchasers**”) pursuant to an exemption from the registration requirements of the US Securities Act, and who, in the case of (ii), have executed a US Investor Representation Letter.

In addition, the Company has not been and will not be registered under the US Investment Company Act and investors in the New Shares will not be entitled to the benefits of the US Investment Company Act. The New Shares have not been and will not be registered under the US Securities Act and may not be offered, sold, resold, pledged, delivered, assigned or otherwise transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, any “U.S. persons” as defined in Regulation S under the US Securities Act (“**US Persons**”), except pursuant to an exemption from the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not result in the Company being required to register under the US Investment Company Act. There has not been and there will not be any public offer of the New Shares in the United States.

This Prospectus does not address the US federal income tax considerations applicable to an investment in the New Shares. Each prospective investor should consult its own tax advisers regarding the US federal income tax consequences of any such investment.

Neither the US Securities and Exchange Commission (the “**SEC**”) nor any securities regulatory authority of any state or other jurisdiction of the United States has approved or disapproved of the New Shares or passed upon or endorsed the merits of the offering of the New Shares or the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

The New Shares are also subject to restrictions on transferability and resale in certain jurisdictions and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions and may subject the holder to the forced transfer and other provisions set out in the Articles. For further information on restrictions on offers, sales and transfers of the New Shares, please refer to the section titled “Overseas HDIV Shareholders and Sanctions Restricted Persons” at paragraph 9 of Part 4 (*Details of the Scheme and the Issue*) of this Prospectus.

The publication or delivery of this Prospectus shall not under any circumstances imply that the information contained in this Prospectus is correct as at any time subsequent to the date of this Prospectus or that there has not been any change in the affairs of the Company since that date.

Without limitation, neither the contents of the Company’s website, the AIFM’s website, the Investment Manager’s website, Dickson Minto Advisers’ website or any other website nor the content of any website accessible from hyperlinks on the Company’s website, the AIFM’s website, the Investment Manager’s website, Dickson Minto Advisers’ website or any other website is incorporated into, or forms part of this Prospectus, or has been approved by the FCA.

Prospective investors should read this entire Prospectus and, in particular, the section titled “Risk Factors” beginning on page 12 when considering an investment in the Company.

12 December 2023

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SUMMARY

INTRODUCTION AND WARNINGS

1. INTRODUCTION

This Prospectus relates to the issue of ordinary shares of 5 pence each (the **"New Shares"**) in the capital of Henderson High Income Trust plc (the **"Company"**) in connection with a scheme of reconstruction and members' voluntary winding up of Henderson Diversified Income Trust plc (**"HDIV"**) under the Insolvency Act (the **"Scheme"**). The ISIN of the New Shares is GB0009580571 and the SEDOL is 0958057. The LEI of the Company is 213800OEXAGFSF7Y6G11 and its registered office is at 201 Bishopsgate, London EC2M 3AE.

This Prospectus was approved by the Financial Conduct Authority (the **"FCA"**) in the United Kingdom on 12 December 2023. The head office of the FCA is at 12 Endeavour Square, London E20 1JN (Tel: 020 7066 1000). Contact information for the FCA can be found at <https://www.fca.org.uk/contact>.

Warning

The following summary should be read as an introduction to this Prospectus. Any decision to invest in the New Shares should be based on a consideration of this Prospectus as a whole by the investor. An investor could lose all or part of the invested capital. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of this Prospectus, or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the New Shares.

It should be remembered that the price of the New Shares, and the income from such New Shares (if any), may go down as well as up. An investment in the Company is only suitable for investors who are capable of evaluating the risks and merits of such investment and who understand the potential risk of capital loss (which may be equal to the whole amount invested).

2. KEY INFORMATION ON THE ISSUER

2.1. Who is the issuer of the securities?

The Company was incorporated and registered in England and Wales on 13 September 1989 as a public company limited by shares with registered number 02422514. The Company is an investment company under section 833 of the Companies Act. The Company's LEI number is 213800OEXAGFSF7Y6G11. The principal legislation under which the Company operates is the Companies Act and the regulations made thereunder.

The Company is a closed-ended investment company and operates as an investment trust approved by HMRC in accordance with the Corporation Tax Act. The Company's investment objective is to invest in a prudently diversified selection of both well-known and smaller companies to provide investors with a high dividend income stream while also maintaining the prospects of capital growth.

The Company has appointed Janus Henderson Fund Managers UK Limited (the **"AIFM"** or **"JHFM"**) as the Company's alternative investment fund manager to provide overall portfolio and risk management services to the Company. The AIFM has delegated portfolio management services to Janus Henderson Investors UK Limited (the **"Investment Manager"** or **"Janus Henderson"**).

The Directors of the Company are as follows:

- Jeremy Rigg (*Chairman*);
- Richard Cranfield;
- Francesca Ecsery;
- Zoe King; and
- Jonathan Silver.

All of the Directors are non-executive and are independent of the AIFM and the Investment Manager.

As at close of business on 7 December 2023, being the latest practicable date prior to the publication of this Prospectus, in so far as it is known to the Company, no persons held, directly or indirectly, 3.0 per cent. or more of the Company's issued Share capital.

As at close of business on 7 December 2023, being the latest practicable date prior to the publication of this Prospectus, the Company and the Directors are not aware of any person who could, directly or indirectly, jointly or severally, own or exercise control over the Company, or of any arrangement the operation of which may result in a change of control of the Company. There are no different voting rights for any Shareholder.

The Company's auditors are PricewaterhouseCoopers LLP of 7 More London Riverside, London SE1 2RT.

2.2. What is the key financial information regarding the issuer?

Selected historical financial information

Selected audited financial information relating to the Company, which summarises the financial condition of the Company for the financial years ended 31 December 2021 and 31 December 2022, and selected unaudited financial information relating to the Company which summarises the financial position of the Company for the six month periods ended 30 June 2022 and 30 June 2023 is set out in the following tables:

Information relevant to closed-end funds

Share Class	Shareholders' funds (£'000)	No. of Shares (excluding treasury Shares)	Net Asset Value (with debt at par value) per Share (basic and diluted) (p)	Historical performance of the fund (p)
Ordinary	214,277 as at 31 December 2022 (audited)	129,796,278 as at 31 December 2022 (audited)	165.09 as at 31 December 2022 (audited)	183.70 Net Asset Value (with debt at par value) per Share (basic and diluted) as at 30 December 2021 (audited)

Income statement for closed-end funds

Nature of Information	Year ended 31 December 2022			Year ended 31 December 2021			Six months ended 30 June 2023			Six months ended 30 June 2022		
	Revenue return (£'000)	Capital return (£'000)	Total (£'000)	Revenue return (£'000)	Capital return (£'000)	Total (£'000)	Revenue return (£'000)	Capital return (£'000)	Total (£'000)	Revenue return (£'000)	Capital return (£'000)	Total (£'000)
(Losses)/ gains on investments held at fair value through profit or loss	—	(22,469)	(22,469)	—	27,188	27,188	—	(420)	(420)	—	(25,159)	(25,159)
Income from investments held at fair value through profit or loss	14,632	—	14,632	13,470	—	13,470	8,415	—	8,415	8,203	—	8,203
Other interest receivable and similar income	307	—	307	98	—	98	275	—	275	176	—	176
Gross revenue and capital (losses)/gains	14,939	(22,469)	(7,530)	13,568	27,188	40,756	8,690	(420)	8,270	8,379	(25,159)	(16,780)
Management fee	(557)	(836)	(1,393)	(564)	(846)	(1,410)	(282)	(422)	(704)	(276)	(415)	(691)
Other administrative expenses	(498)	—	(498)	(460)	—	(460)	(227)	—	(227)	(232)	—	(232)
Net return before finance costs and taxation	13,884	(23,305)	(9,421)	12,544	26,342	38,886	8,181	(842)	7,339	7,871	(25,574)	(17,703)
Finance costs	(380)	(1,140)	(1,520)	(295)	(885)	(1,180)	(304)	(914)	(1,218)	(163)	(487)	(650)
Net return before taxation	13,504	(24,445)	(10,941)	12,249	25,457	37,706	7,877	(1,756)	6,121	7,708	(26,061)	(18,353)
Taxation on net return	(81)	—	(81)	(104)	(7)	(111)	(157)	—	(157)	(54)	—	(54)
Net return after taxation	13,423	(24,445)	(11,022)	12,145	25,450	37,595	7,720	(1,756)	5,964	7,654	(26,061)	(18,407)
Return/(loss) per ordinary share	10.37p	(18.89p)	(8.52p)	9.44p	19.79p	29.23p	5.94p	(1.35p)	4.59p	5.93p	(20.20p)	(14.27p)

Balance sheet for closed-end funds

Nature of Information	Year ended 31 December 2023	Year ended 31 December 2022	Six months ended 30 June 2023	Six months ended 30 June 2022
Shareholders' funds (£'000)	214,277	236,234	213,571	213,444
Net Asset Value (with debt at par value) per Share (basic and diluted) (p)	165.09	183.70	164.54	164.45

2.3. What are the key risks that are specific to the issuer?

The following are brief descriptions of what the Directors believe, at the time of publication of this Prospectus, to be the key material risks specific to the Company:

Risks relating to the Company

- The Company has no employees and the Directors have been appointed on a non-executive basis. The Company is therefore reliant upon the performance of third-party service providers (and their delegates) for its executive functions and is exposed to the risk that misconduct by employees of those service providers, any failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, and/or the termination of those appointments, could have an adverse effect on the Portfolio and the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

Risks relating to the investment policy

- There can be no guarantee that the Company will achieve its investment objective or that investors will get back the full value of their investment.
- The majority of the Company's investments are in equities and are subject to the risk of changes in market prices and/or macroeconomic factors. The Company also makes use of gearing, as appropriate, to enhance both capital and income returns over the long term, and the Company's investments and overall returns are therefore subject to risks arising from higher interest rates associated with high levels of inflation driven by increased energy costs, shortages of goods and materials, the impact of developments in artificial intelligence, the lingering after-effects of the COVID-19 pandemic, the current conflict in Ukraine and rising geopolitical tensions in the Middle East. Any changes in market prices and/or macroeconomic factors could have an adverse effect on the value of the Portfolio, the dividends received by the Company, the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.
- The Company also invests in debt securities issued by various companies which exposes the Company to credit risk if the issuers of such securities are unable to meet their liabilities, including interest or dividend payments, when due or at all. The Company is also exposed to interest rate risk as a result of its investments in fixed income securities. Changes in interest rates could impact the market value of such fixed income securities and such fixed income securities may contain prepayment provisions which reduce their effectiveness at mitigating interest rate risk.
- The Company invests in the securities of trading companies and any failure of these companies to respond to climate related issues, meet environmental targets or comply with applicable climate related regulations may adversely impact investor sentiment towards such companies and/or result in regulatory fines or sanctions being levied on such companies, which could have a knock-on effect on the performance and value of an investment in such companies.
- The due diligence and ongoing review process that the Investment Manager undertakes in evaluating the Company's investments may not reveal all facts that may be relevant in connection with such investments. Any failure by the AIFM and the Investment Manager to perform effective due diligence on potential investments may adversely affect the investment returns expected from a particular investment. Any failure by the AIFM and the Investment Manager to conduct an effective ongoing review of the Portfolio could have a similar adverse effect on the returns generated by the investments in the Portfolio.
- The Company may use gearing to seek to enhance investment returns. Whilst the use of gearing should enhance the total return on the Shares over the longer term where the return on the Company's underlying assets is rising and exceeds the cost of gearing, it will have the opposite effect where the return on the Company's underlying assets is rising at a lower rate than the cost of gearing or where such return is falling.
- The Company is exposed to currency and foreign exchange risk as a result of holding investments denominated in currencies other than Sterling which could have an adverse effect on the Portfolio and the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.
- Underperformance by the companies in the Portfolio, or other market factors, may cause the Company to fail to deliver its target performance and may affect the ability of the Company to achieve its investment objective.

Risks relating to the AIFM and the Investment Manager

- The success of the Company is dependent on the AIFM and the Investment Manager and their expertise, key personnel, and ability to source and advise appropriately on investments. As a result of this, the Portfolio, financial condition, results of operations, prospects and the value of the Shares could be adversely affected by competitive pressures on the AIFM and/or the Investment Manager's ability to source and make successful investments.

Risks relating to regulation, taxation and the Company's operating environment

- The Company is subject to various political, economic and other risks (such as war, acts of terrorism, changes to any given country's political leader or significant economic downturns affecting global or more domestic markets) which may impact the economic conditions in which the Company and companies in the Portfolio operate and may adversely impact global financial markets and, consequently, the Company's performance.
- Changes in taxation legislation or practice in the United Kingdom or other jurisdictions to which the Company has exposure (including the jurisdictions in which companies in the Portfolio are based) may adversely affect the Company and the tax treatment for Shareholders investing in the Company.
- Changes in laws or regulations governing the Company's, the AIFM's or the Investment Manager's operations may adversely affect the business and performance of the Company.

3. KEY INFORMATION ON THE SECURITIES

3.1. What are the main features of the securities?

The New Shares are ordinary shares with a nominal value of 5 pence each and are denominated in Sterling. The ISIN of the New Shares is GB0009580571 and the SEDOL number is 0958057. The ticker code is HHI. The issue price of the New Shares will be determined on the Calculation Date and will be released by way of an RIS announcement on or around 16 January 2024.

As at 7 December 2023, being the latest practicable date prior to the publication of this Prospectus, the issued Share capital of the Company comprised 129,796,278 fully paid Shares. No Shares were held in treasury.

The New Shares will rank *pari passu* in all respects (including voting rights) with each other and the existing issued Shares (other than in respect of dividends or other distributions declared, made or paid on the existing Shares by reference to a record date prior to the Calculation Date). In summary, the rights attaching to the Shares are:

<i>Dividend</i>	Subject to the provisions of the Companies Act, the Company may from time to time declare dividends and make other distributions on the Shares.
<i>Capital</i>	On a winding up or other return of capital, after meeting the liabilities of the Company, the surplus assets will be paid to Shareholders in proportion to their shareholdings.
<i>Voting</i>	Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to Shares, Shareholders shall have the right to receive notice of, attend and vote at general meetings of the Company. Each Shareholder present in person or by proxy at a general meeting of the Company shall on a show of hands have one vote and on a poll have one vote for each Share held.

Restrictions on the free transferability of Shares

Subject to the terms of the Articles and applicable securities laws, there are no restrictions on the transferability of the Shares.

Dividend policy

The Company's dividend policy is to usually pay quarterly interim dividends from current revenue and add to the revenue reserve where possible each year. The purpose of this reserve is to enable the Company to support dividend payments in difficult market conditions. When deciding on whether to pay each quarterly interim dividend, the Board has regard to a variety of factors, including current and forecast levels of income (including any special dividends received) and the historic dividend schedule. The Board also considers a range of stress tests which forecast revenue under different scenarios in order to form a view on the sustainability of the Company's dividends.

The Company conducts its business so as to satisfy the conditions to retain approval as an investment trust under section 1158 of the Corporation Tax Act. In accordance with regulation 19 of the Investment Trust Tax Regulations, the Company does not (except to the extent permitted by those regulations) retain more than 15 per cent. of its income (as calculated for UK tax purposes) in respect of an accounting period. The Board may resolve to pay special dividends on the Shares from time to time in order to comply with these requirements.

The Company paid dividends totalling 10.15 pence per Share in respect of the financial year to 31 December 2022. As at 7 December 2023, the Company had paid three interim dividends in respect of the financial year to 31 December 2023, each of 2.575 pence per Share, and had declared a fourth interim dividend in respect of the financial year to 31 December 2023 of 2.625 pence per Share which is expected to be paid on 26 January 2024 to Shareholders on the Register as at close of business on 8 December 2023..

3.2. Where will the securities be traded?

Applications will be made to the FCA for the New Shares to be admitted to listing on the premium segment of the Official List and to the London Stock Exchange for the New Shares to be admitted to trading on the Main Market. It is expected that such admission will become effective, and dealings in the New Shares will commence, on 17 January 2024.

3.3. What are the key risks specific to the securities?

The following is a brief description of what the Directors believe, at the time of publication of this Prospectus, to be the key material risks specific to an investment in the Shares:

- The market price of the Shares may not reflect the value of the underlying investments of the Company and may be subject to wide fluctuations in response to many factors. The market value of the Shares may therefore vary considerably from the Company's underlying NAV. In particular, it is possible that the Shares could trade at a value materially below their NAV for a prolonged period of time and there can be no assurance, express or implied, that Shareholders will receive back the amount of their investment in the Shares.
- It may be difficult for Shareholders to realise their investment as there may not be a liquid market in the Shares, and Shareholders have no right to have their Shares redeemed or repurchased by the Company.

4. KEY INFORMATION ON THE OFFER

4.1. Under which conditions and timetable can I invest in this security?

Terms and conditions

The New Shares being issued pursuant to the Issue are only available to HDIV Shareholders pursuant to the terms of the Scheme.

The Issue is conditional on, amongst other things:

- (a) the passing of the HDIV Resolutions to approve the Scheme and the winding up of HDIV at the HDIV General Meetings and the Scheme becoming unconditional (including the Transfer Agreement becoming unconditional in all respects);
- (b) the passing of the Resolution to approve the issue of the New Shares at the General Meeting and such Resolution becoming unconditional in all respects;
- (c) the FCA agreeing to admit the New Shares to listing on the Official List and the London Stock Exchange agreeing to admit the New Shares to trading on its Main Market, subject only to allotment; and
- (d) the Directors and the HDIV Directors resolving to proceed with the Scheme.

If any of the above conditions are not satisfied by 31 March 2024, unless such date is extended by mutual agreement between the Company and HDIV, the Scheme will not become effective and no New Shares will be issued to HDIV Shareholders.

4.2. Expected timetable

General Meeting

Publication of the Circular and Notice of General Meeting	12 December 2023
Latest time and date for receipt of Forms of Proxy and CREST voting instructions for the General Meeting	12 noon on 4 January 2024
General Meeting	12 noon on 8 January 2024
Announcement of results of the General Meeting	8 January 2024

Scheme

Publication of this Prospectus	12 December 2023
First HDIV General Meeting	11.00 a.m. on 8 January 2024
Record Date for entitlements under the Scheme	6.00 p.m. on 8 January 2024
HDIV Shares disabled for settlement in CREST	6.00 p.m. on 8 January 2024
Suspension of trading of HDIV Shares	7.30 a.m. on 9 January 2024
Calculation Date for the Scheme	market close on 10 January 2024
Reclassification of HDIV Shares (and commencement of dealings in Reclassified HDIV Shares)	8.00 a.m. on 15 January 2024
Suspension of listing of Reclassified HDIV Shares and HDIV Register closes	7.30 a.m. on 16 January 2024
Second HDIV General Meeting	10.30 a.m. on 16 January 2024
Effective Date for implementation of the Scheme	16 January 2024
Announcement of results of the Scheme and respective FAVs and Cash NAV	16 January 2024
Admission and dealings in New Shares commence and CREST Accounts credited in respect of New Shares in uncertificated form	8.00 a.m. on 17 January 2024
Certificates despatched by post in respect of New Shares	week commencing 22 January 2024
Cancellation of listing of Reclassified HDIV Shares	as soon as practicable after the Effective Date

Note: All references to time in this Prospectus are to UK time. Each of the times and dates in the above expected timetable (other than in relation to the general meetings) may be extended or brought forward. If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by an announcement through a Regulatory Information Service.

Details of Admission

The Shares are currently listed on the premium segment of the Official List and traded on the Main Market. Applications will be made to the FCA for the New Shares to be admitted to listing on the premium segment of the

Official List and to the London Stock Exchange for New Shares to be admitted to trading on the Main Market. If the Scheme becomes effective, it is expected that the New Shares will be admitted to the Official List, and dealings in the New Shares will commence on the Main Market, on 17 January 2024.

Distribution

The Company will notify HDIV Shareholders of the number of New Shares to which each HDIV Shareholder is entitled and the results of the Issue will be announced by the Company on or around 16 January 2024 via an RIS announcement.

The New Shares will be available to be issued in either certificated form or uncertificated form. Where applicable, share certificates are expected to be dispatched by post in the week commencing 22 January 2024.

Dilution

Unless they also hold HDIV Shares at the relevant date, Existing Shareholders are not able to participate in the Issue and will suffer a dilution to the percentage of the issued Share capital that their current holding represents based on the actual number of New Shares issued under the Scheme.

For illustrative purposes only, if 38,810,802 New Shares were to be issued (being the estimated number of Shares that will be issued pursuant to the Issue, assuming that no HDIV Shareholders exercise their right to dissent from participation in the Scheme, 50 per cent. of the total HDIV Shares are elected, or are deemed to be elected, for the Cash Option, and that the ratio between the HHI FAV per Share and the HDIV FAV per Share is 0.426322) then, based on the issued Share capital of the Company as at 7 December 2023, and assuming that: (i) an Existing Shareholder is not a HDIV Shareholder and is therefore not able to participate in the Issue; and (ii) there had been no change to the Company's issued Share capital prior to Admission, an Existing Shareholder holding 1.0 per cent. of the Company's issued Share capital as at 7 December 2023 would then hold approximately 0.7684 per cent. of the Company's issued Share capital following the Issue.

Expenses of the Scheme and Issue

Subject as noted below, in the event that the Scheme is implemented, the Company and HDIV have each agreed to bear their own costs associated with the Scheme. Assuming 50 per cent. of the total HDIV Shares are elected, or are deemed to be elected, for the Cash Option, the fixed costs of the Proposals payable by the Company are estimated to be approximately £461,300 (including irrecoverable VAT).

Any costs of the realignment and/or realisation of the HDIV Portfolio prior to the Scheme becoming effective will be borne by HDIV. Any stamp duty, SDRT or other transaction tax, or investment costs incurred by the Company for the acquisition of the Rollover Pool or the deployment of the cash therein upon receipt will be borne by the Enlarged Company. In addition, the Enlarged Company will also incur listing fees in respect of the listing of the New Shares issued in connection with the Scheme.

In the event that implementation of the Scheme does not proceed each party will bear its own costs, subject to the JHFM Contribution noted below.

The AIFM has agreed to make a contribution to the costs of the Scheme (the "**JHFM Contribution**"). The JHFM Contribution will be calculated as 1.25 per cent. of the Rollover Pool (excluding the benefit of any amount of JHFM Contribution), up to a maximum contribution of £1,100,000 and subject to a minimum contribution of £360,000. The JHFM Contribution will be allocated first to pay the Company's fixed costs, up to a cap of £550,000, with any balance of the JHFM Contribution allocated to pay HDIV's costs. In the event the Scheme does not proceed, the JHFM Contribution will cover the Company's fixed costs up to a cap of £360,000. For the avoidance of doubt, the JHFM Contribution will be reflected in the calculation of the HHI FAV per Share and, if applicable, the HDIV FAV per Share.

4.3. Why is the Prospectus being produced?

As announced on 4 October 2023, the Board has agreed heads of terms with the HDIV Board in respect of a proposed combination of the assets of the Company with the assets of HDIV. The combination, if approved by Shareholders and HDIV Shareholders, will be effected by way of the Scheme and the associated transfer of part of the cash, assets and undertaking of HDIV to the Company in exchange for the issue of New Shares.

Under the proposed terms of the Scheme, subject to the passing of the Resolution to be proposed at the General Meeting to approve the issue of New Shares in connection with the Scheme and subject to the satisfaction of the other conditions (details of which are set out above), HDIV will be placed into members' voluntary liquidation and part of its cash, assets and undertaking transferred to the Company in consideration for the issue of New Shares in the Company of an equivalent value to HDIV Shareholders who elect, or are deemed to elect, for the Rollover Option. Each HDIV Shareholder (other than certain Overseas HDIV Shareholders and Sanctions Restricted Persons) may elect to receive New Shares and/or cash under the Scheme. HDIV Shareholders (other than certain Overseas HDIV Shareholders and Sanctions Restricted Persons) who do not make a valid election under the Scheme will be deemed to have elected to receive New Shares.

Overseas HDIV Shareholders are entitled to participate in the Scheme. However, to the extent that the Company, and/or the Liquidators, acting reasonably, consider that any issue of New Shares to an Overseas HDIV

Shareholder would or may involve a breach of the securities laws or regulations of any jurisdiction or may violate any applicable legal or regulatory requirements or may require the Company to become subject to additional regulatory requirements (to which it would not be subject but for such issue) and the Company and/or the Liquidators, as the case may be, have not been provided with evidence reasonably satisfactory to them that the relevant Overseas HDIV Shareholder is permitted to hold New Shares under any relevant securities laws or regulations of such overseas jurisdictions (or that the Company would not be subject to any additional regulatory requirements to which it would not be subject but for such issue), such Overseas HDIV Shareholder will be deemed to have elected for the Cash Option in respect of their entire holding.

The Board believes that the Proposals will offer Shareholders of the Enlarged Company the following benefits:

- **Continuity of high income levels:** As at 30 November 2023, the Company's Shares stood on a 6.7 per cent. dividend yield, representing a significant premium to the FTSE All-Share Index's yield, and have generated compound average dividend growth of 2.1 per cent. per annum over the last 10 years.
- **Strong investment track record:** As at 30 November 2023, the Company had outperformed the Benchmark Index (being a composite of 80 per cent. of the FTSE All Share Index (total return) and 20 per cent. of the ICE BofA Sterling Non-Gilts Index (total return) rebalanced annually) over one, three, five and 10 years. The Company had also delivered a 20-year Share price capital and total return of 40.7 per cent. and 383.2 per cent. respectively, and a NAV (with debt at fair value) capital and total return of 52.9 per cent. and 416.3 per cent., respectively.⁽¹⁾
- **Lower ongoing charges ratio:** Shareholders in the Enlarged Company are expected to benefit from a lower ongoing charges ratio, with the Enlarged Company's fixed costs spread over a larger asset base.
- **Significant cost contribution from JHFM:** JHFM will offer a contribution to the costs of the Proposals which, combined with the premium on the issue price of the New Shares, will ensure that there will be no dilution to the Company's NAV per Share.
- **Enhanced liquidity:** The scale of the Enlarged Company is expected to improve the marketability and liquidity of the Company's Shares.

New Shares are being issued to HDIV Shareholders in consideration for the transfer of the Rollover Pool to the Company in connection with the recommended proposals to combine the Company and HDIV pursuant to the Scheme. The Rollover Pool will consist of investments aligned with the Company's investment objective and policy as at the Effective Date, and cash and cash equivalents. Any cash in the Rollover Pool and any proceeds of the realisation of cash equivalents in the Rollover Pool will be used to acquire investments in accordance with the Company's investment policy.

The Issue has not been underwritten.

The AIFM, the Investment Manager and their affiliates serve as the alternative investment fund manager, investment manager and/or investment advisers to other clients, including funds and managed accounts that have similar investment objectives and policies to that of the Company. These investment management services may on occasion give rise to conflicts of interest with the Company and may have a material adverse effect on the Company's business, financial condition, results of operations and the market price of the Shares. For example, the AIFM, the Investment Manager and/or their affiliates may have conflicts of interest in allocating their time and activity between the Company and their other clients, in allocating investments among the Company and their other clients and in effecting transactions between the Company and other clients, including ones in which the AIFM, the Investment Manager and/or their affiliates may have a greater financial interest. Furthermore, the AIFM and the Investment Manager may provide services to certain in-house funds into which the Company may invest which may give rise to a conflict of interest. For feeing purposes under the Management Agreement, the average adjusted value of the gross assets of the Company excludes the value of any holdings in Janus Henderson managed funds or Janus Henderson Group plc shares held within the Portfolio. Pursuant to the Investment Management Delegation Agreement, the Investment Manager is prohibited from exercising any voting rights attaching to any holdings that the Company has in any Janus Henderson managed funds without the approval of the Board. There can be no assurance that the AIFM and the Investment Manager will resolve all conflicts of interest in a manner that is favourable to the Company. Save as aforesaid, there are no conflicting interests that are material to the Issue.

⁽¹⁾ Source: Morningstar Direct, Janus Henderson Investors. Data to 30 November (being the latest practicable date for this data). 20 year performance data based on ex income NAV (with debt at fair value). Total return calculations assume dividend reinvestment as at the ex-dividend date. Past performance is not a reliable indicator of future results.

RISK FACTORS

An investment in the Shares carries a number of risks including the risk that the entire investment may be lost. In addition to all other information set out in this Prospectus, the following specific factors should be considered when deciding whether to make an investment in, or otherwise acquire, the Shares. The risks set out below are those which are considered to be the material risks relating to an investment in the Shares as at the date of this Prospectus but are not the only risks relating to the Shares or the Company. No assurance can be given that Shareholders will realise a profit on, or recover the value of, their investment in the Shares, or that the Company will achieve any of its target returns. It should be remembered that the price of securities, and the income from them, can go down as well as up.

The success of the Company will depend on the ability of the Investment Manager to pursue the investment policy of the Company successfully and on broader market conditions and the risk factors set out below.

HDIV Shareholders should note that the risks relating to the Company, its investment policy and strategy and the Shares summarised in the section of this Prospectus headed “Summary” are the risks that the Directors believe to be the most essential to an assessment by a HDIV Shareholder as to whether to consider an investment in the Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, HDIV Shareholders should consider not only the information on the key risks summarised in the section of this Prospectus headed “Summary” but also, among other things, the risks and uncertainties described in this “Risk Factors” section of this Prospectus. Additional risks and uncertainties not currently known to the Company or the Directors or that the Company or the Directors consider to be immaterial as at the date of this Prospectus may also have a material adverse effect on the Company’s financial condition, business, prospects and results of operations and, consequently, the Company’s NAV and/or returns to Shareholders and/or the market price of the Shares.

HDIV Shareholders should review this Prospectus carefully and in its entirety and consult with their professional advisers before making an election for the New Shares.

RISKS RELATING TO THE COMPANY

The Company has no employees and is reliant on the performance of third-party service providers.

The Company has no employees and the Directors have been appointed on a non-executive basis. Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third-party service providers for its executive functions. In particular, the AIFM, the Investment Manager, the Registrar and the Depositary will be performing services which are integral to the operation of the Company. Misconduct by employees of those service providers, any failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, and/or the termination of those appointments could have an adverse effect on the Portfolio and the Company’s financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares. Similarly, each of the AIFM and the Investment Manager is reliant on third-party service providers and a failure by any of these service providers to fulfil their obligations could materially affect the AIFM’s ability to meet its obligations to the Company, which would, in turn, affect the ability of the Company to meet its investment objective and potentially have an adverse impact on returns to Shareholders and/or the market value of the Shares.

In the event that it is necessary for the Company or the AIFM or the Investment Manager to replace any third-party service provider it may be that the transition process takes time, increases costs and adversely impacts the AIFM’s or the Investment Manager’s operations and/or the Company’s investments and performance.

The Company is subject to the risk of cybersecurity breaches

The information and technology systems of the Company and its service providers (including, in particular, the AIFM and Investment Manager) may be vulnerable to operational, information security and related risks resulting from failures of, or breaches in, cybersecurity, including damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorised persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes.

A failure of, or breach in, cybersecurity (“**cyber incidents**”) may cause disruption and impact business operations, potentially resulting in financial losses, interference with the ability to calculate the Company’s Net Asset Value, impediments to trading, the inability of Shareholders to subscribe for, exchange or sell Shares, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs.

While the AIFM and the Investment Manager, along with other service providers, have established business continuity plans in the event of, and risk management strategies, systems, policies and procedures to seek to prevent, cyber incidents, there are inherent limitations in such plans, strategies, systems, policies and procedures, including the possibility that certain risks have not been identified. Furthermore, none of the Company, the AIFM or the Investment Manager and/or the other service providers can control the cybersecurity plans, strategies, systems, policies and procedures put in place by the entities in which the Company invests.

RISKS RELATING TO THE INVESTMENT OBJECTIVE AND POLICY

There can be no guarantee that the Company will achieve its investment objective or that investors will get back the full value of their investment

The success of the Company is dependent upon the continued ability of the Investment Manager to pursue the Company’s investment objective and policy successfully. There can be no assurance that the Investment Manager will continue to be successful in pursuing the Company’s investment objective and policy or that the Investment Manager will be able to invest the Company’s assets on attractive terms, generate any investment returns for the Company’s investors, pay a dividend or avoid investment losses. In addition, the success of the Company will depend on the performance of the equity and bond markets both in the UK and in any overseas jurisdictions in which the Company invests.

The investments of the Company are subject to the risk of changes in market prices and/or macroeconomic factors

The Company is dependent upon the Investment Manager’s successful implementation of the Company’s investment policy and ultimately on the Investment Manager’s ability to create an investment portfolio capable of generating attractive returns. The majority of the Company’s investments are in equities and at risk from the failure of the investment policy adopted by the Investment Manager resulting from changes in market prices and/or macroeconomic factors. The Company also makes use of gearing, as appropriate, to enhance both capital and income returns over the longer term and the Company’s investments and overall returns are therefore subject to risks arising from higher interest rates associated with high levels of inflation driven by increased energy costs, shortages of goods and materials, the impact of developments in artificial intelligence, the lingering after-effects of the COVID-19 pandemic, the current conflict in Ukraine and rising geopolitical tensions in the Middle East. The Company predominantly invests in the securities of UK companies and it will therefore be particularly influenced by changes in market practices and/or macroeconomic factors in the UK. The Company is also permitted to invest a proportion of its gross assets in overseas markets so the Company will also be influenced by changes in market practices and/or macroeconomic factors in any other regions in which it invests, the performance of other currencies relative to Sterling as well as changes that impact the global economy more generally. While the Company will hold a diversified Portfolio, there are certain general market conditions in which any investment strategy is unlikely to be profitable. The Investment Manager does not have the ability to control or predict such market conditions.

The performance of the Company's investments depends to a great extent on correct assessments of the future course of market price movements and economic cycles. There can be no assurance that the Investment Manager will be able to predict accurately these price movements or cycles.

General economic and market conditions, such as currency exchange rates, interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international political circumstances may affect the price level, dividends received, volatility and liquidity of securities and result in losses for the Company. This could have an adverse effect on the value of the Portfolio, the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

Given that the Company invests predominantly in listed or quoted securities, the Company's NAV is inherently sensitive to the performance of world stock markets. If world stock markets experience volatility and disruption, the Company's NAV could also become volatile and it is likely that the Shares will trade at a discount to the NAV. In any event, although the Company has the ability to provide liquidity in the form of share buybacks, where the Shares trade at a discount to the NAV, this could make the Shares less liquid and more difficult to sell.

In addition, the effects of such adverse market conditions could be amplified by the presence of short-sellers on the Register.

The Company's investments may be adversely affected by poor performance of a particular sector or industry

The Company's investments are intended to be diversified by sector and industry. The diversification of its investments is intended to mitigate the Company's exposure to adverse events associated with specific investments and sectors. However, the Company's returns may still be adversely affected by the unfavourable performance of particular sectors or industries if they affect the performance or prospects of companies in the Portfolio and the dividends generated by those companies. This adverse effect may be amplified if more companies in the Portfolio are in, or connected to, the affected sector or industry (in other words, if the Portfolio has a greater concentration of investments in any affected sector or industry). This could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

The Company also invests in debt securities, which exposes the Company to credit risk and interest rate risk

The Company also invests in debt securities issued by various companies which exposes the Company to credit risk if the issuers of such securities are unable to meet their liabilities, including interest or dividend payments, when due or at all. Issuers could face financial difficulties as a result of, among other things, adverse developments in their business, sector, industry or the general economy. If an issuer is unable to generate sufficient cash flow to meet its liabilities, including interest or dividend payments, it may be forced to take other actions to satisfy its obligations. Such alternative measures may include reducing or delaying capital expenditure, selling assets, seeking additional capital or restructuring or refinancing indebtedness (which may include debt securities and other securities with comparable characteristics held by the Company). Any of those actions could significantly reduce the value of the Company's investment in such issuer. If such strategies are not successful and do not permit the issuer to meet its liabilities, the issuer may also be forced into liquidation, dissolution or insolvency, and the value of the Company's investment in such issuer could be lost. In the event of any default on the Company's investment in an issuer, the Company will bear a risk of loss of principal and any outstanding interest or dividend payments owed to the Company, with the consequent risk of material capital loss and/or reduction in revenues received by the Company in relation to that investment.

The Company is also exposed to interest rate risk as a result of its investments in fixed income securities. Increases in interest rates can reduce the market value of such fixed income securities. While any decrease in interest rates should increase the market value of such fixed income securities, such fixed income securities may contain prepayment provisions which reduce their effectiveness at mitigating interest rate risk. The effect on market prices of fixed rate investments of declining or rising interest rates will be greater for long term securities than for short term securities.

The Company is, and will continue to be, exposed to foreign exchange risk

The Company has and may in the future have further investments denominated in currencies other than Sterling. The Company therefore is, and may continue to be, exposed to foreign exchange risk. Changes in the rates of exchange between Sterling and any currency will cause the value of any investment denominated in that currency, and any income arising out of the relevant investment, to go down or up in Sterling terms. The Company will also be exposed to foreign exchange risk as a result of non-Sterling borrowings and, in addition, there is further foreign exchange risk where the currency denominations of the Company's borrowings diverge from the currency denominations of its underlying assets.

Such currency exposure could have an adverse effect on the Portfolio and the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the returns to Shareholders and the market value of the Shares.

The Company invests in small-cap companies

The Company invests a portion of the Portfolio in medium and smaller capitalised companies. These medium and smaller capitalised companies do not necessarily have the financial strength, diversity and resources of large-cap companies and, as a result, they may find it more difficult to operate in periods of economic slowdown, recession or turmoil and to maintain their dividends. In addition, the capitalisation of such companies could make the market in their shares less liquid and, as a consequence, the Company may be unable to liquidate all or a portion of its positions in such securities in a timely manner. In addition, the market prices can be more volatile and the Company may not be able to realise what it perceives to be their fair value in the event of a sale. All of these factors may have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

The Company's investments may be adversely affected by failure of investee companies to recognise risks associated with climate change

The Company invests in the securities of trading companies and any failure of these companies to respond to climate related issues, meet environmental targets or comply with applicable climate related regulations may adversely impact investor sentiment towards such companies and/or result in regulatory fines or sanctions being levied on such companies. This could adversely impact the performance and value of an investment in the relevant company. Any such decrease in performance or value could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

The due diligence process that the Investment Manager undertakes in evaluating the Company's investments may not reveal all facts that may be relevant in connection with such investments

Before making investments in accordance with the Company's investment policy, the Investment Manager conducts such due diligence as it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. There can be no assurance that due diligence investigations with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating that investment opportunity.

Any failure by the Investment Manager to identify relevant facts through the due diligence process may lead to inappropriate investment decisions being made, or investments being made at a higher value than their fair value, which could have an adverse effect on the value of the Portfolio, the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the returns to Shareholders and the market value of the Shares.

The Company may be exposed to legal, political or other market risks through investing in companies located in overseas jurisdictions or traded on overseas stock markets

The Company is permitted to invest a proportion of its gross assets in companies incorporated or traded on stock markets outside of the United Kingdom, which exposes the Company to the following risks:

- adverse changes in local economic and political stability in countries in which a Portfolio company is incorporated or the stock market on which the company is traded, particularly where

such situations impact the revenues generated by that company, returns made to overseas investors in that company, or other investor rights in relation to that company (such as liquidity rights);

- exchange rate fluctuations between Sterling and the currency of a jurisdiction in which a Portfolio company is domiciled or generates its income;
- unexpected changes in the regulatory environment, such as changes to a country's (or an overseas stock market's) rules relating to: (i) investor protection or liquidity rights; (ii) listing on that stock market, particularly where such rules become materially more burdensome for a company in the Portfolio; (iii) payment of returns to overseas investors (whether as capital or income); or (iv) eligibility of overseas investors to invest in a company in the Portfolio;
- tax systems that may have an adverse effect on the revenue received by the Company and, in particular, regulations relating to the imposition of any withholding taxes on the repatriation of capital or income from those jurisdictions in which companies in the Portfolio are domiciled or generate income; and
- the imposition, in the future, of any sanctions and corresponding banking restrictions in respect of a jurisdiction in which a Portfolio company is incorporated or the stock market on which the Portfolio company is traded.

Any of the above may have an adverse effect on the value of a company in the Portfolio and revenues received by the Company from the relevant company in the Portfolio, which could in turn have an adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net Asset Value and/or the market price of the Shares, and the returns generated for Shareholders.

Use of borrowings and the possibility that the gearing effect of borrowing can work against, as well as for, Shareholders

The Company uses borrowings to seek to enhance investment returns and it has entered into the Revolving Credit Facility and has issued a fixed rate senior unsecured loan note to do so. Whilst the use of borrowings should enhance the total return on the Shares where the return on the Company's underlying assets is positive and exceeds the cost of the borrowings, it will have the opposite effect where the return on the Company's underlying assets is at a lower rate than the cost of the borrowings, reducing the total return on the Shares. As a result, the use of borrowings by the Company may increase the volatility of the NAV per Share.

As a result of gearing, any reduction in the value of the Company's investments may lead to a correspondingly greater percentage reduction in its NAV (which is likely to adversely affect the price of a Share). Increased debt servicing costs may also impact the Company's ability to maintain and increase its dividend. Any reduction in the number of Shares in issue (for example, as a result of share buybacks) will, in the absence of a corresponding reduction in gearing, result in an increase in the Company's level of gearing.

To the extent that a fall in the value of the Company's investments causes gearing to rise to a level that is not consistent with the Company's gearing policy or borrowing limits, the Company may have to sell investments in order to reduce borrowings, which may give rise to a significant loss of value compared to the book value of the investments, as well as a reduction in income from investments. No assurance can be given that any sales of the Company's investments would realise proceeds which would be sufficient to repay any borrowings.

The Company will pay interest on any borrowings and, as such, the Company will be exposed to interest rate risk due to fluctuations in the prevailing market rates. The Company may employ hedging techniques designed to reduce the risk of adverse movements in interest rates. However, such strategies may also result in losses and overall poorer performance than if the Company had not entered into such hedging transactions.

The Revolving Credit Facility is repayable in full on 20 December 2023, but the Company has agreed the terms of the New Revolving Credit Facility Agreement which will be used, in part, to repay the Revolving Credit Facility and is expected to become effective on 20 December 2023 subject to the

Company satisfying certain customary conditions, all of which are agreed and are of an administrative nature. Whilst the Board is not aware of any reason as to why the Company would not satisfy such conditions, in the unlikely event that the New Revolving Credit Facility does not become effective on 20 December 2023, the Company would be required to repay the Revolving Credit Facility using a combination of its existing cash resources and proceeds from the realisation of certain of the Company's assets. In that event, and for so long as the Company does not have any similar bank facilities in place, the Company would no longer be able to use such revolving credit facilities to seek to enhance investment returns.

The Company also has in issue a 19 year £20 million fixed rate senior unsecured loan note which will mature on 8 July 2034. The inverse relationship between price and yield means that in a falling yield environment, the fair value of such an instrument generally increases. Therefore, in a falling yield environment, there could be an adverse effect on the Net Asset Value per Share where debt is valued at fair value. As the Company values debt on both a par value and a fair value basis, this can lead to significant differences in the Net Asset Value with debt at par value and the Net Asset Value with debt at fair value which are published by the Company.

Nothing in this risk factor is intended to qualify the statement as to the sufficiency of the Company's working capital that is set out in paragraph 7 of Part 5 of this Prospectus.

The Company must be able to operate within its borrowing covenants

The borrowings that the Company currently has in place, and that are expected to be put in place upon the New Revolving Credit Facility becoming effective, contain certain covenants, reflecting accepted market practice. If assets owned by the Company decrease in value, such covenants could be breached, and the impact of such an event could include: an increase in borrowing costs; a call for additional capital from the lender; payment of a fee to the lender; the sale of one or more assets; or a forfeit of one or more assets to a lender. This could result in a total or partial loss of equity value for each specific asset, or indeed the Company as a whole.

The Company is subject to risks associated with any hedging or derivative transactions in which it participates

The Company may use derivatives for the purpose of efficient portfolio management or to generate additional income while maintaining a level of risk consistent with the risk profile of the Company. Derivative transactions may be volatile and involve various risks different from, and in certain cases, greater than the risks presented by other instruments. The primary risks related to derivative transactions include counterparty, correlation, illiquidity, leverage, volatility and over-the-counter trading risks.

Counterparty risk is the risk that a counterparty in a derivative transaction will not fulfil its contractual or financial obligations to the Company or the risk that the reference entity in a swap or similar derivative will not fulfil its contractual or financial obligations. Correlation risk is the risk that an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Company from achieving the intended hedging effect or expose the Company to the risk of loss. Liquidity risk is the risk that derivative transactions may not be liquid in all circumstances, such that in volatile markets it may not be possible to close out a position without incurring a loss. Volatility risk is the risk resulting from the fact that the prices of many derivative instruments, including many options and swaps, are highly volatile, due to being influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events and policies, as well as (in the case of options and swaps agreements) the price of the securities or currencies underlying the relevant derivative agreement.

A small investment in derivatives could have a large potential impact on the Company's performance, effecting a form of investment leverage on the Portfolio. In certain types of derivative transactions, the entire amount of the investment could be lost. In other types of derivative transactions, the potential loss is theoretically unlimited.

RISKS RELATING TO THE AIFM AND INVESTMENT MANAGER

The success of the Company is dependent on the AIFM and the Investment Manager and their expertise, key personnel, and ability to source and advise appropriately on investments

In accordance with the Management Agreement, the AIFM is solely responsible for the management of the Company's investments, with the AIFM delegating its portfolio management responsibilities to the Investment Manager. The Company does not have any employees and its Directors are appointed on a non-executive basis. All of its investment and asset management decisions are in the ordinary course made by the AIFM and the Investment Manager (and any of their delegates) and not by the Company. The Investment Manager is not required to, and generally does not, submit individual investment decisions for approval to the Board. The Company is therefore reliant upon, and its success depends on, the AIFM and the Investment Manager and their personnel, services and resources.

The Company is dependent on the services provided by the AIFM and the Investment Manager. The information contained in this Prospectus relating to the prior performance of investments made by the AIFM and the Investment Manager on behalf of the Company is being provided for illustrative purposes only and is not indicative of the likely future performance of the Company. In considering the prior performance information contained in this Prospectus, HDIV Shareholders should bear in mind that past performance is not necessarily indicative of future results and there can be no assurance that the Company will achieve comparable results or be able to avoid losses.

Returns on Shareholders' investments in Shares will depend upon the AIFM's and the Investment Manager's ability to source and make successful investments on behalf of the Company in the face of competition from other entities seeking to invest in investment opportunities identified for the Company. Competition can create significant upward pressure on pricing, thereby reducing the potential investment returns. There is no guarantee that competitive pressures will not have a material adverse effect on the Company's financial position and returns for investors.

Many of the AIFM's and the Investment Manager's investment decisions will depend upon the ability of their employees and agents to carry out due diligence and obtain relevant information. There can be no guarantee that such information will be available or that the AIFM and the Investment Manager and their employees and agents will be able to obtain it. The AIFM and the Investment Manager may be required to make investment decisions without complete information, or in reliance upon information provided by third parties that is impossible or impracticable to fully verify. Further, the AIFM and the Investment Manager may not conduct due diligence which is wide enough in scope to reveal the potential risks of a particular investment. There can be no assurance that the AIFM and the Investment Manager will correctly identify and evaluate the nature and magnitude of the various factors that could affect the value of, and return on, the Company's investments. Any failure by the AIFM and the Investment Manager to perform effective due diligence on potential investments may adversely affect the investment returns expected from a particular investment.

Further, the ability of the Company to pursue its investment policy successfully depends on the continued service of key personnel of the AIFM and the Investment Manager, and/or the AIFM's and the Investment Manager's ability to recruit individuals of similar experience and calibre. Whilst the AIFM and the Investment Manager seek to ensure that the principal members of its management teams are suitably incentivised, the retention of key members of those teams cannot be guaranteed. There is no guarantee that following the death, disability or departure from the AIFM or the Investment Manager of any key personnel the AIFM or the Investment Manager would be able to recruit a suitable replacement or avoid any delay in doing so. The loss of key personnel and any inability to recruit an appropriate replacement in a timely fashion could have an adverse effect on the future performance of the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

The AIFM and the Investment Manager are not required to commit all of their resources to the Company's affairs. Insofar as the AIFM and the Investment Manager devote resources to their responsibilities to other business interests, their ability to devote resources and attention to the Company's affairs will be limited. This could adversely affect the Company's ability to achieve its investment objective, which could have a material adverse effect on the Company's profitability, the Company's NAV per Share and the market price of the Shares.

Potential conflicts of interest

The AIFM, the Investment Manager and their affiliates serve as the alternative investment fund manager, investment manager and/or investment adviser to other clients, including funds and managed accounts that have similar investment objectives and policies to that of the Company. These investment management services may on occasion give rise to conflicts of interest with the Company and may have a material adverse effect on the Company's business, financial condition, results of operations and the market price of the Shares. For example, the AIFM, the Investment Manager and/or their affiliates may have conflicts of interest in allocating their time and activity between the Company and their other clients, in allocating investments among the Company and their other clients and in effecting transactions between the Company and other clients, including ones in which the AIFM, the Investment Manager and/or their affiliates may have a greater financial interest. Furthermore, the AIFM and the Investment Manager may provide services to certain in-house funds into which the Company may invest which may give rise to a conflict of interest. There can be no assurance that the AIFM and the Investment Manager will resolve all conflicts of interest in a manner that is favourable to the Company.

There can be no assurance that the Board would be able to find a replacement alternative investment fund manager or investment manager if the AIFM or the Investment Manager were to resign or the Management Agreement were to be terminated

Under the terms of the Management Agreement, the AIFM may resign as the Company's alternative investment fund manager by giving the Company not less than six months' written notice. Further, the Management Agreement may be terminated immediately upon notice by the AIFM or by the Company in certain circumstances. In the event that the Management Agreement is terminated, the appointment of the Investment Manager will also terminate.

The Board would, in such circumstances, seek to find a replacement alternative investment fund manager and/or investment manager for the Company. There can be no assurance that a replacement with the necessary skills and experience would be available and could be appointed on terms acceptable to the Company. If the Management Agreement is terminated and a suitable replacement is not secured in a timely manner, this could have an adverse effect on the future performance of the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

The past performance of investments made by the AIFM and the Investment Manager is not a guarantee or an indication of the future performance of the Company

The information contained in this Prospectus relating to the prior performance of investments made by the AIFM and the Investment Manager on behalf of the Company is being provided for illustrative purposes only and is not indicative of the likely future performance of the Company. In considering the prior performance information contained in this Prospectus, HDIV Shareholders should bear in mind that past performance is not necessarily indicative of future results and there can be no assurance that the Company will achieve comparable results or be able to avoid losses.

Operational risks may disrupt the AIFM's and the Investment Manager's businesses, result in losses and/or limit the Company's growth

The Company relies heavily on the financial, accounting and other data processing systems of the AIFM and the Investment Manager. If any of these systems do not operate properly or are disabled, the Company could suffer financial loss or reputational damage. A disaster or a disruption in the infrastructure that supports the Company, or a disruption involving electronic communications or other services used by the AIFM or the Investment Manager or third parties with whom the Company conducts business, could have a material adverse impact on the ability of the Company to continue to operate its business without interruption. The disaster recovery programmes used by the AIFM or the Investment Manager or third parties with whom the Company conducts business may not be sufficient to mitigate the harm that may result from such disaster or disruption. As such, this may have an adverse effect on the value of the Portfolio, the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the returns to Shareholders and the market value of the Shares.

Reputational risks, including those arising from litigation against the AIFM, the Investment Manager or the Company, may disrupt the Company's investment strategy and growth

The Company may be exposed to reputational risks, including from time to time the risk that litigation, misconduct, operational failures, negative publicity and press speculation (whether or not valid) may harm the reputation of the AIFM, the Investment Manager or the Company. If the AIFM, the Investment Manager or the Company or any of its Directors is named as a party to litigation or becomes involved in regulatory inquiries, this could cause substantial reputational damage to the AIFM, the Investment Manager and the Company and result in potential counterparties, investee companies and other third parties being unwilling to deal with the AIFM, the Investment Manager and/or the Company. Damage to the reputation of the AIFM, the Investment Manager and/or the Company may disrupt the Company's investment strategy, business or potential growth, which could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

RISKS RELATING TO REGULATION, TAXATION AND THE COMPANY'S OPERATING ENVIRONMENT

Changes in taxation legislation or practice may adversely affect the Company and the tax treatment for Shareholders investing in the Company

Any change in the Company's tax status, or in taxation legislation or practice in the United Kingdom or other jurisdictions to which the Company has exposure (including the jurisdictions in which companies in the Portfolio are based), could, depending on the nature of such change, adversely affect the value of investments in the Portfolio and the Company's ability to achieve its investment objective, or alter the post-tax returns to Shareholders. Statements in this Prospectus concerning the taxation of the Company and taxation of Shareholders are based upon current UK tax law and published practice, any aspect of which is, in principle, subject to change (potentially with retrospective effect) that could adversely affect the ability of the Company to pursue successfully its investment policy and/or which could adversely affect the taxation of the Company and/or Shareholders.

In particular, the cost of the COVID-19 pandemic (and resultant increase in borrowing by many governments, particularly across Europe and North America (being areas in which the Company has significant exposure, as at the date of this Prospectus)) could result in increased taxes being levied over the short to medium term, which could adversely impact net cashflows received from the companies in the Portfolio and, in turn, adversely impact the Company's Net Asset Value and returns to Shareholders.

HDIV Shareholders should consult their tax advisers with respect to their own tax position before deciding whether to invest in the Company.

Loss of investment trust status may adversely affect the Company and the tax treatment for Shareholders investing in the Company

It is the intention of the Directors to continue to conduct the affairs of the Company so as to satisfy the conditions under section 1158 of the Corporation Tax Act and the Investment Trust Tax Regulations and, accordingly, for the Company to retain approval as an investment trust. In respect of each accounting period for which the Company is an approved investment trust, the Company will be exempt from UK corporation tax on chargeable gains. There is a risk that if the Company fails to maintain its status as an investment trust, the Company would be subject to the normal rates of corporation tax on chargeable gains arising on the transfer or disposal of investments and other assets, which could adversely affect the Company's financial performance, its ability to provide returns to its Shareholders or the post-tax returns received by its Shareholders. In addition, it is not possible to guarantee that the Company will remain a non-close company, which is a requirement to maintain investment trust status, as the Shares are freely transferable. In the event that the Company fails to continue to satisfy the criteria for maintaining investment trust status, the Company will, as soon as reasonably practicable, notify Shareholders of this fact.

Changes in laws or regulations governing the Company's or the Investment Manager's operations may adversely affect the business and performance of the Company

The Company and the Investment Manager are subject to laws and regulations enacted by national and local governments.

The Company, as a closed-ended investment company incorporated in England and Wales, is subject to various laws and regulations in such capacity, including the Listing Rules, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, UK MAR, the UK AIFMD Laws, the EU AIFM Directive, the UK PRIIPs Laws, the AIC Code and the Companies Act. The Company will be subject also to the continuing obligations imposed on all investment companies whose shares are admitted to trading on the Main Market and to listing on the premium listing category of the Official List. These rules, regulations and laws govern the way that, amongst other things, the Company is operated (i.e. its governance), how its Shares can be marketed and how it must deal with its Shareholders, together with requiring the Company to make certain reports, filings and notifications (and governing their respective content).

Any changes to the rules, laws and regulations affecting the Company, the AIFM and the Investment Manager could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

Shareholders may be subject to withholding tax under FATCA and forced transfers under the Articles and there may also be reporting of Shareholders under other exchange of information arrangements

The UK has concluded an intergovernmental agreement ("IGA") with the US (the "US-UK IGA"), pursuant to which parts of FATCA have effectively been incorporated into UK law. Under the US-UK IGA a Foreign Financial Institution that is resident in the UK (a "Reporting FI") is not subject to withholding tax under FATCA (i.e. at 30 per cent.) provided that it complies with the terms of the US-UK IGA, including documentation requirements, requirements to register with the IRS to obtain a Global Intermediary Identification Number and requirements to identify, and report certain information on, accounts held by certain US persons owning, directly or indirectly, an equity or debt interest in the company (other than equity and debt interests that are regularly traded on an established securities market, as described below) and report on accounts held by certain other persons or entities to HMRC, which will exchange such information with the IRS.

The Company expects that it will be treated as a Reporting FI pursuant to the US-UK IGA and that it will comply with the requirements under the US-UK IGA and relevant UK legislation. The Company also expects that its Shares may, in accordance with the current HMRC practice, comply with the conditions set out in the US-UK IGA to be "regularly traded on an established securities market" meaning that the Company should not have to report specific information on its Shareholders and their investments to HMRC.

However, there can be no assurance that the Company will be treated as a Reporting FI, that its Shares will be considered to be "regularly traded on an established securities market" or that it will not in the future be subject to withholding tax under FATCA or the US-UK IGA.

The UK has also implemented the CRS, under which the Company may be required to collect and report to HMRC certain information regarding its Shareholders and HMRC may pass this information on to tax authorities in other jurisdictions.

The requirements under FATCA, the CRS and similar regimes and any related legislation, IGAs and/or regulations may impose additional burdens and costs on the Company or Shareholders. There is no guarantee that the Company will be able to satisfy such obligations and any failure to comply may materially adversely affect the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares. In addition, there can be no guarantee that any payments in respect of the Shares will not be subject to withholding tax under FATCA. To the extent that such withholding tax applies, the Company is not required to pay any additional amounts to Shareholders.

In acquiring Shares, each Shareholder is agreeing, upon the request of the Company or its delegate, to provide such information as is necessary to comply with FATCA, the CRS and other similar regimes and any related legislation, IGAs and/or regulations. In particular, investors should be aware that certain

forced transfer provisions contained in the Articles may apply in the case that the Company suffers any pecuniary disadvantage as a result of the Company's failure to comply with FATCA.

Investors should consult with their respective tax advisers regarding the possible implications of FATCA, the CRS and similar regimes concerning the automatic exchange of information and any related legislation, IGAs and/or regulations.

The Company has not, does not intend to and may be unable to become registered as an investment company under the US Investment Company Act and related rules

The Company has not, does not intend to and may be unable to become registered with the SEC as an "investment company" under the US Investment Company Act and related rules. The US Investment Company Act provides certain protections to investors and imposes certain restrictions on companies that are registered as investment companies. As the Company is not so registered, does not intend to so register and may be unable to so register, none of these protections or restrictions are or will be applicable to the Company. However, if the Company were to become subject to the US Investment Company Act because of a change of law or otherwise, the various restrictions imposed by the US Investment Company Act, and the substantial costs and burdens of compliance therewith, could adversely affect the operating results and financial performance of the Company. Moreover, parties to a contract with an entity that has improperly failed to register as an investment company under the US Investment Company Act may be entitled to cancel or otherwise void their contracts with the unregistered entity and shareholders in that entity may be entitled to withdraw their investment.

The ability of certain persons to hold Shares and make secondary transfers in the future may be restricted as a result of ERISA and other regulatory considerations

Each initial purchaser and subsequent transferee of New Shares is required to represent and warrant or will be deemed to represent and warrant that it is not a "benefit plan investor" as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and that it is not, and is not using assets of, a plan or other arrangement subject to provisions under applicable federal, state, local, non-US or other laws or regulations that are substantially similar to Section 406 of ERISA or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "US Tax Code"), unless its purchase/receipt of, holding and disposition of New Shares does not constitute or result in a non-exempt prohibited transaction or violation of any such substantially similar law.

RISKS RELATING TO AN INVESTMENT IN THE SHARES

Investors may not recover the full amount of their investment in the Shares

The Company's ability to achieve its investment objective and pursue its investment policy successfully may be adversely affected by the manifestation of any of the risks described in this "Risk Factors" section of this Prospectus or other market conditions (or significant changes thereto). The market price of the Shares may fluctuate significantly, particularly in the short term, and potential investors should regard an investment in the Shares as a medium to long term investment.

As with any investment, the price of the Shares may fall in value. The maximum loss on an investment in the Shares is equal to the value of the initial investment and, where relevant, any gains or subsequent investments made. HDIV Shareholders therefore may not recover the full amount invested in the Shares, or any amount at all.

The Shares may trade at a discount to Net Asset Value per Share and the price that can be realised for Shares will be subject to market fluctuations

It is unlikely that the price at which the Shares trade will be the same as their Net Asset Value per Share (although they are related). The shares of an investment company such as the Company may trade at a discount to their net asset value per share. This could be due to a variety of factors, including due to market conditions or an imbalance between supply and demand for the Shares. While the Directors may seek to mitigate the discount to Net Asset Value per Share through such discount management mechanisms as they consider appropriate, there can be no guarantee that they will do so or that such efforts will be successful. As a result of this, investors that dispose of their interests in the Shares in the

secondary market may realise returns that are lower than they would have been if an amount equivalent to the Net Asset Value per Share was distributed.

The market price of the Shares may fluctuate significantly and Shareholders may not be able to sell Shares at or above the price at which they purchased those Shares. Factors that may cause the price of the Shares to vary include those detailed in this “*Risk Factors*” section of this Prospectus, such as: changes in the Company’s financial performance and prospects, or in the financial performance and market prospects of the Company’s investments or those which are engaged in businesses that are similar to the Company’s business; increases in the cost of borrowing arising as a result of high inflation; a cut in the Company’s dividend; the termination of the Management Agreement or the departure of some or all of the AIFM’s or the Investment Manager’s key investment professionals; changes in or new interpretations or applications of laws and regulations that are applicable to the Company’s business or to the companies in which the Company makes investments; general economic trends and other external factors, including those resulting from war (in particular, the current conflicts in Ukraine and the Middle East and any potential future conflicts), incidents of terrorism, pandemics or responses to such events; poor performance in any of the Investment Manager’s activities or any event that affects the Company’s or the Investment Manager’s reputation; speculation in the press or investment community regarding the Company’s business or investments, or factors or events that may directly or indirectly affect the Company’s business or investments; and foreign exchange risk as a result of making and selling equity and debt investments denominated in currencies other than Sterling.

Securities markets in general have experienced extreme volatility that has often been unrelated to the operating performance or fundamentals of individual companies. Market fluctuations may adversely affect the trading price of the Shares. As with any investment, the price of the Shares may fall in value with the maximum loss on such investments being equal to the value of the initial investment and, where relevant, any gains on subsequent investments made.

It may be difficult for Shareholders to realise their investment as there may not be a liquid market in the Shares, and Shareholders have no right to have their Shares redeemed or repurchased by the Company

Admission should not be taken as implying that there will be an active and liquid market for the Shares. Limited liquidity in the Shares may affect: (i) an investor’s ability to realise some or all of its/their investment; and/or (ii) the price at which such Shares trade in the secondary market. The price at which the Shares will be traded will be influenced by a variety of factors, some specific to the Company and its investments and some which may affect companies generally.

Further, the Company is a closed-ended investment company and Shareholders will have no right to have their Shares redeemed or repurchased by the Company at any time. Subject to the Companies Act, the Directors retain the right to effect repurchases of Shares. However, they are under no obligation to use such powers at any time and Shareholders should not place any reliance on the willingness of the Directors to exercise such powers. Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their Shares on the market. There can be no guarantee that a liquid market in the Shares will develop or continue, or that the Shares will trade at prices close to their underlying Net Asset Value. Accordingly, Shareholders may be unable to realise their investment at such Net Asset Value, or at all.

The Company may in the future issue new Shares which may dilute Shareholders’ equity or have a detrimental effect on the market price of the Shares

Further issues of Shares may, subject to compliance with the relevant provisions of the Companies Act and the Articles, be made on a non pre-emptive basis. Any such issue may dilute the percentage of the Company held by Shareholders. Additionally, such issues could have an adverse effect on the market price of the Shares.

Potential future Share buybacks or tender offers undertaken by the Company may make the residual Shares less liquid or increase the Company’s level of gearing

Any reduction in the issued Share capital of the Company as a result of any Share buyback(s) undertaken by the Company or, more significantly, any tender offer undertaken by the Company, may, depending on the size and nature of such buyback(s) or tender offer, reduce the liquidity of the

remaining Shares in issue and will reduce the Shareholder base over which fixed costs are spread. In addition, as noted above, any reduction in the number of Shares in issue will, in the absence of a corresponding reduction in gearing, result in an increase in the Company's level of gearing.

RISK RELATING TO THE SCHEME

Implementation of the Scheme is subject to certain conditions

Implementation of the Scheme is conditional, amongst other conditions, upon: (i) the passing of the Resolution to approve the issue of New Shares at the General Meeting; and (ii) HDIV Shareholders approving the Scheme. If any condition of the Scheme is not met, the Scheme will not be implemented and certain costs and expenses incurred in connection with the Scheme will be borne by the Company. In the event the Scheme is not implemented, the costs of the Scheme to be borne by the Company are expected to be approximately £361,300. Such costs are expected to be substantially offset by the JHFM Contribution which, in the event the Scheme does not proceed, will cover the Company's fixed costs up to a cap of £360,000.

In these circumstances, the Company and HDIV would remain as separate investment trusts.

IMPORTANT INFORMATION

General

This Prospectus should be read in its entirety. HDIV Shareholders should rely only on the information contained in this Prospectus or any supplementary prospectus published by the Company prior to the date of Admission. No person has been authorised to give any information or make any representations in connection with the Issue other than the information contained in, or incorporated by reference into, this Prospectus (or any supplementary prospectus published by the Company prior to the date of Admission) and, if given or made, such information or representations about the Company or the Issue must not be relied upon as having been authorised by or on behalf of the Company, the AIFM, the Investment Manager, Dickson Minto Advisers or any of their respective affiliates, officers, directors, members, employees or agents.

Without prejudice to the Company's obligations under the UK Prospectus Regulation, the Listing Rules, the Disclosure Guidance and Transparency Rules and UK MAR, neither the delivery of this Prospectus nor the issue of New Shares made pursuant to the Issue shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Prospectus or that the information contained herein, including any forward-looking statements, is correct as at any time subsequent to the date of this Prospectus.

The Shares are designed to be held over the long term and may not be suitable as a short term investment. The value of an investment in the Company and any income derived from it, if any, may go down as well as up. An investment in the Shares is suitable only for long term investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which might result from such an investment (which may be equal to the whole amount invested). Accordingly, typical investors in the Shares are institutional investors, private clients through their wealth managers, experienced investors, high net worth investors, professionally advised investors and retail investors (who may have basic or no knowledge and experience of investing in financial markets) who have taken appropriate steps to ensure that they understand the risks involved in investing in the Company.

There can be no guarantee that any appreciation in the value of the Company's investments will occur and investors may not get back the full value of their investment. There can be no guarantee that the investment objectives of the Company will be achieved or will provide the returns sought by the Company. The investment objective of the Company is a target only and should not be treated as an assurance or guarantee of performance. The past performance of the Company is not a guarantee of the future performance of the Company. Shareholders will bear the rewards and risks of the success or otherwise of the Company's investments. Although the Shares are, and the New Shares will be, listed on the premium segment of the Official List and admitted to trading on the Main Market, it is possible that there may not be a liquid market in the Shares and Shareholders may have difficulty in selling them.

HDIV Shareholders should carefully consider all of the information contained in this Prospectus. However, HDIV Shareholders should not treat the contents of this Prospectus or any subsequent communication from the Company, the AIFM, the Investment Manager, Dickson Minto Advisers or any of their respective affiliates, officers, directors, members, employees or agents as advice relating to legal, financial, taxation, accounting, regulatory, investment or any other related matters.

Apart from the responsibilities and liabilities, if any, which may be imposed on Dickson Minto Advisers by FSMA or the regulatory regime established thereunder, or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Dickson Minto Advisers makes no representations, express or implied, nor accepts any responsibility whatsoever for the contents of this Prospectus (or any supplementary prospectus published by the Company prior to Admission) nor for any statement made or purported to be made by it or on its behalf in connection with the Company, the Issue, the Scheme or the Shares. Dickson Minto Advisers and its affiliates, officers, employees and agents accordingly, to the fullest extent permitted by law, disclaim all and any responsibility or liability, whether arising in tort or contract or otherwise (save as referred to above), which it or they might otherwise have in respect of this Prospectus or any such statement.

All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles of the Company. A summary of the provisions in the Articles relating to the rights attaching to the Shares, including any limitation of those rights and procedures for the exercise of those rights is set out in paragraph 6 of Part 7 (*General Information*) of this Prospectus.

If you are in doubt about the contents of this Prospectus you should consult your stockbroker, bank manager, solicitor, accountant or other professional or other financial adviser.

Selling restrictions

The New Shares are only available to HDIV Shareholders and are not being offered to Existing Shareholders (save to the extent an Existing Shareholder is also a HDIV Shareholder) or to the public.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to apply for any New Shares by any person: (i) in any jurisdiction in which such offer or invitation is not authorised; or (ii) in any jurisdiction in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation.

The distribution of this Prospectus and the offering of New Shares in certain jurisdictions may be restricted. Accordingly, persons into whose possession this Prospectus comes are required to inform themselves about and observe any restrictions as to the offer or sale of New Shares and the distribution of this Prospectus under the laws and regulations of any jurisdiction relevant to them in connection with any proposed applications for New Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such jurisdiction.

Save for in the United Kingdom, no action has been taken or will be taken in any jurisdiction by the Company that would permit a public offering of New Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Prospectus in any other jurisdiction where action for that purpose is required.

Notice to prospective investors in the EEA

In relation to each EEA Member State, no New Shares have been offered or will be offered pursuant to the Issue to the public in that EEA Member State prior to the publication of a prospectus in relation to the New Shares which has been approved by the competent authority in that EEA Member State, or, where appropriate, approved in another EEA Member State and notified to the competent authority in that EEA Member State, all in accordance with the EU Prospectus Regulation, except that the New Shares may be offered to the public in that EEA Member State at any time with the prior consent of a sponsor under the following exemptions under the EU Prospectus Regulation:

- a) to any legal entity which is a qualified investor as defined in Article 2 of the EU Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) in that EEA Member State; or
- c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of New Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement to a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression “offer to the public” in relation to any offer of New Shares in any EEA Member State means a communication in any form and by any means of sufficient information on the terms of the offer and any New Shares to be offered so as to enable an investor to decide to purchase or subscribe for the New Shares.

Further, the AIFM has not made any notifications or applications or received approvals for the marketing of the New Shares to “professional investors” (as defined in the EU AIFM Directive) in any EEA Member State. Notwithstanding any other statement in this Prospectus, this Prospectus should not be made available to any HDIV Shareholder (or any other person) domiciled in any EEA Member State. HDIV Shareholders domiciled in the EEA that have received the Prospectus in any EEA Member State are

not, save as otherwise agreed with the Company, entitled to subscribe for New Shares (and the Company reserves the right to reject any application so made, without explanation).

Notwithstanding that the AIFM may confirm, from time to time, that it is able to market New Shares to HDIV Shareholders who are professional investors in an EEA Member State, the New Shares may not be marketed to retail investors (as this term is defined in the EU AIFM Directive as transposed in the relevant EEA Member State) in any EEA Member State unless the New Shares have been qualified for marketing to retail investors in that EEA Member State in accordance with applicable local laws. As at the date of this Prospectus, the New Shares are not eligible to be marketed to retail investors in any EEA Member State. Accordingly, no retail investor in any EEA Member State is entitled to receive New Shares in connection with the Scheme and, as such, the New Shares may not be offered, sold or delivered and neither this Prospectus nor any other offering materials relating to such New Shares may be distributed or made available to retail investors in any EEA Member State.

Notice to prospective investors with respect to United States federal securities laws

New Shares are being offered or sold only: (i) outside the United States in “offshore transactions” to non-US Persons pursuant to Regulation S under the US Securities Act, and (ii) to persons that are both “qualified institutional buyers”, or “QIBs”, as defined in Rule 144A under the US Securities Act and Qualified Purchasers, pursuant to an exemption from the registration requirements of the US Securities Act, and that, in the case of (ii), have executed and returned a US Investor Representation Letter. A US HDIV Shareholder that does not complete and return a valid US Investor Representation Letter will be deemed to have elected for the Cash Option.

In addition, the Company has not been and will not be registered under the US Investment Company Act, and investors in the New Shares will not be entitled to the benefits of the US Investment Company Act. The New Shares have not been and will not be registered under the US Securities Act and may not be offered, sold, resold, pledged, delivered, assigned or otherwise transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, any US Persons, except pursuant to an exemption from the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not result in the Company being required to register under the US Investment Company Act. There has not been and there will not be any public offer of the New Shares in the United States.

The Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations and under the Articles. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. For further information on restrictions on transfers of the Shares, please refer to the section titled “Overseas HDIV Shareholders and Sanctions Restricted Persons” at paragraph 9 of Part 4 (*Details of the Scheme and the Issue*) of this Prospectus.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) the UK’s implementation of EU Directive 2014/65/EU on markets in financial instruments, as amended (“**UK MiFID II**”); and (b) the UK’s implementation of Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing UK MiFID II, and, in particular, Chapter 3 of the Product Intervention and Product Governance Sourcebook of the FCA (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Shares have been subject to a product approval process, which has determined that the New Shares to be issued pursuant to the Issue are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in UK MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by UK MiFID II (the “**Target Market Assessment**”).

Notwithstanding the Target Market Assessment, distributors (such term to have the same meaning as in the MiFID II Product Governance Requirements) should note that: (i) the price of the New Shares may decline and investors could lose all or part of their investment; (ii) the New Shares offer no guaranteed income and no capital protection; and (iii) an investment in the New Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in

conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may be equal to the whole amount invested from such an investment. Accordingly, typical investors in the New Shares are expected to be institutional investors, private clients through their wealth managers, experienced investors, high net worth investors, professionally advised investors and retail investors who may have basic or no knowledge and experience of investing in financial markets who have taken appropriate steps to ensure that they understand the risks involved in investing in the Company. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of UK MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares when determining appropriate distribution channels.

UK PRIIPs Laws

Investors should be aware that the UK PRIIPs Laws require the AIFM, as PRIIP manufacturer, to prepare a key information document (“**KID**”) in respect of the Company. This KID must be made available by the AIFM 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 referred to in the KID are prescribed by law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

To the extent that New Shares are to be made available to retail investors in the EEA, the Company will make available key information documents under the EU PRIIPs Regulation as required.

Non-mainstream pooled investments status and UK MiFID II

As the Company is a closed-ended investment company which is an investment trust domiciled in the United Kingdom, the New Shares will be “excluded securities” under the FCA’s rules on non-mainstream pooled investments. Accordingly, the promotion of the Shares is not subject to the FCA’s restriction on the promotion of non-mainstream pooled investments. The Board has reviewed UK MiFID II and the ESMA guidance published in relation thereto and has concluded that the Shares constitute a “non-complex” product for the purposes of UK MiFID II.

Data protection

The information that HDIV provides to the Company or its agents in relation to the Issue or subsequently, by whatever means, which relates to the HDIV Shareholders who are individuals or a third-party individual (“**personal data**”) will be held and processed by the Company in compliance with relevant data protection legislation and regulatory requirements. Such personal data may include:

- personal details such as name, title, date of birth, addresses, telephone numbers and email addresses;
- identification and verification information and documents, such as signatures, passports, driving licences, birth/marriage certificates and tax/credit references; and
- financial and transactional information, and instructions, relating to an investment.

By electing (or being deemed to elect) to receive the New Shares each HDIV Shareholder acknowledges that such information will be held and processed by the Company for the following purposes:

- the performance of the Company’s contract with a HDIV Shareholder;
- acting in a way that is necessary for the Company’s legitimate interests, including carrying out the business of the Company and the administering of interests in the Company;

- complying with the legal, regulatory, reporting and/or financial obligations of the Company in the UK or elsewhere, including verifying the identity of a HDIV Shareholder to comply with statutory and regulatory requirements in relation to anti-money laundering procedures; and
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Each HDIV Shareholder acknowledges that, where appropriate, it may be necessary for the Company to:

- disclose personal data to third-party service providers, affiliates, agents or functionaries appointed by the Company or its agents to provide services to the HDIV Shareholder; and
- transfer personal data outside of the UK to countries or territories which may not offer the same level of protection of personal data provided that, in each case, adequate safeguards are in place for the protection of such personal data in accordance with the relevant data protection legislation and regulatory requirements in the United Kingdom.

Personal data relating to HDIV Shareholders shall be retained by the Company for as long as necessary to fulfil the purposes it was collected for, including for the purposes of satisfying any legal or regulatory requirements.

Individuals have certain rights in relation to their personal data – specifically, the right to be informed, the right of access, the right to rectification, the right to erasure, the right to restrict processing, the right to data portability, the right to object to processing and the right to complain to the relevant supervisory authority (which, in the United Kingdom, is the UK Information Commissioner's Office).

HDIV Shareholders acknowledge that each of the AIFM and the Investment Manager will be a separate controller of the personal data and such personal data shall be held and processed by the AIFM and/or Investment Manager in compliance with relevant data protection legislation and regulatory requirements, and the AIFM and Investment Manager's privacy policy (available at <https://www.janushenderson.com/corporate/privacy-policy/>). HDIV Shareholders are responsible for informing and obtaining any required consent of any third-party individual to whom the personal data relates to the disclosure and use of such data in accordance with these provisions.

Shareholders will be notified if an updated privacy policy has been published on the Company's website through a RIS.

Forward-looking statements

This Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts and include statements regarding the intentions, beliefs or current expectations of the Company, the Directors, the AIFM or the Investment Manager concerning, amongst other things, the Company's investment objective and investment policy, the Company's investment performance, results of operations, financial condition, prospects and dividend policy, and the markets in which the Company invests and/or operates.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may or may not occur. The Company's actual investment performance, results of operations, financial condition, dividends paid and its financing strategies may differ materially from the impression created by the forward-looking statements contained in this Prospectus. In addition, even if the investment performance, results of operations, financial condition of the Company and its financing strategies are consistent with the forward-looking statements contained in this Prospectus, those results, its condition or strategies may not be indicative of results, its condition or strategies in subsequent periods. Important factors that could cause these differences include, but are not limited to, the factors set out in the "Risk Factors" section of this Prospectus.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this Prospectus reflect the Company's view with respect to future events as at the date

of this Prospectus and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's operations and strategy. The Company, the AIFM, the Investment Manager and Dickson Minto Advisers undertake no obligation to revise or update any forward-looking statements contained herein (save where required by the Prospectus Regulation Rules, the Listing Rules, UK MAR, EU MAR, the Disclosure Guidance and Transparency Rules, the EU AIFM Directive or the UK AIFMD Laws), whether as a result of new information, future events, conditions or circumstances, any change in the Company's, the AIFM's or the Investment Manager's expectations with regard thereto or otherwise. However, Shareholders are advised to read any communications that the Company may make directly to them, and any additional disclosures in announcements that the Company may make through an RIS following the date of this Prospectus.

Given these uncertainties, HDIV Shareholders are cautioned not to place any undue reliance on such forward-looking statements and should carefully consider the section of this Prospectus titled "Risk Factors" for a discussion of additional factors that could cause the Company's actual results to differ materially before making any investment decision.

Notwithstanding the foregoing, nothing contained in this Prospectus shall in any way be taken to qualify the working capital statement contained in paragraph 7 of Part 5 (*Financial Information*) of this Prospectus.

Performance data

This Prospectus includes information regarding the track record and performance data of the Investment Manager (referred to here as the "**Track Record**"). Such information is not necessarily comprehensive and prospective investors should not consider such information to be indicative of the possible future performance of the Company or any investment opportunity to which this Prospectus relates. The past performance of the Investment Manager is not a reliable indicator of, and cannot be relied upon as a guide to, the future performance of the Company and/or the Investment Manager. Prospective investors should be aware that any investment in the Company involves a significant degree of risk, and could result in the loss of all, or substantially all, of their investment.

For a variety of reasons, the comparability of the Track Record information to the Company's future performance is by its nature very limited. Without limitation, results can be positively or negatively affected by market conditions beyond the control of the Company or the Investment Manager which may be different in many respects from those that prevail at present or in the future, with the result that the performance of portfolios originated now may be significantly different from those originated in the past.

Taxation

Any change in the Company's tax status or in taxation legislation or accounting practice could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. Representations in this Prospectus concerning the taxation of investors are based upon tax law and practice as at the date of this Prospectus, which are, in principle, subject to change (possibly with retrospective effect). Any change in accounting standards may adversely affect the value of the Company's assets and liabilities in its books of account or restrict the ability of the Company to pay dividends.

A guide to the general UK taxation position as at the date of this Prospectus is set out in Part 6 (*UK Taxation*) of this Prospectus.

Tax reporting, FATCA and Common Reporting Standard ("CRS")

Shareholders should furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA or CRS. Shareholders may be subject to tax reporting under applicable laws. FATCA and CRS documentation and reporting obligations can also arise in respect of Shareholders where third parties hold shares or act on their behalf.

Latest practicable date

In this Prospectus, where the context requires, references to 7 December 2023 should be treated as being references to the latest practicable date prior to the publication of this Prospectus.

Defined terms

Capitalised terms contained in this Prospectus have the meanings ascribed to them in Part 8 (*Definitions*) of this Prospectus, save where the context indicates otherwise.

Documents incorporated by reference

The following sections of the annual report and audited financial statements of the Company for the financial years ended 31 December 2021 and 31 December 2022 and the unaudited interim financial statements of the Company for the six month periods ended 30 June 2023 and 30 June 2022 are deemed relevant for the purposes of this Prospectus and are incorporated by reference into this Prospectus. The non-incorporated parts of these financial reports of the Company are either not relevant to investors or are covered elsewhere in this Prospectus.

- The sections listed in the section titled “Historical financial information” of Part 5 (*Financial information*) of this Prospectus.
- The sections listed in the section titled “Operating and financial review” of Part 5 (*Financial information*) of this Prospectus.

The documents incorporated by reference can be obtained from the Company’s website: <https://www.janushenderson.com/combination-with-henderson-diversified-income-trust-plc/>.

No incorporation of website information

Without limitation, neither the contents of the Company’s website nor the websites of the AIFM, the Investment Manager or Dickson Minto Advisers (or any other website) nor the content of any website accessible from hyperlinks on the Company’s or the AIFM’s or the Investment Manager’s or Dickson Minto Advisers’ website (or any other website) is incorporated into, or forms part of this Prospectus, or has been approved by the FCA. Investors should base their decision as to whether or not to invest in the Shares on the contents of this Prospectus (and any supplementary prospectus published by the Company prior to Admission) alone.

Governing law

Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England and Wales and are subject to changes therein.

Enforcement of civil liabilities

The Company is organised as a public limited company incorporated under the laws of England and Wales. All the Company’s Directors and officers are citizens and residents of jurisdictions outside the United States. In addition, the majority of the Company’s assets and the assets of the Directors and officers are located outside the United States. As a result, it may not be possible for US investors to effect service of process within the United States upon the Company or the Directors and officers located outside the United States or to enforce in the US courts or outside the United States judgments obtained against them in US courts or in courts outside the United States, including judgments predicated upon the civil liability provisions of the US federal securities laws or the securities laws of any state or territory within the United States. There is doubt as to the enforceability in England and Wales, whether by original actions or by seeking to enforce judgments of US courts, of claims based on the federal securities laws of the United States. In addition, punitive damages in actions brought in the United States or elsewhere may be unenforceable in England and Wales.

EXPECTED TIMETABLE

GENERAL MEETING

Publication of the Circular and Notice of General Meeting	12 December 2023
Latest time and date for receipt of Forms of Proxy and CREST voting instructions for the General Meeting	12 noon on 4 January 2024
General Meeting	12 noon on 8 January 2024
Announcement of results of the General Meeting	8 January 2024

SCHEME

Publication of this Prospectus	12 December 2023
First HDIV General Meeting	11.00 a.m. on 8 January 2024
Record Date for entitlements under the Scheme	6.00 p.m. on 8 January 2024
HDIV Shares disabled for settlement in CREST	6.00 p.m. on 8 January 2024
Suspension of trading of HDIV Shares	7.30 a.m. on 9 January 2024
Calculation Date for the Scheme	market close on 10 January 2024
Reclassification of HDIV Shares (and commencement of dealings in Reclassified HDIV Shares)	8.00 a.m. on 15 January 2024
Suspension of listing of Reclassified HDIV Shares and HDIV Register closes	7.30 a.m. on 16 January 2024
Second HDIV General Meeting	10.30 a.m. on 16 January 2024
Effective Date for implementation of the Scheme	16 January 2024
Announcement of results of the Scheme and respective FAVs and Cash NAV	16 January 2024
Admission and dealings in New Shares commence and CREST Accounts credited in respect of New Shares in uncertificated form	8.00 a.m. on 17 January 2024
Certificates despatched by post in respect of New Shares in certificated form	week commencing 22 January 2024
Cancellation of listing of Reclassified HDIV Shares	as soon as practicable after the Effective Date

Note: All references to time in this Prospectus are to UK time. Each of the times and dates in the above expected timetable (other than in relation to the general meetings) may be extended or brought forward. If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by an announcement through a Regulatory Information Service.

ISSUE STATISTICS

Number of New Shares to be issued

Based on a ratio between the HHI FAV per Share and HDIV FAV per Share of 0.426322 (which, in turn, is based on the Company's NAV (cum-income, with debt at fair value) and the HDIV Transaction NAV (each as at 7 December 2023) and adjusted as set out in this Prospectus) and assuming 50 per cent. of HDIV's issued share capital is elected, or deemed to have been elected, for the Cash Option, the Scheme would result in the issue of 38,810,802 New Shares¹

DEALING CODES

ISIN	GB0009580571
SEDOL	0958057
Ticker code	HHI
Legal Entity Identifier (LEI) of the Company	213800OEXAGFSF7Y6G11

⁽¹⁾ This is illustrative only and is based on the illustration provided in paragraph 3 of Part 4 (*Details of the Scheme and the Issue*) of this Prospectus. The number of New Shares to be issued pursuant to the Issue is not known at the date of this Prospectus and will depend on the ratio produced by the division of the HDIV FAV per Share by the HHI FAV per Share, multiplied by the number of HDIV Shares that are elected (or deemed to be elected) for the Cash Option. The total number of New Shares to be issued pursuant to the Issue will be notified by way of an RIS announcement on or around 16 January 2024.

DIRECTORS, AIFM, INVESTMENT MANAGER AND OTHER ADVISERS

Directors	Mr Jeremy Rigg (Chairman) Mr Richard Cranfield Ms Francesca Ecsery Ms Zoe King Mr Jonathan Silver
Registered office	201 Bishopsgate London EC2M 3AE
Alternative Investment Fund Manager	Janus Henderson Fund Management UK Limited 201 Bishopsgate London EC2M 3AE
Investment Manager	Janus Henderson Investors UK Limited 201 Bishopsgate London EC2M 3AE
Corporate Secretary	Janus Henderson Secretarial Services UK Limited 201 Bishopsgate London EC2M 3AE
Financial adviser and sponsor to the Company	Dickson Minto Advisers Dashwood House 69 Old Broad Street London EC2M 1QS
Legal adviser to the Company	Dickson Minto W.S. Dashwood House 69 Old Broad Street London EC2M 1QS
Depository	HSBC Bank plc 8 Canada Square London E14 5HQ
Auditor	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT
Registrar	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6ZZ

PART 1

HENDERSON HIGH INCOME TRUST PLC

1. INTRODUCTION AND HISTORY

Henderson High Income Trust plc (the “**Company**”) is a closed-ended public limited company incorporated on 13 September 1989 in England and Wales with registered number 02422514. The Company is an alternative investment fund or “AIF” for the purposes of the UK AIFMD Laws and EU AIFM Directive, and is registered as an investment company under section 833 of the Companies Act. The Company does not have a fixed life, but Shareholders are given the opportunity to vote on the continuation of the Company at every fifth Annual General Meeting (the “**Continuation Vote**”), with the next Continuation Vote to be put forward at the Annual General Meeting in 2025.

The Company’s investment objective is to invest in a prudently diversified selection of both well-known and smaller companies to provide investors with a high dividend income stream while also maintaining the prospect of capital growth. The Company’s benchmark is a composite of 80 per cent. of the FTSE All-Share Index (total return) and 20 per cent. of the ICE BofA Sterling Non-Gilts Index (total return) rebalanced annually (the “**Benchmark Index**”). As at 7 December 2023, the Company had a Net Asset Value with debt at fair value of approximately £213,773,000, and a Net Asset Value with debt at par value of approximately £211,528,000, in each case after deducting for the Company’s fourth interim dividend in respect of the financial year to 31 December 2023 of 2.625 pence per Share.

The Company’s Shares are listed on the premium segment of the Official List of the FCA and traded on the Main Market.

Janus Henderson Fund Management UK Limited (the “**AIFM**” or “**JHFM**”) has been appointed as the Company’s alternative investment fund manager. The AIFM has delegated investment management services to Janus Henderson Investors UK Limited (the “**Investment Manager**” or “**Janus Henderson**”). Both the AIFM and the Investment Manager are wholly owned subsidiaries of Janus Henderson Group plc and are authorised and regulated by the FCA.

The Company’s lead portfolio manager is David Smith. David is supported by the Janus Henderson Global Equity Income Team, and the Janus Henderson Fixed Income Team in respect of the Company’s bond investments. David’s biography is set out in paragraph 8 of this Part 1 of this Prospectus.

2. BACKGROUND TO THE PUBLICATION OF THIS PROSPECTUS

2.1. The Proposals

As announced on 4 October 2023, the Board has agreed heads of terms with the Board of Henderson Diversified Income Trust plc (“**HDIV**”) in respect of a proposed combination of the assets of the Company with the assets of HDIV. The combination, if approved by Shareholders and HDIV Shareholders, will be effected by way of a scheme of reconstruction and members’ voluntary winding up of HDIV under section 110 of the Insolvency Act (the “**Scheme**”) and the associated transfer of part of the cash, assets and undertaking of HDIV to the Company in exchange for the issue of New Shares.

Following implementation of the Proposals, it is intended that the Company’s Portfolio will continue to be managed on the same basis as it is currently. In particular, the Company’s investment objective and investment policy will not change as a result of the implementation of the Proposals, and the Portfolio will continue to be managed by the Investment Manager with David Smith continuing as the lead portfolio manager, supported by the Janus Henderson Global Equity Income Team, and the Janus Henderson Fixed Income Team.

Implementation of the Scheme is conditional upon, amongst other things, approval by Shareholders at the General Meeting and the approval of HDIV Shareholders at the HDIV General Meetings.

2.2. Benefits of the Proposals

The Board believes that the Proposals should prove attractive for HDIV Shareholders, offering an investment in an enlarged investment trust that has greater scale, a strong investment track record, a lower ongoing charges ratio and which has a record of trading at a tighter discount to its underlying NAV per Share when compared to HDIV over the past three years.

The Board believes that the Proposals will offer Shareholders of the Enlarged Company the following benefits:

- **Continuity of high income levels:** As at 30 November 2023, the Company's Shares stood on a 6.7 per cent. dividend yield, representing a significant premium to the FTSE All-Share Index's yield, and have generated compound average dividend growth of 2.1 per cent. per annum over the last 10 years.
- **Strong investment track record:** As at 30 November 2023, the Company had outperformed the Benchmark Index (being a composite of 80 per cent. of the FTSE All Share Index (total return) and 20 per cent. of the ICE BofA Sterling Non-Gilts Index (total return) rebalanced annually) over one, three, five and 10 years. The Company had also delivered a 20-year Share price capital and total return of 40.7 per cent. and 383.2 per cent. respectively, and a NAV (with debt at fair value) capital and total return of 52.9 per cent. and 416.3 per cent., respectively.⁽¹⁾
- **Lower ongoing charges ratio:** Shareholders in the Enlarged Company are expected to benefit from a lower ongoing charges ratio, with the Enlarged Company's fixed costs spread over a larger asset base.
- **Significant cost contribution from JHFM:** JHFM will offer a contribution to the costs of the Proposals which, combined with the premium on the issue price of the New Shares, will ensure that there will be no dilution to the Company's NAV per Share.
- **Enhanced liquidity:** The scale of the Enlarged Company is expected to improve the marketability and liquidity of the Company's Shares.

2.3. Overview of the Scheme

The Proposals will be effected by way of a scheme of reconstruction of HDIV under section 110 of the Insolvency Act, resulting in the members' voluntary winding up of HDIV and the transfer of part of HDIV's assets, cash and undertaking (the "**Rollover Pool**") to the Company in return for the issue of New Shares by the Company on a formula asset value ("**FAV**") for FAV basis.

The Scheme is conditional upon, amongst other things, approval of the Resolution to approve the Issue at the General Meeting and the approval of the HDIV Resolutions by HDIV Shareholders at the HDIV General Meetings. Further details of the conditions attaching to the Scheme are set out in paragraph 2.3 of Part 4 (*Details of the Scheme and the Issue*) of this Prospectus.

Under the Scheme, HDIV Shareholders will be entitled to elect to receive in respect of some or all of their HDIV Shares:

- New Shares (the "**Rollover Option**"); and/or
- cash (the "**Cash Option**").

The Cash Option will be unlimited, and all valid elections for that option will be accepted. The Cash Option will be offered at the NAV per HDIV Share less a discount of 1.0 per cent. (the "**Cash Option Discount**"). The value of the Cash Option Discount will be credited to the Rollover Pool.

New Shares will be issued as the default option under the Scheme in the event that HDIV Shareholders do not make a valid election under the Scheme.

⁽¹⁾ Source: Morningstar Direct, Janus Henderson Investors. Data to 30 November (being the latest practicable date for this data). 20 year performance data based on ex income NAV (with debt at fair value). Total return calculations assume dividend reinvestment as at the ex-dividend date. Past performance is not a reliable indicator of future results.

Overseas HDIV Shareholders are entitled to participate in the Scheme. However, to the extent that the Company, and/or the Liquidators, acting reasonably, consider that the issue of New Shares to an Overseas HDIV Shareholder would or may involve a breach of the securities laws or regulations of any jurisdiction or may violate any applicable legal or regulatory requirements or may require the Company to become subject to additional regulatory requirements (to which it would not be subject but for such issue) and the Company and/or the Liquidators, as the case may be, have not been provided with evidence reasonably satisfactory to them that the relevant Overseas HDIV Shareholder is permitted to hold New Shares under any relevant securities laws or regulations of such overseas jurisdictions (or that the Company would not be subject to any additional regulatory requirements to which it would not be subject but for such issue), such Overseas HDIV Shareholder will be deemed to have elected for the Cash Option in respect of their entire holding.

Further details of the Scheme and the Issue are set out in Part 4 (*Details of the Scheme and the Issue*) of this Prospectus.

2.4. Use of proceeds

The New Shares will be issued to HDIV Shareholders who elect, or are deemed to elect, for the Rollover Option in consideration for the transfer of the Rollover Pool from HDIV to the Company. The Rollover Pool will consist of investments aligned with the Company's investment objective and policy as at the Effective Date, together with cash and cash equivalents. Any cash in the Rollover Pool and any proceeds of the realisation of cash equivalents in the Rollover Pool will be used to acquire investments in accordance with the Company's investment objective and policy.

3. INVESTMENT OBJECTIVE AND POLICY

3.1. Investment objective

The Company invests in a prudently diversified selection of both well-known and smaller companies to provide investors with a high dividend income stream while also maintaining the prospect of capital growth.

3.2. Investment policy

In normal circumstances the Company will invest up to 80 per cent. of its gross assets in equities and up to 20 per cent. of its gross assets in fixed income (in companies of any size that are either listed in, registered in, or whose principal business is in the UK). Within these limits a maximum of 30 per cent. of gross assets may be invested outside of the UK.

No single investment will exceed 15 per cent. of total gross assets at the time of investment and no more than 15 per cent. of gross assets may be invested in other listed investment companies (including investment trusts) or collective investment schemes. The Company may from time to time use financial instruments known as derivatives for the purpose of efficient portfolio management or to generate additional income while maintaining a level of risk consistent with the risk profile of the Company.

As an investment trust, the Company aims to comply with section 1158 of the Corporation Tax Act, which imposes on the Company an obligation to spread investment risk.

Any material change in the Company's investment policy will require the approval of Shareholders at a general meeting. In the event of a breach of the Company's investment policy, the Directors will announce through a Regulatory Information Service the actions which will be taken to rectify the breach.

4. GEARING

The Board is responsible for setting the Company's gearing policy and for the limits on gearing.

The Company has an active policy of using appropriate levels of gearing, both in the form of bank and longer-term borrowings, with the objective of enhancing income returns and also achieving capital growth over time. A portion of gearing is usually employed with respect to the Company's fixed income securities to generate additional income.

The Company can borrow up to 40 per cent. of gross assets. The drawdown of floating rate borrowings can be in non-Sterling currencies, provided that these borrowings do not exceed the market value of non-Sterling assets.

The Company and Scotiabank (Ireland) Designated Activity Company (“**SDAC**”) entered into a multicurrency revolving credit facility agreement originally dated 30 March 2012, as amended, novated and/or restated from time to time, including, without limitation: (i) as amended and novated from SDAC to Scotiabank Europe plc (“**SBE**”) on 18 June 2020; and (ii) as amended and novated from SBE to The Bank of Nova Scotia, London Branch (“**BNS**”) on 21 December 2022 (the “**Revolving Credit Facility Agreement**”). Pursuant to the Revolving Credit Facility Agreement, BNS made available to the Company a multicurrency revolving credit facility of £45 million (the “**Revolving Credit Facility**”) that matures on 20 December 2023 (with the option for the Revolving Credit Facility to be increased by a further £12 million, up to a total of £57 million). The purpose of the Revolving Credit Facility is to finance investments in the ordinary course of the Company’s business and for general corporate purposes.

The Company has agreed the terms of the New Revolving Credit Facility Agreement pursuant to which BNP Paribas, London Branch will make available to the Company a multicurrency revolving credit facility of up to £45 million, with an accordion of £25 million. The New Revolving Credit Facility will be used, in part, to repay the Revolving Credit Facility and is expected to become effective on 20 December 2023 subject to the Company satisfying certain customary conditions, all of which are of an administrative nature.

The Company has also issued a 19 year £20 million fixed rate senior unsecured loan note with a Sterling coupon of 3.67 per cent. which will mature on 8 July 2034.

The Company’s gearing as at 7 December 2023 was 23.73 per cent. (being the Company’s total gross debt as a proportion of its Shareholders’ funds (being the sum of the issued Share capital of the Company, its retained profits and any other reserves) with debt at fair value).

5. DIVIDEND POLICY

The Company’s dividend policy is to usually pay quarterly interim dividends from current revenue and to add to the Company’s revenue reserve where possible each year. The purpose of this reserve is to enable the Company to support dividend payments in difficult market conditions. When deciding on whether to pay each quarterly interim dividend, the Board has regard to a variety of factors, including current and forecast levels of income (including any special dividends received by the Company) and the historic dividend schedule. The Board also considers a range of stress tests which forecast revenue under different scenarios in order to form a view on the sustainability of the Company’s dividends.

The Company conducts its business so as to satisfy the conditions to retain approval as an investment trust under section 1158 of the Corporation Tax Act. In accordance with regulation 19 of the Investment Trust Tax Regulations, the Company does not (except to the extent permitted by those regulations) retain more than 15 per cent. of its income (as calculated for UK tax purposes) in respect of an accounting period. The Board may resolve to pay special dividends on the Shares from time to time in order to comply with these requirements.

The Company paid dividends totalling 10.15 pence per Share in respect of the financial year to 31 December 2022. As at 7 December 2023, the Company had paid three interim dividends in respect of the financial year to 31 December 2023, each of 2.575 pence per Share, and had declared a fourth interim dividend in respect of the financial year to 31 December 2023 of 2.625 pence per Share which is expected to be paid on 26 January 2024 to Shareholders on the Register as at close of business on 8 December 2023.

6. SHARE CAPITAL

The Company’s Share capital comprises of only ordinary shares of 5 pence each, all of which are listed on the premium segment of the Official List of the FCA and admitted to trading on the Main Market. Shareholders are entitled to such dividends (if any) as are declared by the Company and are entitled, on a return of capital on a winding up or otherwise, to all undistributed revenue of the Company and to the residual capital of the Company which remains after satisfying any liabilities.

At the Annual General Meeting of the Company held on 16 May 2023, Shareholders granted the Board authority to: (i) allot Shares representing approximately 10 per cent. of the Company's issued Share capital as at 16 May 2023 on a non pre-emptive basis; and (ii) buy back up to 14.99 per cent. of the Company's issued Share capital as at 16 May 2023. Such authorities will expire on the earlier of the date falling 15 months after the Annual General Meeting of the Company held on 16 May 2023 or at the conclusion of the Annual General Meeting of the Company held in 2024.

As at 7 December 2023 the Directors have general authority to issue, on a non pre-emptive basis for cash, up to 12,979,627 Shares.

The Directors may consider utilising their authority to undertake Share buy backs when the Shares are trading at a discount to the underlying NAV per Share. This authority provides an additional potential source of demand for the Company's Shares.

At the General Meeting, the Board will seek authority to allot 125 million New Shares in connection with the Proposals. Such authority will not impact on the Company's existing authorities to allot Shares taken at the Annual General Meeting of the Company held on 16 May 2023.

7. DURATION OF THE COMPANY

The Company does not have a fixed life, but Shareholders are given the opportunity to vote on the continuation of the Company at every fifth Annual General Meeting (the "**Continuation Vote**"), with the next Continuation Vote to be put forward at the Annual General Meeting in 2025.

8. THE AIFM AND THE INVESTMENT MANAGER

JHFM is the Company's alternative investment fund manager for the purposes of the UK AIFMD Laws. JHFM has sub-delegated certain responsibilities including the day-to-day management of the Portfolio to Janus Henderson, the Investment Manager. Both JHFM and Janus Henderson are wholly owned subsidiaries of Janus Henderson Group plc.

JHFM is a private limited company, incorporated and registered in England and Wales on 17 January 1992 with registered number 02678531. Janus Henderson is a private limited company, incorporated and registered in England and Wales on 17 May 1967 with registered number 00906355. JHFM is authorised and regulated by the FCA to conduct certain restricted activities in relation to collective investment schemes and general securities and derivatives.

Janus Henderson is a leading investment trust management group currently managing 13 investment trust companies with total investment trust assets under management of approximately £8,373 million as at 30 November 2023.

The investment trust business is a key part of the Janus Henderson group and experiences regular and close interaction with the Group Chief Executive Officer and Group Chief Financial Officer as well as other executive level managers within the Janus Henderson group.

As the seventh largest manager of investment trusts in the UK and an integral part of the Janus Henderson group, the investment trust business has one of the largest dedicated teams in the industry and a significant marketing budget to promote the Janus Henderson managed investment trusts.

A total team of more than 20 work solely on supporting the Janus Henderson managed investment trusts in addition to specialist agencies and other internal Janus Henderson teams under four key functions:

- Investment Trust Secretariat
- Investment Trust Accounting
- Intermediary Sales & Investor Relations
- Direct Retail Marketing

David Smith

The Company's lead portfolio manager is David Smith. David joined Janus Henderson in 2002, initially working in operations and progressing to the UK Equities Team and is now a portfolio manager in the Janus Henderson Global Equity Income Team, a position he has held since 2008. As well as managing the Company's Portfolio, David also manages the UK portfolio of The Bankers Investment Trust PLC and a number of UK equity institutional funds. He is also the deputy portfolio manager of The City of London Investment Trust plc and the Janus Henderson UK Responsible Income Fund.

David graduated with a BSc degree (Hons) in chemistry from Bristol University. He holds the Investment Management Certificate and the Chartered Financial Analyst designation. David has 21 years of financial industry experience and has been involved in the management of the Company since January 2012 and became the lead portfolio manager in July 2015.

PART 2

MARKET OUTLOOK, INVESTMENT STRATEGY, PERFORMANCE TRACK RECORD AND PORTFOLIO

1. MARKET OUTLOOK

While UK inflation has fallen from its peak in October 2022, it has remained significantly above the Bank of England's 2 per cent. inflation target (as measured by the Consumer Price Index). The stickiness of UK inflation has been reflected in the interest rate policy of the Bank of England which has raised its base rate to 5.25 per cent.

The relatively high levels of inflation and interest rates have impacted global equity markets by driving valuations lower and putting pressure on economies and therefore corporate profits. UK consumers are also under increasing pressure from higher mortgage costs and the effects of higher inflation on their purchasing power, while UK companies face increased costs of doing business and borrowing. Bond markets have also been impacted, as higher yields have resulted in falling capital values and inflation has eroded the real returns generated by fixed interest securities.

Although the rate of global inflation could fall, there are reasons it could settle at a higher rate than experienced in the preceding decade. The war in Ukraine, rising geopolitical tensions in the Middle East and weaker US/China relations suggests we are entering a period of de-globalisation/protectionism which is likely to result in tighter labour markets, on-shoring, higher barriers to international trade and volatile energy markets. Ongoing disruption to the labour market following the COVID-19 pandemic is also leading to higher service inflation. These factors combined with the scale of investment needed to decarbonise the global economy will likely lead to structurally higher inflation over the medium to longer term.

Against this backdrop, the Investment Manager believes that the age of ultra-low interest rates is over and that, after an extended period of investors seeking growth irrespective of valuation, asset valuations will increase in importance once again. The Investment Manager believes that valuations in the UK equity market are attractive at present, particularly relative to most other major equity markets, and therefore maintains a focus on finding good quality businesses at compelling valuations that can pay and grow attractive dividends.

2. INVESTMENT STRATEGY

The Investment Manager invests in a prudently diversified selection of both well-known and smaller companies to provide investors with a high dividend income stream while also maintaining the prospect of capital growth. To gain a full understanding of these companies, the stock selection process places emphasis on examining what each company does, its market position and the dynamics of its market. Combining this with analysis of a company's financial health provides valuable insight into a company's ability to not only sustain its dividend but grow it in the long term, a crucial element for generating total returns for Shareholders. The stock selection process is broken down into three key component parts: fundamentals, financials and valuation.

The first step taken by the Investment Manager when considering potential investments is to analyse a company's fundamentals. The Investment Manager believes that analysing a company's fundamentals is the starting point to understanding its qualities and whether its business is sustainable in the long term. Emphasis is placed on assessing the company's strength of industry position, barriers to entry, senior management and their ability to sustain or improve a company's performance. Greater weight is given to long term views over short term considerations and trends in the market or sector.

The second step is to gain a clear understanding of the company's financial health and its ability to invest for future growth, sustain profitability and return value to its shareholders. In particular, focus is given to: (i) sustainability of profits; (ii) robustness of balance sheet; (iii) how well-invested its asset base is; (iv) strength of cash generation; and (v) sustainability of its dividend.

Valuation is the final part of analysing a company, but underpins the whole process. Even when companies with strong fundamentals and financials are found, the Investment Manager believes their valuations also need to be attractive, otherwise capital appreciation may be limited. Various valuation metrics are used, such as price to earnings ratio, to assess whether the qualities the Investment Manager has identified in a company are already discounted in the current share price.

The Investment Manager believes that applying this disciplined stock selection process allows the Company to benefit from a well-diversified portfolio of good quality companies in strong financial health that can pay and grow their dividends, but also offer the potential for capital growth over the long term.

The Investment Manager also utilises the Company's differentiated approach to aid its ability to deliver an attractive income return to Shareholders. The allocation of a portion of its Portfolio to fixed interest securities has provided a valuable source of alternative income and differentiates it from most other equity income investment companies. Bond interest paid by companies is usually more sustainable than dividends during times of economic stress, hence having the ability to allocate towards bonds provides a diversified source of income.

The Company also has a number of other ways it can diversify its income through its investment strategy: it can invest up to 30 per cent. of gross assets in overseas markets; it can invest in listed alternative income investment trusts, such as renewable infrastructure funds; and it can invest a larger proportion of its capital in medium sized companies given its size relative to much larger competitors.

The Company has also utilised the investment trust structure to deliver strong income returns to Shareholders. One of the main advantages of investment trusts is the ability to retain surplus income to create revenue reserves. The Company can add to these reserves in profitable years and pay them out in the leaner years, thereby smoothing the level of its dividend payments when appropriate. The Company was able to utilise its reserves in 2020 and 2021 to continue to pay and grow its own dividend despite the significant dividend cuts and suspensions experienced across the UK market during the COVID-19 pandemic. The Company's revenue reserves were £8.8 million as at 31 December 2022 – over 67 per cent. cover of the annual dividend payment in 2022.

3. THE COMPANY'S PERFORMANCE TRACK RECORD

As at 30 November 2023, the Company had outperformed the Benchmark Index (being a composite of 80 per cent. of the FTSE All Share Index (total return) and 20 per cent. of the ICE BofA Sterling Non-Gilts Index (total return) rebalanced annually) over one, three, five and 10 years. The Company had also delivered a 20-year Share price capital and total return of 40.7 per cent. and 383.2 per cent. respectively, and a NAV (with debt at fair value) capital and total return of 52.9 per cent. and 416.3 per cent., respectively.⁽¹⁾

From 30 June 2023 to 30 November 2023, the Company's NAV total return per Share (with debt at fair value) increased by 1.40 per cent., which can be compared against the Benchmark Index which rose by 1.52 per cent. over the same period. The Share price over the same period fell by 6.42 per cent. to 153.00 pence and ended the period trading at a discount of 6.66 per cent. to the NAV per Share (with debt at fair value) as at 30 November 2023.

The Board monitors performance continuously and closely with the Investment Manager in order to understand the drivers behind relative performance (both underperformance and outperformance) and actions being taken by the Investment Manager in the light of that.

⁽¹⁾ Source: Morningstar Direct, Janus Henderson Investors. Data to 30 November (being the latest practicable date for this data). 20 year performance data based on ex income NAV (with debt at fair value). Total return calculations assume dividend reinvestment as at the ex-dividend date. Past performance is not a reliable indicator of future results.

The Company's performance track record (all as at 30 November 2023)

	1 year (%)	3 years (%)	5 years (%)	10 years (%)
NAV total return (with debt at fair value)	3.1	27.6	29.0	72.3
Share price total return	(4.1)	26.0	24.4	54.0
Benchmark Index total return	1.9	17.9	21.9	57.1

Source: Morningstar Direct, Janus Henderson Investors. Data to 30 November 2023 (being the latest practicable date for this data). Performance data based on cum-income NAV (with debt at fair value). Total return calculations assume dividend reinvestment as at the ex-dividend date. Past performance is not a reliable indicator of future results.

4. ANALYSIS OF PORTFOLIO

As at close of business on 30 November 2023, the Portfolio comprised investments with an aggregate unaudited value, calculated in accordance with the Company's usual accounting policies, of approximately £257,866,000.

The Company's Portfolio, excluding cash, was 87.4 per cent. invested in listed equities, 11.0 per cent. invested in fixed interest securities and 1.6 per cent. invested in preference shares as at 30 November 2023. The following table shows the distribution of the Portfolio by asset class as at 30 November 2023.

	Level 1 £'000	Total £'000
Equity investments	225,452	225,452
Fixed interest instruments		
<i>Preference shares</i>	4,176	4,176
<i>Other fixed interest</i>	28,238	28,238
Total	257,866	257,866

The top ten investments by value within the Portfolio, as at 30 November 2023, were as follows.

Top Ten Investments Company Name	30 November 2023 Value (£'000)	Percentage of Portfolio (%)
British American Tobacco	10,211	3.96
Unilever	8,677	3.36
Relx	8,065	3.13
Rio Tinto	7,416	2.87
HSBC	7,331	2.84
BP	6,574	2.55
Shell	6,285	2.44
Imperial Brands	6,059	2.35
Tesco	5,287	2.05
National Grid	5,248	2.04
	71,153	27.59

The following table shows the geographic and sectoral breakdown of the equity securities and details of the holdings of fixed interest and preference securities within the Portfolio (as a percentage of the Portfolio, excluding cash) as at 30 November 2023.

Country	Percentage of Portfolio (%)	Sector	Percentage of Portfolio (%)
United Kingdom	77.03	Financials	25.29
Netherlands	4.01	Consumer Goods	19.71
France	2.21	Consumer Services	10.69
Germany	1.06	Utilities	7.23
Australia	0.98	Industrials	6.36
United States	0.84	Basic Materials	6.26
Guernsey	0.70	Oil & Gas	5.97
Ireland	0.60	Health Care	4.07
Fixed Interest	10.95	Technology	1.85
Preference	1.62	Fixed Interest	10.95
		Preference	1.62

The information in this paragraph 4 is unaudited information on the Company, which has been extracted from the internal management accounting records held by the Company.

The Enlarged Company's portfolio will, immediately following the Scheme becoming effective, constitute a combination of the Company's Portfolio and the investments and cash apportioned to the Rollover Pool that will transfer to the Company pursuant to the Transfer Agreement. The investments in the Rollover Pool will include only those aligned with the Company's investment policy as at the Effective Date, and cash and cash equivalents. The assets within the Rollover Pool, and hence the Enlarged Company's portfolio, are not known at the date of this Prospectus.

5. RECENT INVESTMENTS

The Company has not made any material new investments since 30 June 2023 (being the date as at which unaudited financial information was last published by the Company).

In the ordinary course, there are a number of potential investments which are in progress, but no firm commitments have been made in respect of these.

PART 3

DIRECTORS, MANAGEMENT AND ADMINISTRATION OF THE COMPANY

1. DIRECTORS

The Directors, each of whom is non-executive and all of whom are independent of the AIFM and the Investment Manager, are responsible for the determination of the investment policy of the Company and the overall supervision of the Company, including the review of the Company's investment activity and performance and the control and supervision of the AIFM and the Investment Manager's activities in relation to the Company. The Company operates with an experienced non-executive Board of Directors, bringing investment and corporate skills and experience of closed-ended funds to their oversight roles. The Directors are as follows:

Mr Jeremy Rigg (Chairman): Jeremy Rigg was appointed as a Director in 2018 and became Chairman in 2021. He was a director of Schroder Investment Management (UK) Ltd and a senior investment manager at Investec Asset Management Limited. In 2004, he was a founding partner of Origin Asset Management LLP, a boutique equity investment manager which grew successfully and was acquired by Principal Global Investors Limited in 2011. He is a director of Moorland Green Properties Limited. Jeremy graduated from St Andrews University in 1989.

Mr Richard Cranfield: Richard Cranfield was appointed as a Director in 2020. He retired as a partner in law firm Allen & Overy LLP in October 2021 and became a senior adviser to that firm, a role he held until May 2022. He was previously Global Chairman of the firm's Corporate Practice and Co-Head of its Financial Institutions Group. Richard had been with Allen & Overy since he joined them from university in 1978. In 2000, Richard was appointed Global Head of Corporate and in 2010 took a step back from management to focus on client relationships. In June 2019, Richard was appointed to the board of IntegraFin Holdings plc and became chair in October 2019. IntegraFin Holdings plc is a FTSE 250 company, the ultimate owner of the investment platform provider Transact.

Ms Zoe King (Senior Independent Director): Zoe King was appointed as a Director in 2016. She was formerly vice president at Merrill Lynch Mercury Asset Management and a fund manager at Foreign & Colonial Investment Management. She graduated from Oxford University in 1994. Zoe is a Director of Investment Management at Evelyn Partners, specialising in the management of private client portfolios. She is also a member of the Trinity College Oxford Investment Committee, the Carvetian Capital Fund Investment Committee and the Stramongate S.A Shareholder Advisory Committee.

Ms Francesca Ecsery: Francesca Ecsery was appointed as a Director in 2022. She was previously a non-executive director at Marshall Motor Holdings PLC, Share PLC and Good Energy Group PLC and has held various senior positions in consumer-focused industries including the digital, retail and leisure and travel sectors. Her previous executive roles include McKinsey, PepsiCo, Thorn EMI, Thomas Cook and STA Travel. Francesca is a non-executive director at the Association of Investment Companies. In addition, she is a non-executive director at CT Automotive PLC, Haffner Energy SA and Air France S.A.

Mr Jonathan Silver: Jonathan Silver was appointed as a Director in 2019. He is a member of the Institute of Chartered Accountants of Scotland. He has held various senior financial positions throughout his career, including 21 years as chief financial officer on the main board of Laird plc from 1994 until 2015. Jonathan is a non-executive director of Baillie Gifford China Growth Trust plc and a non-executive director and chairman of the audit committee of Spirent Communications plc, a position he has held since 2015. Jonathan is also a non-executive director and audit committee chair of East and North Hertfordshire NHS Trust.

It has been agreed that none of the HDIV Directors will join the Board as part of the Proposals. Accordingly, the Board will continue to consist of the five incumbent Directors upon completion of the Scheme.

2. MANAGERIAL, CORPORATE SECRETARIAL, ADMINISTRATION AND DEPOSITARY ARRANGEMENTS

2.1. Managerial arrangements

Janus Henderson Fund Management UK Limited (the “**AIFM**” or “**JHFM**”) has been appointed as the Company’s alternative investment fund manager. The AIFM has delegated investment management services to Janus Henderson Investors UK Limited (the “**Investment Manager**” or “**Janus Henderson**”). Both the AIFM and the Investment Manager are wholly owned subsidiaries of Janus Henderson Group plc and are authorised and regulated by the FCA.

The AIFM

JHFM is a limited liability company, incorporated and registered in England and Wales on 17 January 1992 with registered number 02678531. The registered office of the AIFM is 201 Bishopsgate, London EC2M 3AE. The AIFM is registered under the UK AIFMD Laws as a full scope authorised UK AIFM and under the terms of the Management Agreement has acted as the Company’s Alternative Investment Fund Manager since the EU AIFM Directive came into force in 2014.

The Company entered into the Management Agreement with the AIFM on 17 July 2014 and the Management Agreement came into force on 22 July 2014. Under the terms of the Management Agreement, the AIFM has been appointed by the Company with responsibility for the provision of discretionary portfolio management, risk management, corporate secretarial and administration services, subject to the overall supervision of the Directors in accordance with the policies laid down by the Directors from time to time. Corporate secretarial and general administration services are provided to the Company by the AIFM, the Investment Manager and their affiliates.

The Management Agreement is terminable on not less than six months’ notice. The annual management fee payable to the AIFM by the Company is 0.50 per cent. of the average adjusted value of the gross assets up to £325 million and 0.45 per cent. of the average adjusted value of the gross assets above £325 million. For fee purposes, the average value is calculated by using the values of the Company’s assets and liabilities on the last day of each of the two calendar years preceding the reporting year. Average adjusted gross assets are gross assets less current liabilities and less any holdings in Janus Henderson managed funds or Janus Henderson Group plc shares held within the Portfolio. Any debt used for investment purposes, including that recorded in current liabilities, is not deducted from gross assets. The management fee is payable quarterly in arrears. In addition, a supplemental base management fee is paid on any new funds in relation to share issues in the year they were raised at the *pro rata* annual rate. For the following year any funds raised are added to prior year assets for the purposes of calculating the management fee. In satisfaction of the services rendered by the AIFM pursuant to the Management Agreement for the year ended 31 December 2022, the Company paid to the AIFM a fee of £1,393,000.

Further details of the terms of the Management Agreement are set out in paragraph 13.1 of Part 7 (*General Information*) of this Prospectus.

The Investment Manager

The AIFM entered into a sub-investment management agreement with the Investment Manager on 21 July 2014 (the “**Investment Management Delegation Agreement**”) pursuant to which the AIFM has delegated the day-to-day management of the Portfolio to the Investment Manager. The costs of these services are included in the fee payable by the Company to the AIFM under the terms of the Management Agreement.

The Investment Manager manages the Portfolio in accordance with the Company’s investment objective and policy, the policies laid down by the Directors from time to time and the schedule of investment limits and restrictions referred to in the Management Agreement.

Portfolio manager

David Smith, the Company’s lead fund manager, is a portfolio manager in the Janus Henderson Global Equity Income Team, a position he has held since 2008. As well as managing the Company’s Portfolio, David also manages the UK portfolio of The Bankers Investment Trust PLC and a number of UK equity institutional funds. He is also the deputy portfolio manager of The City of London Investment Trust plc

and the Janus Henderson UK Responsible Income Fund. He joined Henderson in 2002, initially working in operations and progressing to the UK Equities Team and is now part of the Global Equity Income Team.

David graduated with a BSc degree (Hons) in chemistry from Bristol University. He holds the Investment Management Certificate and the Chartered Financial Analyst designation. David has 21 years of financial industry experience and has been involved in the management of the Company since January 2012 and became the lead portfolio manager in July 2015.

2.2. Corporate secretarial and administration arrangements

Corporate secretarial and general administration services are provided by the AIFM, the Investment Manager and their affiliates. The costs of these services are included in the fee payable by the Company to the AIFM under the terms of the Management Agreement. Some of the administration and accounting services are carried out on behalf of the AIFM and/or the Investment Manager by BNP Paribas S.A. Janus Henderson Secretarial Services UK Limited acts as the Company's Corporate Secretary.

2.3. Depositary arrangements

HSBC Bank plc has been appointed as the Company's Depositary pursuant to the Depositary Agreement entered into with the Company and the AIFM. The Depositary's responsibilities include cash monitoring, safekeeping of the Company's financial instruments, verifying ownership and maintaining a record of other assets and monitoring the Company's compliance with investment limits and leverage requirements. HSBC Bank plc also undertakes the function of custodian in respect of the Company. The Depositary delegates the safe-keeping of certain non-UK investments to agents where the jurisdiction of the investment necessitates this. The annual fee payable to the Depositary contains a fixed element of 0.01 per cent. of the Company's Net Asset Value with debt at par value, a variable element for custody charges based on the value and location of the assets to which the custody charge relates and a variable element for transaction settlement instructions received based on the value and location of the assets to which the settlement instruction relates. In satisfaction of the services rendered by the Depositary pursuant to the Depositary Agreement for the year ended 31 December 2022, the Company paid to the Depositary a fee of £23,000.

A summary of the Depositary Agreement is set out in paragraph 13.2 of Part 7 (*General Information*) of this Prospectus.

2.4. Registrar

Computershare Investor Services PLC has been appointed as the Company's Registrar pursuant to the Registrar Agreement. The Registrar is responsible for, among other things, the maintenance of the Register and for the transfer and settlement of Shares, as applicable. In satisfaction of the services rendered by the Registrar pursuant to the Registrar Agreement for the year ended 31 December 2022, the Company paid to the Registrar a fee of £22,000. Details of the Registrar Agreement are set out in paragraph 13.3 of Part 7 (*General Information*) of this Prospectus.

2.5. Auditor

The statutory auditor to the Company is PricewaterhouseCoopers LLP of 7 More London Riverside, London SE1 2RT. PwC is independent of the Company and is registered to carry on audit work in the United Kingdom and the Republic of Ireland by the Institute of Chartered Accountants in England and Wales. PwC's responsibility, as statutory auditor, is to audit and express an opinion on the financial statements of the Company in accordance with applicable law and auditing standards. PwC was first appointed as auditor of the Company following a competitive tender process at the Company's AGM held on 9 May 2017 and has been appointed as auditor at each of the Company's AGMs since that date.

3. CORPORATE GOVERNANCE

The Board is committed to achieving and demonstrating high standards of corporate governance. The Board places considerable emphasis on running the Company in a way it believes is best suited to the successful management of an investment trust on behalf of its Shareholders. In doing so, the Board has

considered the principles and recommendations of the AIC Code. The AIC Code addresses all of the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations which are of specific relevance to investment trusts.

The Company complies with the recommendations of the AIC Code and the relevant applicable provisions of the UK Corporate Governance Code, except in relation to the following provisions:

- the role of the chief executive;
- executive directors' remuneration;
- the need for an internal audit function; and
- the need to establish a separate remuneration committee.

Given that the Company is an externally managed investment trust, the Board considers the provisions in relation to the role of the chief executive, executive directors' remuneration and the need for an internal audit function to be inapplicable to the Company.

Instead of establishing a separate remuneration committee, the Board has established a combined Nominations and Remuneration Committee. Given that the Company has a simple remuneration structure (with a Board comprised of independent non-executive Directors who are not entitled to executive remuneration packages including bonuses and long term incentive schemes), the Board considered it sufficient for a combined Nominations and Remuneration Committee to be formed.

3.1. Board independence, composition and tenure

The Chairman and each of the other Directors is independent of the AIFM and the Investment Manager and each Director is non-executive. The Chairman is responsible for Board leadership and managing the business of the Board through, among other things, setting its agenda and taking account of the issues and concerns of Board members. The executive responsibilities for investment management have been delegated to the AIFM. The AIFM has delegated day-to-day management of the Portfolio to the Investment Manager. Zoe King is the Senior Independent Director.

Directors do not serve on the Board for a specified period of time. Each Director is subject to the election/re-election provisions as set out in the Articles. These provide that at every Annual General Meeting any Director who: (i) has been appointed by the Board since the last Annual General Meeting; (ii) held office at the time of the two preceding Annual General Meetings and did not retire at either of them; or (iii) has held office with the Company for a continuous period of nine years or more at the date of the Annual General Meeting, is required to retire and seek election by Shareholders. Notwithstanding the provisions of the Articles, the Company's policy is that each Director is subject to annual re-election in accordance with the provisions of the AIC Code and that a Director's tenure in office (including that of the Chairman) will normally be for up to nine years. When making a recommendation for re-electing a Director, the Board will take into account the ongoing requirements of the AIC Code.

The AIC Code provides that the Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual Directors, and the Board, accordingly, conducts an annual evaluation of its performance and that of its committees, the Chairman and individual Directors.

Directors' fees are considered by the Board as a whole within the limits as set out in the Articles and in accordance with the Company's remuneration policy which has been approved by Shareholders. The cap on the aggregate annual remuneration payable to the Directors as set out in the Articles is currently £250,000 per annum. The level of the cap may be increased by Shareholder resolution from time to time. There are no performance conditions attaching to the remuneration of the Directors as the Board does not believe that this is appropriate for non-executive directors. The Directors are not eligible for bonuses, pension benefits, share options, long term incentive schemes or other benefits.

3.2. Audit and Risk Committee

The Audit and Risk Committee comprises all of the Directors and is chaired by Jonathan Silver. The role of the Audit and Risk Committee is, broadly, to assist the Board in carrying out its responsibilities

relating to the Company's accounting policies, internal controls, risk management and financial reporting functions. The Audit and Risk Committee also reviews the scope, results, cost effectiveness, independence and objectivity of the Company's external statutory auditors. The Audit and Risk Committee meets at least twice per year its effectiveness is reviewed on an annual basis as part of the Board's performance evaluation process. At least once a year the Audit and Risk Committee meets with the external statutory Auditor without any representative of the AIFM or Investment Manager being present.

3.3. Management Engagement Committee

The Management Engagement Committee comprises all of the Directors and is chaired by Jeremy Rigg. The role of the Management Engagement Committee is to ensure that the Investment Manager remains suitable to manage the Portfolio, that the management contract is competitive and reasonable for Shareholders, and that the Company maintains appropriate administrative and corporate secretarial support. The Board considers each member of the Management Engagement Committee to be independent. To discharge its duties, the Management Engagement Committee meets at least once per year to consider: (i) the performance and suitability of the Investment Manager; (ii) the terms and conditions of the Management Agreement, including fees; and (iii) the performance of the Company's other third-party service providers.

3.4. Nominations and Remuneration Committee

The Nominations and Remuneration Committee comprises all of the Directors and is chaired by Zoe King. The Nominations and Remuneration Committee typically meets twice per year and at such other times as may be required. The Committee has written terms of reference which include: (i) reviewing the composition of the Board and its committees; (ii) identifying and nominating new candidates for appointment to the Board; (iii) Board appraisal; (iv) succession planning; (v) setting the Company's remuneration policy; and (vi) determining the remuneration of the Directors. The Nominations and Remuneration Committee also considers whether Directors should be recommended for re-election by Shareholders.

4. CONFLICTS OF INTEREST

The AIFM and the Investment Manager and their respective officers and employees may be involved in other financial, investment or professional activities that may on occasion give rise to conflicts of interest with the Company. The AIFM and the Investment Manager may provide investment management, investment advice or other services in relation to a number of funds that may have similar investment policies to that of the Company, including HDIV.

For feeing purposes under the Management Agreement, the average adjusted value of the gross assets of the Company excludes the value of any Janus Henderson managed funds or holdings in Janus Henderson Group plc shares held within the Portfolio. Pursuant to the Investment Management Delegation Agreement, the Investment Manager is prohibited from exercising any voting rights attaching to any holdings that the Company has in any Janus Henderson managed funds without the approval of the Board.

As the AIFM's fees are based on a percentage of the Company's adjusted gross assets and the AIFM is responsible for valuing the Portfolio under the Management Agreement, there is the potential for conflict in any valuations it proposes in relation to the Company's investments. However, the Company's Portfolio is comprised predominantly of listed securities in respect of which there is ordinarily little or no judgement as to valuation. In addition, the AIFM has sub-delegated the responsibility for valuing the Portfolio to BNP Paribas S.A., which follows an agreed valuation/pricing policy and process. Where there is any element of judgement by the AIFM or its affiliates as to valuation, this conflict is managed through the use of valuation policies and through Board review and approval of valuations.

The AIFM and the Investment Manager will have regard to their respective obligations under the Management Agreement or otherwise to act in the best interests of the Company, so far as is practicable having regard to their obligations to other clients or funds, should potential conflicts of interest arise.

The Investment Manager has established internal control frameworks to provide reasonable assurances as to the effectiveness of the internal control systems operated on behalf of its clients. The Investment Manager reports to the Board on a regular basis with regard to the operation of its internal controls and risk management within its operations in so far as it impacts the Company.

5. TAXATION

The Company has been approved by HMRC as an investment trust. The Directors believe that the affairs of the Company have been conducted so as to continue to satisfy the conditions to qualify as an investment trust under section 1158 of the Corporation Tax Act and, on this basis, the Company should therefore be exempt from UK taxation on its capital gains in its Portfolio. The Company will be liable to UK corporation tax on its income in the normal way, with dividend income generally being exempt from corporation tax. Income arising from overseas investments may be subject to foreign withholding taxes at varying rates but double taxation relief may be available.

A guide to the general UK taxation position of the Company and a Shareholder as at the date of this Prospectus is set out in Part 6 (*UK Taxation*) of this Prospectus.

If you are in any doubt as to your taxation position, or are subject to tax in a jurisdiction other than the United Kingdom, you should consult your professional adviser without delay.

6. SHAREHOLDER MEETINGS, REPORTS TO SHAREHOLDERS, ACCOUNTS AND NET ASSET VALUES

6.1. Shareholder meetings, reports and accounts

The Company held its last AGM on 16 May 2023 and expects to hold an AGM in May 2024 and each year thereafter. The Company's annual report and audited annual financial statements are made up to 31 December each year and copies are usually sent to Shareholders within three months of the Company's financial year-end. Shareholders also receive an interim report and unaudited interim condensed financial statements covering the six months to 30 June each year which is despatched within three months of that date.

The Company's audited annual financial statements are drawn up in pounds Sterling and prepared under UK GAAP in accordance with FRS 102. They include an income statement, statement of financial position, statement of changes in equity and cash flow statement, related notes and any additional information that the Board deems appropriate or that is required by applicable law.

The Company's annual report and audited financial statements for the period from 1 January 2022 to 31 December 2022 were published on 30 March 2023 and are available on the Company's website. For the avoidance of doubt, such website and its contents are not incorporated by reference into this Prospectus. The Company's next annual report and audited financial statements will be prepared to 31 December 2023.

Any ongoing disclosures required to be made to Shareholders pursuant to the UK AIFMD Laws and the EU AIFM Directive (where applicable) are contained in the Company's periodic or annual reports or on the Company's website, or will be communicated to Shareholders in written form as required.

Information on performance, Portfolio holdings and investment activity is prepared by the AIFM and published monthly by the AIFM in the form of a factsheet made available on the Company's website.

In accordance with the UK AIFMD Laws, the AIFM will ensure that the following information in relation to the Portfolio is published in the Company's annual report and audited annual financial statements:

- the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature;
- any new arrangements for managing the liquidity of the Company;
- the current risk profile of the Company and the risk management systems employed by the AIFM to manage those risks;
- any changes to the maximum level of leverage which the AIFM may employ on behalf of the Company as well as any right of the re-use of collateral or any guarantee granted under the

leveraging arrangement. The Company will, in addition, notify Shareholders of any such changes, rights or guarantees without undue delay by issuing an announcement through a RIS; and

- the total amount of leverage employed by the Company.

6.2. Annual running expenses

In addition to the management, depositary and registrar fees referred to in section 2 of this Part 3 (*Directors, Management and Administration of the Company*) of this Prospectus, the Company will pay all other fees and expenses incurred in the operation of its business including, without limitation:

- Directors' fees and expenses;
- fees and expenses of its corporate broker, legal, audit and other professional services;
- any borrowing costs;
- the ongoing costs of maintaining the listing of the Shares (where relevant) on the premium segment of the Official List and their continued admission to trading on the Main Market;
- NAV publication costs;
- Directors' and officers' insurance premiums;
- promotional expenses (including membership of any industry bodies, including the AIC, and promotional initiatives by the AIFM as approved by the Board); and
- costs of printing the Company's financial reports and posting them to Shareholders.

The Company's total fixed operational costs (excluding management fees, brokerage and other transaction charges and taxes, and any borrowing costs) are estimated, in the first year following the Issue, to amount to approximately 0.17 per cent. per annum of the Enlarged Company's estimated NAV with debt at fair value (based on the illustrative calculations as set out in paragraph 3 of Part 4 (*Details of the Scheme and the Issue*) of this Prospectus).

Shareholders do not bear any fees, charges and expenses directly, other than any fees, charges and expenses incurred as a consequence of acquiring, transferring or otherwise selling Shares.

6.3. Allocation of ongoing costs

Interest expenses will be recognised within 'finance costs' in the Income Statement within the Company's financial statements using the effective interest rate method. The Company charges 75 per cent. of finance costs to capital and 25 per cent. to income. All other expenses will be recognised in the Income Statement in the period in which they are incurred (on an accruals basis). The Company charges 60 per cent. of investment management fees to capital and 40 per cent. to revenue.

6.4. Net Asset Value calculations and valuation policy

Under the Management Agreement, the AIFM is responsible for calculating the Company's Net Asset Value per Share. The AIFM has sub-delegated this responsibility to BNP Paribas S.A. The unaudited Net Asset Value per Share is calculated on each dealing day by BNP Paribas S.A. and is announced by the Corporate Secretary through a RIS. Such RIS announcements confirm the Company's Net Asset Value with both debt at fair value and with debt at par, in each case on a cum-income basis. Unless otherwise disclosed in such RIS announcements, the Net Asset Value is calculated in accordance with the recommendations of the AIC. In particular: (a) financial assets are valued on a fair value basis using bid prices, or, if more appropriate, a last trade basis; and (b) debt is valued at par and, where applicable, debt is also separately valued at fair value; (c) diluted net asset values are disclosed where applicable (for this purpose, treasury shares are excluded for the purposes of calculation); and (d) provisions for performance fees are included where applicable (although no performance fees are applicable to the Company).

The Board may determine that the Company should temporarily suspend the determination of the NAV per Share when the prices of any investments owned by the Company cannot be promptly, accurately

or without undue expenditure, ascertained. Any suspension in the calculation of the NAV per Share will be notified to Shareholders through a RIS as soon as practicable after such suspension occurs.

The Company may delay public disclosure of the Net Asset Value to avoid prejudice to its legitimate interests, provided that such delay would not be likely to mislead the public and the Company has put in place appropriate measures to ensure confidentiality of that information.

For the purposes of valuing its investments, the Company uses UK GAAP methodology in accordance with FRS 102. The Company's Portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy, and information about the Portfolio is provided on that basis to the Directors. Accordingly, upon initial recognition the investments are included initially at fair value, which is taken to be their cost. Subsequently, the investments are valued at fair value, which is deemed to be the bid market prices or the last traded price as at close of business on the last business day of the accounting period depending on the convention of the exchange on which the investment is quoted. All fair value movements in investments are taken to the income statement. In accordance with the AIC Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts, the Company's profit and loss account is split between revenue and capital return columns. This is reflected in the Company's income statement. Fair value movements on investments are taken to the capital column in the income statement.

7. UK MAR AND THE DISCLOSURE GUIDANCE AND TRANSPARENCY RULES

As a company whose shares are admitted to trading on the Main Market, the Company complies with all of the provisions of UK MAR and the Disclosure Guidance and Transparency Rules which are applicable to it. The Directors have adopted a share dealing code that is compliant with UK MAR. The Board is responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors and other persons discharging managerial responsibilities.

The Disclosure Guidance and Transparency Rules provide that certain persons (including Shareholders) must notify the Company if the proportion of the Company's voting rights which they then hold directly or indirectly as a Shareholder or through a direct or indirect holding of certain financial instruments reaches, exceeds or falls below thresholds of three per cent., four per cent., five per cent., six per cent., seven per cent., eight per cent., nine per cent., and ten per cent. and each one per cent. thereafter up to 100 per cent.

PART 4

DETAILS OF THE SCHEME AND THE ISSUE

1. INTRODUCTION

The Issue is being undertaken pursuant to the proposed scheme of reconstruction and members' voluntary winding up of HDIV under section 110 of the Insolvency Act (the "**Scheme**"), which the HDIV Board has resolved to recommend to the HDIV Shareholders. The Scheme involves HDIV being placed into members' voluntary liquidation and HDIV Shareholders receiving New Shares issued by the Company in exchange for the transfer to the Company of the Rollover Pool. HDIV Shareholders may alternatively elect to receive cash, in respect of some or all of their holdings of HDIV Shares, under the terms of the Scheme. The Issue has not been underwritten.

The New Shares are only available to HDIV Shareholders who elect, or are deemed to elect, for the Rollover Option under the Scheme. The New Shares are not being offered to Existing Shareholders (save to the extent an Existing Shareholder is also a HDIV Shareholder) or to the public.

2. DETAILS OF THE SCHEME

Subject to the passing of the resolution to be proposed at the General Meeting to approve the issue of New Shares in connection with the Scheme (the "**Resolution**"), and subject to the satisfaction of the other conditions of the Issue (details of which are set out in paragraph 4 of this Part 4), the Scheme will take effect on the Effective Date.

The Scheme will be implemented in accordance with the terms of the Transfer Agreement that will be entered into by the Company, HDIV and the Liquidators, which provides for the Rollover Pool to be transferred to the Company in consideration for the issue of New Shares to HDIV Shareholders who elect, or are deemed to elect, for the Rollover Option under the Scheme. Further details of the Transfer Agreement are provided in paragraph 13.7 of Part 7 (*General Information*) of this Prospectus. Any cash that is transferred in accordance with the terms of the Transfer Agreement will be invested by the Company in accordance with the Company's investment objective and policy.

Under the Scheme, each HDIV Shareholder on the HDIV Register on the Record Date may elect to receive:

- such number of New Shares as have a value (at the HHI FAV per Share) equal to the HDIV FAV per Share attributable to the number of HDIV Shares so elected, being the "**Rollover Option**"; and/or
- an amount of cash equal to the Cash NAV per HDIV Share attributable to the number of HDIV Shares so elected, being the "**Cash Option**".

The default option under the Scheme is for HDIV Shareholders to receive New Shares, such that HDIV Shareholders who, in respect of all or part of their holding of HDIV Shares, do not make a valid election or who do not make an election at all under the Scheme will be deemed to have elected for New Shares in respect of such holding. However, Overseas HDIV Shareholders should read paragraph 9 of this Part 4.

The issue of New Shares in connection with the Scheme will be effected on a formula asset value ("**FAV**") for FAV basis as at the Calculation Date. On the Calculation Date, or as soon as practicable thereafter, HDIV, in consultation with the Liquidators, shall finalise the division of HDIV's undertaking, cash and other assets into three separate and distinct pools, namely the Liquidation Pool, the Cash Pool and the Rollover Pool, as follows and in the following order:

- first, there shall be appropriated to the Liquidation Pool such of the undertaking, cash and other assets of HDIV estimated by the Liquidators (in consultation with the HDIV Directors) to be sufficient to meet the current and future, actual and contingent liabilities of HDIV including (save to the extent that the same have already been deducted in calculating the total assets of HDIV) the costs of the Scheme to be borne by HDIV, the Liquidators' Retention and the entitlements of any Dissenting HDIV Shareholders; and

- second, there shall be appropriated to the Cash Pool and the Rollover Pool, in accordance with the Scheme, all the undertaking, cash and other assets of HDIV not allocated by the HDIV Directors to the Liquidation Pool, on the following basis:
 - there shall first be appropriated to the Cash Pool such proportion of the undertaking, cash and other assets as shall equal the Cash Pool NAV; and
 - there shall second be appropriated to the Rollover Pool the balance of the undertaking, cash and other assets of HDIV (including, for the avoidance of doubt, the benefit of the Cash Option Discount).

In advance of the transfer of the Rollover Pool, the HDIV Directors intend that HDIV will have, to the extent practicable, realised or realigned the undertaking and business carried on by HDIV in accordance with the Scheme and the elections made or deemed to have been made thereunder so that, as far as practicable, HDIV will hold, in addition to assets destined to become the Cash Pool and the Liquidation Pool, investments suitable for transfer to the Company under the Transfer Agreement. The Rollover Pool will therefore consist of investments aligned with the Company's investment policy as at the Effective Date, cash and cash equivalents.

2.1. Liquidation Pool

On or following the Effective Date, the Liquidation Pool shall be applied by HDIV (acting by the Liquidators) in discharging the liabilities of HDIV. Any remaining balance of the Liquidation Pool shall be distributed in cash by the Liquidators to all HDIV Shareholders (excluding any Dissenting HDIV Shareholders) who were on the HDIV Register on the Record Date in proportion to their respective holdings of HDIV Shares on the Record Date, provided that if any such amount payable to any HDIV Shareholder is less than £5.00, it shall not be paid to the HDIV Shareholder but instead shall be paid by the Liquidators to the Nominated Charity.

2.2. Cash Option

HDIV Shareholders who elect, or are deemed to elect, for the Cash Option will receive an amount in cash equal to the NAV per HDIV Share less a discount of 1.0 per cent. (the "**Cash Option Discount**") (the "**Cash NAV per HDIV Share**") multiplied by the number of HDIV Shares in respect of which such HDIV Shareholder has elected, or is deemed to have elected, for the Cash Option. The benefit of the Cash Option Discount will accrue to the Rollover Pool.

2.3. Rollover Option

The number of New Shares to which each HDIV Shareholder who successfully elects, or is deemed to have elected, for the Rollover Option will be entitled will be calculated by dividing the HDIV FAV per Share by the HHI FAV per Share and applying this ratio (which will be calculated to six decimal places, with 0.0000005 rounded down) to the number of HDIV Shares in respect of which such HDIV Shareholder has elected, or is deemed to have elected, for the Rollover Option.

The HDIV FAV per Share shall be calculated on the basis of the HDIV Transaction NAV as at the Calculation Date adjusted for:

- the value of the Liquidation Pool, including the Liquidators' Retention;
- any costs of the Proposals payable by HDIV but not accrued in the HDIV Transaction NAV as at the Calculation Date (to the extent the same do not form part of the value of the Liquidation Pool);
- the Cash Pool NAV;
- the benefit of the JHFM Contribution, if any; and
- the benefit of the Cash Option Discount,

(the "**HDIV FAV**") divided by the total number of HDIV Shares elected, and deemed to have elected, for the Rollover Option (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down) (the "**HDIV FAV per Share**").

The HHI FAV per Share shall be calculated on the basis of the Company's NAV (cum-income with debt at fair value) as at the Calculation Date adjusted for:

- (a) the fixed costs of the Proposals payable by the Company but not accrued in the Company's NAV as at the Calculation Date;
- (b) any dividends declared by the Company prior to the Effective Date of the Scheme where such dividends have not been paid or accrued to the Company's NAV as at the Calculation Date;
- (c) the benefit of the JHFM Contribution; plus
- (d) a premium of 1.0 per cent.,

(the "**HHI FAV**") divided by the number of Shares in issue (excluding treasury shares) as at the Calculation Date (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down) (the "**HHI FAV per Share**").

The New Shares will be issued on a non pre-emptive basis and will rank equally in all respects with the existing issued Shares other than in respect of any dividends which have a record date prior to the Effective Date of the Scheme.

For illustrative purposes only, had the Calculation Date been market close on 7 December 2023 and assuming 50 per cent. of HDIV's issued share capital is elected, or deemed to have been elected, for the Cash Option, the HDIV FAV per Share would have been 70.916929 pence and the HHI FAV per Share would have been 166.345569 pence. On the basis of these figures, had the Calculation Date been market close on 7 December 2023, a HDIV Shareholder who elected (or was deemed to have elected) for the Rollover Option in respect of 1,000 HDIV Shares would have received 426 New Shares under the Scheme. On this basis and in aggregate, 38,810,802 New Shares would have been issued to HDIV Shareholders under the Scheme, representing approximately 23 per cent. of the issued Share capital of the Enlarged Company.

The Company will notify Shareholders of the results of the Scheme and the Issue, including the calculations of the HDIV FAV per Share, the HHI FAV per Share, the Cash NAV per HDIV Share and the number of New Shares to be issued under the Scheme, through a RIS as soon as reasonably practicable following the Calculation Date and prior to the Issue.

The Scheme is conditional on, amongst other things:

- the passing of the HDIV Resolutions to approve the Scheme and the winding up of HDIV at the HDIV General Meetings and the Scheme becoming unconditional (including the Transfer Agreement becoming unconditional in all respects);
- the passing of the Resolution to approve the issue of the New Shares at the General Meeting and such Resolution becoming unconditional in all respects;
- the FCA agreeing to admit the New Shares to listing on the Official List and the London Stock Exchange agreeing to admit the New Shares to trading on its Main Market, subject only to allotment; and
- the Directors and the HDIV Directors resolving to proceed with the Scheme.

If any of these conditions are not satisfied by 31 March 2024, unless such date is extended by mutual agreement between the Company and HDIV, the Scheme will not become effective and no New Shares will be issued to HDIV Shareholders.

3. DETAILS OF THE ISSUE

New Shares are being issued to HDIV Shareholders in consideration for the transfer of the Rollover Pool to the Company in connection with the recommended proposals to combine the Company and HDIV pursuant to the Scheme. The Rollover Pool will consist of investments aligned with the Company's investment objective and policy as at the Effective Date, and cash and cash equivalents. Any cash in the Rollover Pool and any proceeds of the realisation of cash equivalents in the Rollover Pool will be used to acquire investments in accordance with the Company's investment policy.

The number of New Shares to be issued under the Scheme is not known at the date of this Prospectus as it will be calculated in accordance with the formula stated above as at the Calculation Date and will depend on the elections and deemed elections made under the Scheme. The number of New Shares to be issued will be announced through a RIS announcement as soon as practicable following the Calculation Date. The Issue is not being underwritten. The New Shares are denominated in pounds Sterling.

For illustrative purposes only, had the Calculation Date been market close on 7 December 2023, and assuming there are no Dissenting HDIV Shareholders, after deduction of the HDIV pre-liquidation interim dividend of 0.55 pence per HDIV Share and assuming 50 per cent. of the total HDIV Shares in issue are elected for the Cash Option, the Cash NAV per HDIV Share would have been 70.001574 pence and the HDIV FAV per Share would have been 70.916929 pence. The Cash NAV per HDIV Share and the HDIV FAV per Share may be compared with the HDIV Share price and cum-income HDIV NAV per HDIV Share as at 7 December 2023 which, when adjusted on a pro forma basis for the deduction of the pre-liquidation interim dividend of 0.55 pence per HDIV Share, were 66.850000 pence and 70.708661 pence, respectively.

For illustrative purposes only, and on the basis of the assumptions set out above, the HHI FAV per Share would have been 166.345569 pence, which for the Rollover Option, would have produced a conversion ratio of 0.426322 and, in aggregate, 38,810,802 New Shares would have been issued to HDIV Shareholders electing (or deemed to have elected) for the Rollover Option under the Scheme, representing approximately 23 per cent. of the issued ordinary Share capital of the Enlarged Company immediately following the completion of the Scheme. The Enlarged Company would also then have paid listing fees in relation to the listing of the New Shares equal to 0.082280 pence per Share, which would have resulted in a cum-income NAV per Share with debt at fair value of 164.995498 pence. This may be compared with the Company's Share price and cum-income NAV per Share (with debt at fair value and after deducting for the Company's fourth interim dividend in respect of the financial year to 31 December 2023 of 2.625 pence per Share) as at 7 December 2023 of 152.5 pence and 164.7 pence, respectively.

4. CONDITIONS OF THE ISSUE

The Issue is conditional upon:

- the passing of the HDIV Resolutions to approve the Scheme and the winding up of HDIV at the HDIV General Meetings and the Scheme becoming unconditional in all respects (including the Transfer Agreement becoming unconditional in all respects);
- the passing of the Resolution to approve the issue of the New Shares at the General Meeting and such Resolution becoming unconditional in all respects;
- the FCA agreeing to admit the New Shares to listing on the Official List and the London Stock Exchange agreeing to admit the New Shares to trading on its Main Market, subject only to allotment; and
- the Directors and the HDIV Directors resolving to proceed with the Scheme.

Unless the conditions referred to above have been satisfied or, to the extent permitted, waived by both the Company and HDIV on or before 31 March 2024, no part of the Proposals will become effective and the New Shares will not be issued.

5. DISSENTING HDIV SHAREHOLDERS

Provided that a HDIV Shareholder does not vote in favour of the HDIV Resolutions to be proposed at the First HDIV General Meeting, such HDIV Shareholder may, within seven days following the First HDIV General Meeting, express his or her dissent to the Liquidators in writing at HDIV's registered office and require the Liquidators to purchase the HDIV Shareholder's interest in HDIV. The Liquidators will offer to purchase the interests of the Dissenting HDIV Shareholders at the realisation value, this being an estimate of the amount a HDIV Shareholder would receive per HDIV Share in an ordinary winding up of HDIV if all of the assets of HDIV had to be realised and distributed to HDIV Shareholders after repayment of the liabilities of HDIV. The realisation value of a HDIV Share is expected to be below

the unaudited cum-income NAV per HDIV Share and the Liquidators will not purchase the interests of Dissenting HDIV Shareholders until all other liabilities of HDIV have been settled and HMRC has confirmed that it has no objections to the closure of the liquidation.

In order to purchase the interests of any Dissenting HDIV Shareholders, the HDIV Board, in consultation with the Liquidators, will appropriate an amount of the cash, undertaking and other assets of HDIV to the Liquidation Pool which it believes is sufficient to purchase the interests of such HDIV Shareholders. Save as otherwise provided in this paragraph 5, any HDIV Shares held by persons who validly exercise their rights to dissent under section 111(2) of the Insolvency Act shall be disregarded for the purposes of the Scheme and shall be treated as if those HDIV Shares were not in issue.

6. DILUTION

Unless they are also holders of HDIV Shares, Existing Shareholders are not able to participate in the Issue and will suffer a dilution to the percentage of the issued Share capital that their current holding of Shares represents based on the actual number of New Shares issued under the Scheme.

For illustrative purposes only, if 38,810,802 New Shares were to be issued under the Scheme (being the estimated number of New Shares that will be issued pursuant to the Issue, assuming that: (i) no HDIV Shareholders exercise their right to dissent from participation in the Scheme; (ii) 50 per cent. of the total HDIV Shares are elected, or deemed elected, for the Cash Option; and (iii) the ratio between the HHI FAV per Share and the HDIV FAV per Share is 0.426322 as outlined in paragraph 3 of this Part 4) then, based on the issued Share capital of the Company as at 7 December 2023, and assuming that: (i) an Existing Shareholder is not a HDIV Shareholder and is therefore not able to participate in the Issue; and (ii) there had been no change to the Company's issued Share capital prior to Admission, an Existing Shareholder holding 1.0 per cent. of the Company's issued Share capital as at 7 December 2023 would then hold 0.7684 per cent. of the Company's issued Share capital following the Issue.

7. COSTS AND EXPENSES OF THE PROPOSALS

Subject as noted below, if the Scheme is implemented, the Company and HDIV have each agreed to bear their own costs associated with the Proposals. Assuming 50 per cent. of the total HDIV Shares are elected, or are deemed to be elected, for the Cash Option, the fixed costs of the Proposals payable by the Company are expected to be approximately £461,300, inclusive of VAT which is assumed to be irrecoverable, where applicable. Such costs are expected to be offset by the JHFM Contribution (as detailed below). In addition, the Enlarged Company will incur listing fees in respect of the listing of the New Shares issued under the Scheme and any transaction costs, stamp duty or similar transaction taxes incurred by the Company for the acquisition of the Rollover Pool.

The Liquidators' Retention is estimated at £50,000 and will be retained by the Liquidators to meet any unknown or unascertained liabilities of HDIV. To the extent some or all of the Liquidators' Retention remains when the Liquidators decide to close the liquidation, this will be returned to HDIV Shareholders on the HDIV Register as at the Record Date, provided that if any such amount payable to any HDIV Shareholder is less than £5.00, it shall not be paid to the HDIV Shareholder but instead shall be paid by the Liquidators to the Nominated Charity.

Any costs of the realignment and/or realisation of the HDIV Portfolio prior to the Scheme becoming effective will be borne by HDIV. Any stamp duty, SDRT or other transaction tax, or investment costs incurred by the Company for the acquisition of the Rollover Pool or the deployment of the cash therein upon receipt will be borne by the Enlarged Company.

In the event that implementation of the Scheme does not proceed each party will bear its own costs, subject to the JHFM Contribution noted below.

The AIFM has agreed to make the JHFM Contribution in connection with the Scheme. The JHFM Contribution will be calculated as 1.25 per cent. of the Rollover Pool (excluding the benefit of any amount of JHFM Contribution), up to a maximum contribution of £1,100,000 and subject to a minimum contribution of £360,000. The JHFM Contribution will be allocated first to pay the Company's fixed costs, up to a cap of £550,000, with any balance of the JHFM Contribution allocated to pay HDIV's costs. In the event the Scheme does not proceed, the JHFM Contribution will cover the Company's fixed costs up to a cap of £360,000. For the avoidance of doubt, the JHFM Contribution will be reflected in the calculation of the HHI FAV per Share and the HDIV FAV per Share.

8. ADMISSION AND DEALINGS

Applications will be made by the Company to the FCA and to the London Stock Exchange for the New Shares to be admitted to listing on the premium segment of the Official List and to trading on the Main Market, respectively. If the Proposals become effective, it is expected that the New Shares will be admitted to the Official List, and dealings on the Main Market will commence, on 17 January 2024. The Company will notify HDIV Shareholders of the number of New Shares to which each HDIV Shareholder is entitled and the results of the Issue will be announced by the Company on or around 17 January 2024 via an RIS announcement.

The ISIN of the New Shares will be GB0009580571. The New Shares will be in registered form and may be held in either certificated or uncertificated form. HDIV Shareholders who elect, or are deemed to have elected, for the Rollover Option and who hold their relevant HDIV Shares in certificated form at the Record Date will receive their New Shares in certificated form and at their own risk. Temporary documents of title will not be issued. It is expected that certificates in respect of New Shares to be issued to such HDIV Shareholders will be despatched in the week commencing 22 January 2024.

HDIV Shareholders who elect, or are deemed to have elected, for the Rollover Option and who hold their relevant HDIV Shares in uncertificated form as at the Record Date will receive their New Shares in uncertificated form on 17 January 2024, although the Company reserves the right to issue such securities in certificated form. In normal circumstances, this right is only likely to be exercised by the Company in the event of an interruption, failure or breakdown of CREST or the facilities or system operated by the Company's Registrar in connection with CREST. The Company will procure that instructions are given to credit the appropriate stock accounts in the CREST system with the relevant entitlements to New Shares in uncertificated form.

Fractional entitlements to New Shares will not be issued under the Proposals and entitlements will be rounded down to the nearest whole number of New Shares. No cash payments will be made or returned in respect of any fractional entitlements which will be retained for the benefit of the Company.

9. OVERSEAS HDIV SHAREHOLDERS AND SANCTIONS RESTRICTED PERSONS

The terms of the Scheme, as they relate to Overseas HDIV Shareholders, may be affected by the laws of the relevant jurisdiction. Overseas HDIV Shareholders should inform themselves about, and observe, any applicable legal requirements.

It is the responsibility of Overseas HDIV Shareholders to satisfy themselves (and the Directors) as to the observance of the laws of the relevant jurisdiction in connection with the issue of New Shares, including the obtaining of any governmental or exchange control or other consents which may be required, the compliance with any other necessary formalities which need to be observed and the payment of any issue, transfer or other taxes or duties due in such jurisdiction.

Overseas HDIV Shareholders are entitled to participate in the Scheme. However, to the extent that the Company, and/or the Liquidators, acting reasonably, consider that any issue of New Shares to an Overseas HDIV Shareholder would or may involve a breach of the securities laws or regulations of any jurisdiction or may violate any applicable legal or regulatory requirements or may require the Company to become subject to additional regulatory requirements (to which it would not be subject but for such issue) and the Company and/or the Liquidators, as the case may be, have not been provided with evidence reasonably satisfactory to them that the relevant Overseas HDIV Shareholder is permitted to hold New Shares under any relevant securities laws or regulations of such overseas jurisdictions (or that the Company would not be subject to any additional regulatory requirements to which it would not be subject but for such issue), such Overseas HDIV Shareholder will be deemed to have elected for the Cash Option in respect of their entire holding.

Overseas HDIV Shareholders who are subject to taxation outside of the United Kingdom should consult their tax adviser as to the tax effect of the Proposals on them.

The relevant clearances have not been, and will not be, obtained from the securities commission of any province of Canada, Australia, Japan, New Zealand or the Republic of South Africa. No offer is being made, directly or indirectly, under the Scheme in or into by the use of mails, or by means of instrumentality (including, without limitation, facsimile, transmission, telex or telephone) of interstate or foreign commerce,

or of any facility in a national securities exchange, of the United States (subject to certain exceptions described herein), Australia, Canada, Japan, New Zealand or the Republic of South Africa.

Overseas HDIV Shareholders who wish to participate in the Issue should contact HDIV directly by no later than 5.00 p.m. on 4 January 2024 if they are able to demonstrate, to the satisfaction of the Directors, that they can be issued New Shares without breaching any relevant securities laws.

Overseas HDIV Shareholders will not receive a copy of this Prospectus unless they have satisfied the Directors that they are entitled to receive and hold New Shares without breaching any relevant securities laws and without the need for compliance on the part of the Company or HDIV with any overseas laws, regulations, filing requirements or the equivalent.

Sanctions Restricted Persons will not be entitled to receive a copy of this Prospectus in any circumstance.

Notice to US HDIV Shareholders

In connection with the Issue, New Shares are being offered or sold only: (i) outside the United States in “offshore transactions” to non-US Persons pursuant to Regulation S under the US Securities Act; and (ii) to persons that are both QIBs and Qualified Purchasers pursuant to an exemption from the registration requirements of the US Securities Act, and that, in the case of (ii), have executed a US Investor Representation Letter. A US HDIV Shareholder that does not complete and return a valid US Investor Representation Letter will be deemed to have elected for the Cash Option.

The Scheme is being implemented subject to United Kingdom disclosure requirements which are different from certain United States disclosure requirements. In addition, US HDIV Shareholders should be aware that this Prospectus has been prepared in accordance with a UK format and style, which differs from the US format and style. In particular, parts of this Prospectus contain information concerning the Scheme required by UK disclosure requirements which may be material and may not have been summarised elsewhere in this Prospectus. Furthermore, the Scheme will be subject to other procedural requirements, including with respect to withdrawal rights, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law.

US HDIV Shareholders should note that the New Shares are not, and will not be, listed on a US securities exchange and the Company is not subject to the periodic reporting requirements of the US Exchange Act and is not required to, and does not, file any reports with the SEC. The Scheme is not subject to the disclosure and other procedural requirements of Regulation 14D under the US Exchange Act.

It may be difficult for US HDIV Shareholders to enforce their rights and any claim arising out of the US federal securities laws, since the Company is located in a foreign country, and all of its officers and Directors are residents of a foreign country. US HDIV Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the US securities laws. Further, it may be difficult to compel a foreign company and its affiliates to subject themselves to a US court's judgement. Whether located in the United States or elsewhere, US HDIV Shareholders will receive any cash consideration in pounds Sterling.

The New Shares have not been, and will not be, registered under the US Securities Act, and the New Shares may not be offered, sold, pledged or otherwise transferred within the United States, or to or for the benefit of US Persons, except pursuant to an exemption from the registration requirements of the US Securities Act.

The Company is not, and does not intend to be, registered under the US Investment Company Act and investors in the New Shares are not, and will not be, entitled to the benefits of the US Investment Company Act. There has not been, and there will not be, any public offer of the New Shares in the United States.

There are significant restrictions on the resale of New Shares by persons that are located in the United States, that are US Persons, or who hold New Shares for the account or benefit of US Persons and on the resale of New Shares to any person who is located in the United States or to, or for the account or

benefit of, a US Person. If in the future the initial purchaser, as well as any subsequent holder, decides to offer, sell, transfer, assign or otherwise dispose of the New Shares, they may do so only: (i) outside the United States in an “offshore transaction” complying with the provisions of Regulation S under the US Securities Act to a person not known by the transferor to be a US Person, by prearrangement or otherwise; or (ii) to the Company or a subsidiary thereof.

10. TAXATION

The attention of HDIV Shareholders is drawn to the summary of tax matters set out in Part 6 (*UK Taxation*) of this Prospectus. HDIV Shareholders should seek tax advice from their own tax adviser about the taxation consequences of acquiring/receiving, holding or disposing of New Shares.

PART 5

FINANCIAL INFORMATION

1. INTRODUCTION

The financial information contained in the sections titled “*Historical Financial Information*”, “*Selected Financial Information*” and “*Operating and Financial Review*” of this Part has been extracted without material adjustment from: (i) the annual reports and audited financial statements of the Company for the financial years ended 31 December 2021 (the “**2021 Annual Report**”) and 31 December 2022 (the “**2022 Annual Report**”); and (ii) the report and unaudited interim financial statements of the Company for the six month periods ended 30 June 2022 (the “**2022 Interim Report**”) and 30 June 2023 (the “**2023 Interim Report**”).

The financial statements of the Company for the financial years ended 31 December 2021 and 31 December 2022 (the “*Financial Statements*”) were prepared under UK GAAP in accordance with FRS 102. The Financial Statements were audited by PwC whose report in each instance was unqualified and did not contain any statement under section 498(2) or (3) of the Companies Act. PwC is registered to carry on audit work in the UK and the Republic of Ireland by the Institute of Chartered Accountants in England and Wales.

Copies of the 2021 Annual Report, 2022 Annual Report, 2022 Interim Report and 2023 Interim Report are available for inspection on the Company’s website at <https://www.janushenderson.com/combination-with-henderson-diversified-income-trust-plc/>.

2. HISTORICAL FINANCIAL INFORMATION

Historical financial information relating to the Company on the matters referred to below is included in the published annual report and audited financial statements of the Company for the financial years ended 31 December 2021 and 31 December 2022, and in the report and unaudited interim financial statements of the Company for the six month periods ended 30 June 2022 and 30 June 2023 and is expressly incorporated by reference into this Prospectus. The non-incorporated parts of these reports of the Company are either not relevant to investors or covered elsewhere in this Prospectus.

Nature of information	2022 Annual Report Page No.	2021 Annual Report Page No.	2023 Interim Report (unaudited) Page No.	2022 Interim Report (unaudited) Page No.
Performance highlights	5-6	5-6	1	1
Independent auditor’s report	53-59	59-65	—	—
Income statement	60	66	8	10
Statement of changes in equity	61	67	9	11
Statement of financial position	62	68	10	12
Statement of cash flow	63	69	11	13
Notes to the financial statements	64-78	70-84	12-15	14-17

3. SELECTED FINANCIAL INFORMATION

The information regarding the Company in this paragraph 3 has been prepared by the Company and has been extracted directly from the historical financial information referred to in paragraph 1 above. Selected historical audited financial information relating to the Company which summarises the financial position of the Company for the two financial years ended 31 December 2021 and 31 December 2022, and selected unaudited financial information relating to the Company which summarises the financial position of the Company for the financial periods ended 30 June 2022 and 30 June 2023 is set out in the tables below.

Income statement for closed-end funds

Nature of Information	Year ended 31 December 2022			Year ended 31 December 2021			Six months ended 30 June 2023			Six months ended 30 June 2022		
	Revenue return (£'000)	Capital return (£'000)	Total (£'000)	Revenue return (£'000)	Capital return (£'000)	Total (£'000)	Revenue return (£'000)	Capital return (£'000)	Total (£'000)	Revenue return (£'000)	Capital return (£'000)	Total (£'000)
(Losses)/ gains on investments held at fair value through profit or loss	—	(22,469)	(22,469)	—	27,188	27,188	—	(420)	(420)	—	(25,159)	(25,159)
Income from investments held at fair value through profit or loss	14,632	—	14,632	13,470	—	13,470	8,415	—	8,415	8,203	—	8,203
Other interest receivable and similar income	307	—	307	98	—	98	275	—	275	176	—	176
Gross revenue and capital (losses)/gains	14,939	(22,469)	(7,530)	13,568	27,188	40,756	8,690	(420)	8,270	8,379	(25,159)	(16,780)
Management fee	(557)	(836)	(1,393)	(564)	(846)	(1,410)	(282)	(422)	(704)	(276)	(415)	(691)
Other administrative expenses	(498)	—	(498)	(460)	—	(460)	(227)	—	(227)	(232)	—	(232)
Net return before finance costs and taxation	13,884	(23,305)	(9,421)	12,544	26,342	38,886	8,181	(842)	7,339	7,871	(25,574)	(17,703)
Finance costs	(380)	(1,140)	(1,520)	(295)	(885)	(1,180)	(304)	(914)	(1,218)	(163)	(487)	(650)
Net return before taxation	13,504	(24,445)	(10,941)	12,249	25,457	37,706	7,877	(1,756)	6,121	7,708	(26,061)	(18,353)
Taxation on net return	(81)	—	(81)	(104)	(7)	(111)	(157)	—	(157)	(54)	—	(54)
Net return after taxation	13,423	(24,445)	(11,022)	12,145	25,450	37,595	7,720	(1,756)	5,964	7,654	(26,061)	(18,407)
Return/(loss) per ordinary share	10.37p	(18.89p)	(8.52p)	9.44p	19.79p	29.23p	5.94p	(1.35p)	4.59p	5.93p	(20.20p)	(14.27p)

Balance sheet for closed-end funds

Nature of Information	Year ended 31 December 2022	Year ended 31 December 2021	Six months ended 30 June 2023	Six months ended 30 June 2022
Shareholders' funds (£'000)	214,277	236,234	213,571	213,444
Net Asset Value (with debt at par value) per Share (basic and diluted) (p)	165.09	183.70	164.54	164.45

4. OPERATING AND FINANCIAL REVIEW

The 2021 Annual Report and 2022 Annual Report, and the 2022 Interim Report and 2023 Interim Report, included, on the pages specified in the table below, descriptions of the Company's financial condition (in both capital and revenue terms), changes in its financial condition and details of the Portfolio for the relevant period. These sections are expressly incorporated by reference into this Prospectus. The non-incorporated parts of those reports of the Company are either not relevant to investors or covered elsewhere in this Prospectus.

Nature of Information	2022 Annual Report Page No.	2021 Annual Report Page No.	2023 Interim Report (unaudited) Page No.	2022 Interim Report (unaudited) Page No.
Chairman's statement	8-9	8-10	2	3-4
Manager's report	11-14	12-15	3	5
Investment portfolio	16-18	17-19	4-5	6-7

5. SIGNIFICANT CHANGE

Since 30 June 2023 (being the end of the most recent financial period of the Company for which unaudited financial information has been published), there has been no significant change in the financial position of the Company.

6. CAPITALISATION AND INDEBTEDNESS

The following table sets out the capitalisation and indebtedness of the Company (distinguishing between guaranteed and unguaranteed, and secured and unsecured indebtedness) as at 30 November 2023:

	(£'000)
Total current debt	
– Guaranteed	—
– Secured	—
– Unguaranteed/unsecured	33,091
	33,091
Total non-current debt (excluding current portion of non-current debt)	
– Guaranteed	—
– Secured	—
– Unguaranteed/unsecured	19,866
	19,866
Shareholder equity	
– Called-up Share capital	6,490
– Share premium	128,827
– Capital redemption reserve	26,302
Total	161,619

The information in the table above is unaudited financial information extracted from internal management accounting records as at 30 November 2023.

The following table shows the Company's total financial indebtedness as at 30 November 2023. The information in the following table is unaudited financial information extracted from internal management accounting records as at 30 November 2023.

	£'000
A. Cash	3,421
B. Cash equivalent	—
C. Other current financial assets	—
D. Liquidity (A+B+C)	3,421
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	33,091
F. Current portion of non-current financial debt	—
G. Current financial indebtedness (E+F)	33,091
H. Net current financial indebtedness (G-D)	29,670
I. Non-current financial debt (excluding current portion and debt instruments)	—
J. Debt instruments	19,866
K. Non-current trade and other payables	—
L. Non-current financial indebtedness (I+J+K)	19,866
M. Total financial indebtedness (H+L)	49,536

Contingent indebtedness not recognised in the Capitalisation and Indebtedness Table

As at 30 November 2023, the Company had no indirect or contingent indebtedness.

7. WORKING CAPITAL

The Company is of the opinion that the working capital available to the Company is sufficient for the Company's present requirements (that is, for at least the next 12 months from the date of this Prospectus).

8. NET ASSET VALUE PER SHARE

The unaudited Net Asset Value per Share with debt at fair value as at 7 December 2023 was 164.7 pence and the unaudited Net Asset Value per Share with debt at par value as at 7 December 2023 was 163.0 pence, in each case after deducting for the Company's fourth interim dividend in respect of the financial year to 31 December 2023 of 2.625 pence per Share.

PART 6

UK TAXATION

1. GENERAL

The information below, which relates only to the UK and is applicable to the Company and (except in so far as express reference is made to the treatment of other persons) to persons who are resident in the UK for taxation purposes and who hold Shares as an investment, is based on current UK taxation law and HMRC published practice, respectively, which law or practice is, in principle, subject to any subsequent changes therein (potentially with retrospective effect). It is not intended to be, nor should it be construed to be, legal or tax advice. Certain Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring/receiving their Shares in connection with their employment may be taxed differently and are not considered. The tax consequences for each Shareholder of investing in the Company may depend upon the Shareholder's own tax position and upon the relevant laws of any jurisdiction to which the Shareholder is subject. The tax legislation of each investor's home country and of the Company's country of incorporation may have an impact on the income received from the Shares.

In particular, the information below does not address the US federal income tax considerations applicable to an investment in the New Shares. Each prospective investor should consult its own tax advisers regarding the US federal income tax consequences of any such investment.

All tax rates and allowances refer to those in force in the UK fiscal year 2023/24. Tax rates and allowances may change in subsequent years.

If you are in any doubt about your tax position, you should consult your tax adviser.

2. THE COMPANY

The Company is an investment trust under section 1158 of the Corporation Tax Act. The Board has conducted the affairs of the Company, and intends to conduct the affairs of the Company in the future, so as to enable it to satisfy the conditions necessary for it to continue to be eligible as an investment trust under sections 1158 and 1159 of Chapter 4 of Part 24 of the Corporation Tax Act and the Investment Trust Tax Regulations. However, neither the AIFM nor the Directors can provide assurance that this eligibility will be maintained. One of the conditions for a company to qualify as an investment trust is that it is not a "close company" for UK tax purposes. The Directors consider that the Company is not a close company as at the date of this Prospectus and should not be immediately following Admission.

In respect of each accounting period for which the Company is approved by HMRC as an investment trust, the Company will be exempt from UK taxation on its chargeable gains.

The Company will, however, (subject to the following) be liable to pay UK corporation tax on its income in the normal way. Income and gains arising from overseas investments may be subject to foreign withholding taxes (or foreign capital gains taxes) at varying rates, but double taxation relief may be available. The Company should in practice be exempt from UK corporation tax on dividend income received, provided that such dividends (whether from UK or non-UK companies) fall within one of the "exempt classes" in Part 9A of the Corporation Tax Act 2009.

An investment trust approved under section 1158 and 1159 of Chapter 4 of Part 24 of the Corporation Tax Act is able to elect to take advantage of modified UK tax treatment in respect of its "qualifying interest income" for an accounting period (referred to here as the "streaming" regime). The Company may, if it so chooses, designate as an "interest distribution" all or part of the amount it distributes to Shareholders as dividends out of distributable profits realised in the accounting period, to the extent that it has "qualifying interest income" for that accounting period. Were the Company to designate any dividend it pays in this manner, it should be able to deduct such interest distributions from its taxable income in calculating its taxable profit for the relevant accounting period.

3. SHAREHOLDERS

3.1. Taxation of capital gains

A disposal of Shares (including a disposal on a winding up of the Company) by an individual Shareholder who is resident in the UK for tax purposes, or a disposal by a non-UK resident individual who carries on a trade in the UK through a branch, agency or permanent establishment in connection with which their investment in the Company is used, held or acquired, may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains, depending on the individual Shareholder's circumstances and subject to any available exemption or relief.

UK-resident and domiciled individual Shareholders have an annual exemption (the "**Annual Exempt Amount**"), such that UK capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The Annual Exempt Amount is £6,000 for the tax year 2023/24. For such individual Shareholders, UK capital gains tax will be chargeable on a disposal of Shares at the applicable rate (currently 10 per cent. (to the extent that the gains fall within a taxpayer's basic rate band after income has been accounted for), or 20 per cent. (to the extent that the gains fall within a taxpayer's higher or additional rate bands)). For Scottish taxpayers, references to income tax that would otherwise be charged at the basic rate, higher rate and additional rate are to be read as if the individual was not a Scottish taxpayer. Shareholders should note that changes to income tax rates and bands came into force in England and Wales on 6 April 2023. Taxable income of up to £50,270 is charged at a basic rate of 20 per cent., taxable income in the £50,271 to £125,140 bracket is charged at a higher rate of 40 per cent. and taxable income over £125,140 is charged at an additional rate of 45 per cent. This is subject to a personal allowance of up to £12,570 for taxable income under £125,140. For completeness, Scottish taxpayers would be subject to the same income tax rates and bands that are in force in England and Wales on non-earned income and capital gains.

Generally, an individual Shareholder who has ceased to be resident in the UK for tax purposes for a period of five years or less and who disposes of Shares during that period may be liable, on their return to the UK, to UK taxation on any chargeable gain realised (subject to any available exemption or relief) under anti-avoidance legislation relating to temporary non-residents. Special rules apply to individual Shareholders who are subject to tax on a "split-year" basis, and they should seek specific tax advice if they are in any doubt about their position.

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to UK corporation tax at the rate of UK corporation tax applicable to that Shareholder (currently at a main rate of 25 per cent. for those companies with profits over £250,000 and at a small profits rate of 19 per cent. for those companies with profits under £50,000, with marginal relief available for companies with profits between £50,000 and £250,000 (inclusive)) on chargeable gains arising on a disposal of their Shares.

Individual and corporate Shareholders who are neither resident in the UK, nor temporarily non-resident for the purposes of the anti-avoidance legislation referred to above, and who do not carry on a trade in the UK through a branch, agency or permanent establishment with which their investment in the Company is connected, should not be subject to United Kingdom taxation on chargeable gains on a disposal of their Shares; although, such Shareholders may be subject to taxation in their own jurisdiction.

3.2. Taxation of dividends

Individuals

The following statements summarise the expected UK tax treatment for individual Shareholders who receive dividends from the Company. The statements in the following three paragraphs apply in respect of dividends to which the "streaming" regime does not apply.

UK resident individuals are entitled to a nil rate of income tax on the first £1,000 of dividend income for the tax year 2023/24 (the "**Nil Rate Amount**"). Any dividend income received by a UK resident individual Shareholder in respect of the Shares in excess of the Nil Rate Amount will be subject to income tax at a rate of 8.75 per cent. where such a Shareholder is a basic rate taxpayer; 33.75 per cent. where such a Shareholder is a higher rate taxpayer; and 39.35 per cent. where such a Shareholder is an additional rate taxpayer. For Scottish taxpayers, references to income tax that would otherwise be charged at the basic rate, higher rate and additional rate are to be read as if the individual was not a Scottish taxpayer. Shareholders should note that changes to income tax rates and bands came into

force in England and Wales on 6 April 2023. Taxable income of up to £50,270 is charged at a basic rate of 20 per cent., taxable income in the £50,271 to £125,140 bracket is charged at a higher rate of 40 per cent. and taxable income over £125,140 is charged at an additional rate of 45 per cent. This is subject to a personal allowance of up to £12,570 for taxable income under £125,140. For completeness, Scottish taxpayers would be subject to the same income tax rates and bands that are in force in England and Wales on non-earned income and capital gains.

Dividend income that is within the Nil Rate Amount counts towards an individual's basic or higher rate limits, and will therefore affect the level of savings allowance to which they are entitled, and the rate of tax that is due on any dividend income in excess of the Nil Rate Amount. In calculating which tax band any dividend income over the Nil Rate Amount falls into, savings and dividend income are treated as the highest part of an individual's income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

The Company will not be required to withhold tax at source when paying a dividend to individuals (including such part of any dividend as may be designated an interest distribution as described above).

To the extent that an election is made by the Company to designate part or all of its dividends as an interest distribution in respect of an accounting period under the "streaming" regime, then the corresponding dividends paid by the Company will be taxed as interest income in the hands of UK resident individual shareholders. To the extent the Shareholder is within the basic rate band, interest received in excess of the savings allowance of £1,000 will be taxed at 20 per cent. To the extent the Shareholder is within the higher rate band, interest received in excess of the savings allowance of £500 will be taxed at 40 per cent. To the extent the Shareholder is within the additional rate band, interest received will be taxed at 45 per cent. The tax free savings income is not available for additional rate taxpayers. For Scottish taxpayers, references to income tax that would otherwise be charged at the basic rate, higher rate and additional rate are to be read as if the individual was not a Scottish taxpayer. For completeness, Scottish taxpayers would be subject to the same income tax rates and bands that are in force in England and Wales on non-earned income and capital gains.

Corporations

The statements in the following four paragraphs apply in respect of dividends to which the "streaming" regime does not apply.

A corporate Shareholder who is tax resident in the UK or carries on a trade in the UK through a permanent establishment in connection with which its Shares are held will be subject to UK corporation tax on the gross amount of any dividends paid by the Company, unless the dividend falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009.

It is anticipated that dividends paid on the Shares held by UK tax resident corporate Shareholders would generally (subject to anti-avoidance rules) fall within one of those exempt classes. However, such Shareholders are advised to consult their tax advisers to determine whether such dividends will be subject to UK corporation tax. If the dividends do not fall within any of the exempt classes, the dividends will be subject to UK corporation tax currently at a main rate of 25 per cent. for those companies with profits over £250,000 and at a small profits rate of 19 per cent. for those companies with profits under £50,000, with marginal relief available for companies with profits between £50,000 and £250,000 (inclusive).

To the extent that an election is made by the Company to designate part or all of its dividends as an interest distribution in respect of an accounting period under the "streaming" regime, then the corresponding dividends paid by the Company will be taxed according to the loan relationship rules in the hands of UK resident corporate Shareholders and subject to UK corporation tax currently at a main rate of 25 per cent. for those companies with profits over £250,000 and at a small profits rate of 19 per cent. for those companies with profits under £50,000, with marginal relief available for companies with profits between £50,000 and £250,000 (inclusive).

The Company will not be required to withhold tax at source when paying a dividend to corporations (including such part of any dividend as may be designated an interest distribution as described above).

4. STAMP DUTY AND SDRT

4.1. Issue of New Shares pursuant to the Issue

The issue of New Shares pursuant to the Issue should not give rise to any stamp duty or SDRT.

4.2. Subsequent transfers

Subsequent transfers of New Shares held in certificated form will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the amount or value of the consideration given for the transfer (rounded up to the nearest £5.00). However, an exemption from stamp duty will be available on an instrument transferring New Shares where the amount or value of the consideration is £1,000 or less and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. The purchaser normally pays the stamp duty.

An unconditional agreement to transfer New Shares will normally give rise to a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. However, if a duly stamped or exempt instrument of transfer in respect of the agreement is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional) any SDRT paid is repayable, with interest where the amount is in excess of £25.00, and otherwise the SDRT charge is cancelled. SDRT is, in general, payable by the purchaser.

Paperless transfers of New Shares within the CREST system will generally be liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system (but in practice the cost will be passed on to the purchaser). Deposits of New Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration in the form of money or money's worth.

In certain circumstances, the transfer of New Shares will be chargeable to stamp duty or SDRT on the value of the New Shares transferred, rather than the amount or value of the consideration given.

5. ISAs

Shares acquired by a UK resident individual Shareholder may be eligible to be held in a stocks and shares ISA, subject to applicable annual subscription limits (£20,000 in the tax year 2023/24). Investments held in ISAs are, under current legislation, free of UK tax on both capital gains and income. The opportunity to invest in shares through an ISA is restricted to certain UK resident individuals aged 18 or over. Junior ISAs are available to children under the age of 18 who are resident in the UK subject to the annual allowance of £9,000 for the 2023/24 tax year.

Individuals wishing to invest in New Shares through an ISA should contact their professional advisers regarding their eligibility.

6. INFORMATION REPORTING

The UK has entered into a number of international arrangements which provide for the exchange of information in order to combat tax evasion and improve tax compliance. These include, but are not limited to, FATCA, CRS, the EU Directive on Administrative Cooperation in Tax Matters, and a number of other arrangements with particular jurisdictions.

In connection with such international agreements and obligations (and UK regulations implementing the same) the Company may, amongst other things, be required to collect and report to HMRC certain information regarding Shareholders and other account holders of the Company and HMRC may pass this information on to tax authorities in other jurisdictions in accordance with such UK regulations and relevant international agreements and obligations.

7. PREVENTION OF THE CRIMINAL FACILITATION OF TAX EVASION

Two United Kingdom corporate criminal offences for failure to prevent the facilitation of tax evasion (referred to generally as “FTP offences”) created by the Criminal Finances Act 2017 impose criminal liability on a company or a partnership (referred to here as a “relevant body”) if it fails to prevent the criminal facilitation of tax evasion by a person “when acting in the capacity of a person associated” with the relevant body. There is a defence to the charge if the relevant body can show that it had in place reasonable “prevention procedures” at the time the facilitation took place. In order to comply with the Criminal Finances Act 2017, the Company, the AIFM and the Investment Manager may require additional information from Shareholders or prospective investors in the Company regarding their tax affairs.

PART 7

GENERAL INFORMATION

1. THE COMPANY

- 1.1. The Company was incorporated in England and Wales on 13 September 1989 with registered number 02422514 as a public company limited by shares under the Companies Act 1985. The Company is registered as an investment company under section 833 of the Companies Act. The Company's LEI is 213800OEXAGFSF7Y6G11.
- 1.2. The Company does not have a fixed life, but Shareholders are given the opportunity to vote on the continuation of the Company at every fifth Annual General Meeting (the "**Continuation Vote**"), with the next Continuation Vote to be put forward at the Annual General Meeting in 2025.
- 1.3. As a listed investment trust, the Company is not regulated as a collective investment scheme by the FCA. However, as a company with its shares admitted to listing on the premium segment of the Official List and to trading on the Main Market, it is subject to the Prospectus Regulation Rules, the Listing Rules, the Disclosure Guidance and Transparency Rules, the Takeover Code, UK MAR and the rules of the London Stock Exchange. The Company is domiciled in England. The Company is an alternative investment fund pursuant to the UK AIFMD Laws. The principal legislation under which the Company operates is the Companies Act and the regulations made thereunder.
- 1.4. The address of the registered office and principal place of business of the Company is 201 Bishopsgate, London EC2M 3AE, with freephone telephone number: 020 7818 1818.
- 1.5. The Company's accounting period ends on 31 December each year. The Company's latest financial statements for the year ended 31 December 2022 were published on 30 March 2023 and the Company's latest unaudited financial statements for the six months ended 30 June 2023 were published on 13 September 2023.
- 1.6. The Company has no employees and its day-to-day activities are delegated to third parties.
- 1.7. The Company intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act and the Investment Trust (Approved Company) (Tax) Regulations 2011. In summary, the key conditions that must be met for approval by HMRC for any given accounting period as an investment trust are that:
 - 1.7.1. all, or substantially all, of the business of the Company is investing its funds in shares, land or other assets (being shares in the case of the Company) with the aim of spreading investment risk and giving members the benefit of the results of the management of its funds;
 - 1.7.2. the Company is not a close company at any time during the accounting period for which approval is sought;
 - 1.7.3. the Company is resident in the UK throughout that accounting period;
 - 1.7.4. the Company's ordinary Share capital is admitted to trading on a regulated market (as defined in FSMA) throughout the accounting period;
 - 1.7.5. the Company is not a venture capital trust or a real estate investment trust; and
 - 1.7.6. the Company must not retain in respect of the accounting period an amount greater than the higher of: (i) 15 per cent. of its income for the period; and (ii) the amount of any income which the Company is required to retain in respect of the period by virtue of a restriction imposed by law. However, where the Company has relevant accumulated losses brought forward from previous accounting periods of an amount equal to or greater than the higher of the amounts mentioned in (i) and (ii) above, the Company may retain an amount equal to the amount of such losses.

2. THE AIFM AND THE INVESTMENT MANAGER

- 2.1. Janus Henderson Fund Management UK Limited, a private limited company incorporated and registered in England and Wales under the Companies Act 1985 with registered number 02678531, is the Company's AIFM. The AIFM is authorised and regulated by the FCA. The registered office of the AIFM is at 201 Bishopsgate, London EC2M 3AE and its telephone number is 020 7818 1818.
- 2.2. Janus Henderson Investors UK Limited, a private limited company incorporated and registered in England and Wales under the Companies Act 1948 with registered number 00906355 is the Company's Investment Manager. The registered office of the Investment Manager is at 201 Bishopsgate, London EC2M 3AE.
- 2.3. Both JHFM and Janus Henderson are authorised and regulated by the FCA.

3. THE DEPOSITARY

HSBC Bank plc has been appointed as depositary of the Company pursuant to the Depositary Agreement (further details of which are set out in paragraph 13.2 of this Part 7 below). The Depositary is a public limited company incorporated in England and Wales under the Companies Acts 1862 to 1879 with company number 00014259. It is authorised by the PRA and regulated by the FCA and the PRA. The address of the registered office of the Depositary is at 8 Canada Square, London E14 5HQ and its telephone number is +44(0) 20 7991 8888. The Depositary's LEI is MP6I5ZYZBEU3UXPYFY54.

4. SHARE CAPITAL

- 4.1. The ISIN of the Shares is GB0009580571, the SEDOL of the Shares is 0958057 and the ticker symbol is HHL.
- 4.2. As at 7 December 2023 the issued and fully paid Share capital of the Company (excluding Shares held in treasury) consisted of:

	Nominal value (£)	Number
Shares	6,489,813.9	129,796,278

- 4.3. As at 7 December 2023 the Company held no Shares in treasury. The Shares are admitted to listing on the premium segment of the Official List and to trading on the Main Market. The Company has no authorised Share capital.

- 4.4. *For illustrative purposes only*, had the Calculation Date been market close on 7 December 2023, and assuming that 38,810,802 New Shares are issued (such number being based on the illustration provided in paragraph 2.3 of Part 4 (*Details of the Scheme and the Issue*) of this Prospectus), the issued and fully paid Share capital of the Company immediately following the Issue (excluding Shares held in treasury) would have been as follows:

	Nominal value (£)	Number
Shares	8,430,354	168,607,080

- 4.5. In addition to the ordinary business of the Company, resolutions were passed at the AGM held on 16 May 2023 as follows:

- 4.5.1. in substitution for any existing authority, the Directors were generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot relevant securities (within the meaning of section 551 of the Companies Act) in the capital of the Company up to an aggregate nominal amount of £648,981 (or such amount being equivalent to 10 per cent. of the Company's issued ordinary Share capital, excluding treasury Shares, as at 16 May 2023) for a period expiring (unless previously renewed, varied or revoked by the Company in a general meeting) on the earlier of the date falling 15 months from 16 May 2023 or on the conclusion of the Annual General Meeting held in 2024, save that the Directors may make an offer or agreement that would or might require relevant securities to be allotted after the expiry of such authority and the Directors may allot relevant securities in pursuance of such an offer or agreement as if such authority had not expired;

4.5.2. in substitution for all existing authorities, the Directors were generally empowered (pursuant to section 570 of the Companies Act) to allot Shares for cash pursuant to the authority referred to in paragraph 4.5.1 above, or to sell treasury shares for cash as if section 561(1) of the Companies Act did not apply to any such allotment or sale provided that this authority shall be limited:

- (a) to the allotment or sale of equity securities whether by way of a rights issue, open offer or otherwise to Shareholders and/or holders of any other securities in accordance with the rights of those securities where the equity securities respectively attributable to the interests of all Shareholders and/or such holders are proportionate (or as nearly as may be) to the respective numbers of Shares and such equity securities held by them (or are otherwise allotted in accordance with the rights attaching to such equity securities), subject in either case to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or local or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange in any territory or otherwise howsoever;
- (b) to the allotment or sale (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to a maximum aggregate nominal value of £648,981 (or such amount being equivalent to 10 per cent. of the Company's issued ordinary Share capital, excluding treasury Shares, as at 16 May 2023); and
- (c) to the allotment or sale of equity securities at a price not less than the Net Asset Value per Share,

and shall expire on the earlier of the date falling 15 months from 16 May 2023 or on the conclusion of the Annual General Meeting held in 2024, save that the Directors may before such expiry make an offer or agreement that would or might require equity securities to be allotted or sold after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if such authority had not expired.

4.5.3. in substitution for all existing authorities, the Company was generally and unconditionally authorised, in accordance with section 701 of the Companies Act to make market purchases (within the meaning of section 693(4) of the Companies Act) of Shares on such terms and in such manner as the Directors may from time to time determine, provided that:

- (a) the maximum aggregate number of Shares which may be purchased is 14.99 per cent. of the Company's issued Share capital as at 16 May 2023;
- (b) the maximum price (exclusive of expenses) that may be paid for a Share shall not exceed the higher of: (i) five per cent. above the average market price of a Share on the London Stock Exchange for the five Business Days immediately preceding the date of purchase; and (ii) the amount being the higher price of the last independent trade and the highest current independent bid on the London Stock Exchange for a Share in the Company;
- (c) the minimum price (exclusive of expenses) which may be paid for a Share is 5 pence, being the nominal value per Share;
- (d) such authority shall expire on the earlier of the date falling 15 months from 16 May 2023 or on the conclusion of the Annual General Meeting held in 2024 (unless such authority is previously renewed, varied or revoked by the Company in a general meeting);
- (e) the Company may make a contract to purchase Shares under such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Shares pursuant to any such contract; and

- (f) any Shares so purchased shall be cancelled or, if the Directors so determine be held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Companies Act.
- 4.6. At the General Meeting, the Directors will seek Shareholder authority generally and unconditionally, pursuant to section 551 of the Companies Act, to allot New Shares and to grant rights to subscribe for or to convert any securities into New Shares up to an aggregate nominal amount of £6,250,000 in connection with the Issue (such authority to expire on 31 March 2024). Such authority will be in addition to the authority referred to in paragraph 4.5.1 above.
- 4.7. The provisions of section 561 of the Companies Act which, to the extent not disapplied pursuant to section 570 or section 573 of the Companies Act, confer on Shareholders rights of pre-emption in respect of the allotment or sale of equity securities for cash, shall apply to any unissued Share capital of the Company, except to the extent disapplied by the authority referred to in paragraph 4.5.2 above.
- 4.8. The Directors are entitled to exercise all powers of the Company to issue Shares in the Company under the Articles on a non pre-emptive basis and are expected to resolve to do so prior to the Admission in respect of the New Shares to be issued pursuant to the Issue.
- 4.9. As at 7 December 2023, being the latest practicable date prior to the publication of this Prospectus:
 - 4.9.1. no subscriptions, issues or options are to be given by the Company, or are already existing, in respect of any securities of the Company, including any that have a prior right over the Shares to a distribution of the profits or assets of the Company;
 - 4.9.2. no shares which do not represent capital have been issued by the Company and remain outstanding;
 - 4.9.3. no convertible securities, exchangeable securities or securities with warrants have been issued by the Company and remain outstanding; and
 - 4.9.4. save in connection with the Issue, there are no acquisition rights and/or obligations over any of the Company's authorised but unissued capital and no undertakings to increase the Company's capital.
- 4.10. As at 7 December 2023 there have been no public takeover bids in respect of the Company's equity, since the financial year ended 31 December 2022.

5. REDEMPTIONS AT THE OPTION OF SHAREHOLDERS

There is no right or entitlement attaching to the Shares that allows them to be redeemed or repurchased by the Company at the option of the Shareholder.

6. ARTICLES OF ASSOCIATION

Below is a summary of the provisions in the Articles relating to the rights attached to the Shares, including any limitation of those rights and procedures for the exercise of those rights.

6.1. *Variation of rights*

Subject to the provisions of the Companies Act, all or any of the rights attached to any existing class of shares (whether or not the Company is being wound up) may be varied either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.

At every such separate general meeting the necessary quorum shall be two persons entitled to vote and holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question (excluding any shares of that class held as treasury shares), except that at any adjourned meeting any holder of shares of the class present in person or by proxy (whatever the number of shares held be him/her) shall be a quorum. At such separate general

meeting, any holder of shares of the class present in person or by proxy and entitled to vote may demand a poll. The foregoing provisions shall apply to the variation of any special rights which only attach to some of the shares of any class as if each group of shares of the class differently treated formed a separate class and their special rights were to be varied.

6.2. *Alteration of Share capital*

Any resolution authorising the Company to sub-divide its shares or any of them may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared with the others.

Whenever as a result of a consolidation, consolidation and sub-division or sub-division of shares, any holders of the Company's shares would become entitled to fractions of a share, the Board may deal with the fractions as it thinks fit, including by aggregating and selling them or by dealing with them in some other way. For the purposes of effecting any such sale, the Board may arrange for the shares representing the fractions to be entered in the Register as certificated shares. The Board may sell shares representing fractions to any person, including the Company, and may authorise any person to transfer or deliver the shares to, or in accordance with the directions of, the purchaser. The person to whom any shares are transferred or delivered shall not be bound to see to the application of the purchase money nor shall his/her title to the shares be affected by any irregularity in, or invalidity of, the proceedings relating to the sale.

6.3. *Issue of shares*

Subject to the Companies Act, the provisions of the Articles and to any resolution passed by the Company and without prejudice to any rights attached to existing shares, the Board may offer, allot, grant options over or otherwise deal with or dispose of shares in the Company to such persons, at such times and for such consideration and upon such terms as the Board may decide.

6.4. *Dividends*

The Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board. No dividend shall be payable except out of the profits of the Company and otherwise in accordance with the provisions of the Companies Act. The determination of the Board as to the amount of profits in the Company at any time available for distribution by way of dividend shall be conclusive.

Subject to the provisions of the Companies Act, the Board may pay interim dividends, or dividends payable at a fixed rate, if it appears to it that they are justified by the financial position of the Company. If the Board acts in good faith, it shall not incur any liability to the holders of any shares for any loss they may suffer in consequence of the payment of an interim or fixed dividend on any other class of shares ranking *pari passu* with or after those shares.

Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide: (i) all dividends shall be declared and paid according to the amounts paid up on the share in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated as paid up on the share; (ii) all dividends shall be apportioned and paid *pro rata* according to the amounts paid up on the share during any portion or portions of the period in respect of which the dividend is paid; and (iii) dividends may be declared or paid in any currency.

6.5. *Reserves*

The Board shall carry to the credit of the capital reserves from time to time all capital appreciations arising on the sale, transposition, payment off or realisation of any investment or other capital asset of the Company in excess of the book value thereof and all other capital profits and unrealised appreciation of investments or other assets representing or in the nature of accretion to capital assets. Any losses realised on the sale, payment off or realisation of any investments or other capital assets any depreciation in the value of capital assets shall be carried to the debit of the capital reserve except in so far as the Board may in its discretion decide to make good the same out of other funds of the Company.

Any surplus or profit realised or realisable after deducting any relevant expenses and relevant taxation on the disposal of an investment shall not be deemed to be income but shall be treated as an accretion to capital to be dealt with in accordance with the above.

Any receipts of a capital nature, accretions to capital, anything received by the company by way of reduction or other return of capital or share premium account or by way of capitalisation of reserves of any company in which the company holds securities or sums appropriate shall be dealt with in accordance with the above.

The Board may, subject to applicable legislation and practice, determine whether any amount received by the Company is to be dealt with as income or capital or partly one and partly the other. The Board may also, subject to applicable legislation and practice, determine whether any cost or expense (including any costs incurred or sums expended in connection with the management of the assets of the Company) is to be treated as a cost or expense of a capital or of a revenue nature or partly one and partly the other and to the extent the Board determines that any such cost or expense is to be treated as of a capital nature the Board may debit the same to the capital reserve.

The sum of any reserve or reserves shall, at the discretion of the Board be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

The Board may, before recommending any dividend, whether preferential or otherwise, carry to reserve out of the profits of the Company (including any premiums received upon the issue of debentures or other securities of the Company but excluding any profits arising on the sale, transposition, payment off or realisation of any investment or other capital asset of the Company in excess of the book value thereof and all other capital profits and unrealised appreciation of investments or other assets representing or in the nature of accretion to capital assets) such sums as they think proper as a reserve or reserves.

All sums carried and standing to the capital reserve may be applied for any of the purposes to which sums standing to any reserve in accordance with the above paragraph are applicable, except and provided that no part of the capital reserve or any other moneys in the nature of accretion of capital will in any event be transferred to revenue account.

6.6. *Voting rights*

Subject to any special terms as to voting upon which any shares may be issued or may at the relevant time be held and to any other provisions of the Articles, members shall be entitled to vote at a general meeting whether on a show of hands or on a poll as provided in the Companies Act. For this purpose, where a proxy is given discretion as to how to vote (both on a show of hands and on a poll), this shall be treated as an instruction by the relevant member to vote in the way in which the proxy elects to exercise that discretion.

No member shall, unless the Board otherwise decides, be entitled in respect of any share held by the member to attend or vote (either personally or by proxy) at any general meeting of the Company or upon a poll or to exercise any other right conferred by membership in relation to general meetings or polls unless all calls or other sums presently payable by the member in respect of that share have been paid.

6.7. *Transfer of shares*

A share in certificated form may be transferred by an instrument of transfer, which may be in any usual form or in any other form approved by the Board, executed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee. A share in uncertificated form may be transferred by means of the relevant electronic system concerned. The transferor of a share shall be deemed to remain the holder of that share until the name of the transferee is entered into the Register in respect of it.

The Board can decline to register any transfer of any share which is not a fully paid share.

In addition, the Board may refuse to register a transfer of certified shares unless: (i) the instrument of transfer is duly stamped or duly certified or otherwise shown to the satisfaction of the Board to be exempt from stamp duty and is left at the registered office of the Company or such other place as the Board may from time to time determine accompanied (save in the case of a transfer by a person to whom the Company is not required by law to issue a certificate and to whom a certificate has not been issued) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the person signing the instrument of transfer to make the transfer and, if the instrument of transfer is signed by some other person on his behalf, the authority of that person so to do; (ii) the instrument of transfer is in respect of only one class of share; and (iii) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four.

The Board may decline to register a transfer of an uncertificated share in the circumstances set out in the CREST Regulations or the rules of the relevant electronic system concerned, and where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four.

For all purposes of the Articles relating to the registration of transfers of shares, the renunciation of the allotment of any shares by the allottee in favour of some other person shall be deemed to be a transfer and the Board shall have the same powers of refusing to give effect to such a renunciation as if it were a transfer.

No fee shall be charged by the Company for registering any transfer, document or instruction relating to or affecting the title to any share or for making any other entry in the Register.

6.8. *Distribution of assets on a winding up*

After the payment of all debts and satisfaction of the Company's other liabilities and after satisfying the entitlements of all other classes of share in the Company for the time being, the Shareholders shall be entitled to receive by way of capital any surplus assets of the Company in proportion to their holdings.

6.9. *Restrictions on rights: failure to respond to a section 793 notice*

Where the holder of any shares in the Company, or any other person appearing to be interested in those shares, fails to comply within the relevant period with a statutory notice served by the Company in respect of those shares or, in purported compliance with a statutory notice, has made a statement which is false or inadequate in a material particular, the Company may impose restrictions on those shares, including the suspension of the right to attend or vote (whether in person or by representative or proxy) at any general meeting or any separate meeting of the holders of any class or on any poll and, where those shares represent at least 0.25 per cent. of their class (excluding treasury shares), the withholding of any dividend payable in respect of those shares and Board refusal to register a transfer of the shares or any of them unless such a transfer is pursuant to an arm's length sale.

6.10. *Untraced Shareholders*

Subject to various notice requirements, the Company may sell any of a Shareholder's shares if, during a period of 12 years at least three dividends on such shares have become payable and no cheque for amounts payable in respect of such shares has been presented and no warrant has been effected and no communication has been received by the Company from the Shareholder or person concerned.

6.11. *General meetings*

A general meeting shall be convened by at least such minimum period of notice as is required or permitted by the Companies Act. The Company may give such notice by any means or combination of means permitted by the Companies Act. Subject to the provisions of the Articles and to any rights or restrictions attached to any shares, notices of general meetings shall be given to all members, to all persons entitled by transmission to a share and to the Directors and Auditors.

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman of the meeting which shall not be treated as part of the business of the meeting. Save as otherwise provided by the Articles, two members present in person or by proxy and entitled to vote shall be a quorum for all purposes.

A Shareholder is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend and to speak and vote at a meeting of the Company. If a member appoints more than one proxy and the proxy forms appointing those proxies would give those proxies the apparent right to exercise votes on behalf of the member in a general meeting over more shares than are held by the member, then each of those proxy forms will be invalid and none of the proxies so appointed will be entitled to attend, speak or vote at the relevant general meeting.

The appointment of a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned.

The appointment of a proxy shall, unless the contrary is stated in it, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

Each Director shall be entitled to attend and speak at any general meeting of the Company.

A poll on a resolution may be demanded at a general meeting before or on the declaration of the result of the show of hands by the chairman or by those members entitled under the Companies Act to demand a poll.

6.12. *Duration of the Company*

At each fifth Annual General Meeting of the Company the Board shall propose an ordinary resolution that the Company should continue as an investment trust for a further five year period and if such ordinary resolution is not passed the Board shall draw up proposals for the voluntary liquidation, unitisation or other reorganisation of the Company for submission to Shareholders at a general meeting to be convened by the Board for a date not more than three months after the date of the Annual General Meeting at which such ordinary resolution was not passed.

7. **THE CITY CODE ON TAKEOVERS AND MERGERS**

7.1. **Mandatory bid**

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if:

- 7.1.1. any person acquires, whether by a series of transactions over a period of time or otherwise, an interest in shares which, when taken together with shares in which they and persons acting in concert with them are interested, carry 30 per cent. or more of the voting rights in the Company; or
- 7.1.2. any person, together with persons acting in concert with them, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of the Company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with them, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which they are interested,

such person would be required (except with the consent of the Panel) to make a cash or cash alternative offer for the outstanding shares at a price not less than the highest price paid for any interests in the shares by them or their concert parties during the previous 12 months. Such an offer must only be conditional on:

- 7.1.3. the person having received acceptances in respect of shares which (together with shares already acquired or *agreed* to be acquired) will result in the person and any person acting in concert with them holding shares carrying more than 50 per cent. of the voting rights; and

- 7.1.4. no reference having been made in respect of the offer to the Competition and Markets Authority by either the first closing date or the date when the offer becomes or is declared unconditional as to acceptances, whichever is the later.

A person not acting, or presumed not to be acting, in concert with any one or more of the directors of a company will not normally incur an obligation to make a mandatory offer under Rule 9 if, as a result of the redemption or repurchase of shares by that company, they come to exceed the percentage limits set out in Rule 9.

The Panel must be consulted in advance in any case where Rule 9 of the Takeover Code might be relevant.

7.2. Compulsory acquisition

Under sections 974 to 991 of the Companies Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of a class of shares of a company (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares of that class held by holders that have not assented to the offer. It would do so by sending a notice to the holders of shares of that class indicating that it is desirous of acquiring such outstanding shares whereupon the offeror will become entitled and bound to acquire such shares. At the end of six weeks from the date of such notice it would execute a transfer of such outstanding shares in its favour and pay the consideration to the company, which would hold the consideration on trust for the holders of such outstanding shares subject to the transfer. The consideration offered to the holders whose outstanding shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to section 983 of the Companies Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares of a company (in value and by voting rights, pursuant to a takeover offer that relates to all the shares in the company) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire their shares on the same terms as the takeover offer ("sell-out rights").

The offeror would be required to give any relevant holder of shares notice of their right to be bought out within one month of that sell-out right arising. Such sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying them of their sell-out rights. If a holder of shares exercises their sell-out rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

8. DISCLOSURES UNDER UK MAR

The table below sets out a summary of the information disclosed by the Company under UK MAR over the 12 month period preceding the date of this Prospectus and which is relevant as at the date of this Prospectus.

Date	Title of Announcement	Disclosure
4 October 2023	Proposed combination of HDIV with the Company	Announcement of the intention to implement the Proposals
11 August 2023	Compliance with Market Abuse Regulation	Announcement of compliance with UK MAR in relation to the period leading up to the announcement of the results in respect of the half-year ended 30 June 2023
17 February 2023	Compliance with Market Abuse Regulation	Announcement of compliance with UK MAR in relation to the period leading up to the announcement of the annual results in respect of the financial year ended 31 December 2022

9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

9.1. Directors' interests

Following implementation of the Issue, the interests (all of which are or will be beneficial unless otherwise stated) of the Directors (together with their connected persons) in the issued Share capital of the Company are expected to be as follows:

	Number of Shares as at 7 December 2023	Percentage of issued Share capital (%) as at 7 December 2023	Number of Shares following completion of the Issue	Estimated percentage of issued Share capital following completion of the Issue* (%)
Jeremy Rigg (<i>Chairman</i>)	27,000	0.0208	27,000	0.0160
Richard Cranfield	30,000	0.0231	30,000	0.0178
Francesca Ecsery	3,481	0.0027	3,481	0.0021
Zoe King	9,000	0.0069	9,000	0.0053
Jonathan Silver	30,000	0.0231	30,000	0.0178

* Assuming the total issued Share capital of the Company following completion of the Issue is 168,607,080, based on the illustrative calculations set out in paragraph 2.3 of Part 4 of this Prospectus.

As at the date of this Prospectus, save as disclosed above, no Director has any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.

9.2. Directors' contracts with the Company

- 9.2.1. No Director has a service contract with the Company, nor are any such contracts proposed. Each Director has been appointed pursuant to a letter of appointment entered into with the Company.
- 9.2.2. The Directors' appointments can be terminated in accordance with the Articles and without compensation or in accordance with the Companies Act or common law. Pursuant to the Articles, at every Annual General Meeting any Director who: (i) has been appointed by the Board since the last Annual General Meeting; (ii) held office at the time of the two preceding Annual General Meetings and did not retire at either of them; or (iii) has held office with the Company for a continuous period of nine years or more at the date of the Annual General Meeting, is required to retire and seek election by Shareholders. Notwithstanding the provisions of the Articles, the Company's policy is that each Director will be subject to annual re-election in accordance with the provisions of the AIC Code.
- 9.2.3. There is no notice period specified in the letters of appointment or the Articles for the removal of the Directors. The Articles provide that the office of Director may be terminated by, among other things: (i) resignation; (ii) unauthorised absences from board meetings for more than six consecutive months; or (iii) notice in writing that the Director's resignation is requested by all of the other Directors (such Directors being not less than three in number).
- 9.2.4. As at the date of this Prospectus, Jeremy Rigg, as Chairman, is entitled to receive £42,750 per annum, Jonathan Silver, as chair of the Audit and Risk Committee, is entitled to receive £34,200 per annum and all other Directors are entitled to receive £28,500 per annum for their services as Directors of the Company.
- 9.2.5. No amounts have been set aside or accrued by the Company to provide pension, retirement or similar benefits for the Directors.

9.3. Directors' other interests

9.3.1. Over the five years preceding the date of this Prospectus, the Directors have held the following directorships (apart from their directorships of the Company) and/or partnerships:

	Current directorships/ partnerships	Past directorships/ partnerships
Jeremy Rigg (Chairman)	Moorland Green Properties Limited The Home Farm Partnership	—
Richard Cranfield	IntegraFin Holdings plc Integrated Financial Arrangements Ltd 54 Tachbrook Street Freehold Limited	A.O. Services Allen & Overy (Czech Republic) LLP Allen & Overy (Hong Kong) Allen & Overy (Legal Advisers) Limited Allen & Overy (London) Limited Allen & Overy A.Pedzich sp.k Allen & Overy Hong Kong (No 2) LLP Allen & Overy Legal Services Allen & Overy LLP Allen & Overy Service Company Limited Alnery Incorporations No.1 Limited Alnery Incorporations No.2 Limited Fleetside Legal Representation Services Limited Newchange Limited
Zoe King	—	—
Francesca Ecsery	CT Automotive Group plc The Association of Investment Companies Société Air France SA Haffner Energy SA (Euronext Growth)	F&C Investment Trust plc Marshall Motor Holdings Limited Marshall Motors Holdings plc Share plc We are Vista Limited
Jonathan Silver	Baillie Gifford China Growth Trust plc East and North Hertfordshire NHS Trust Spirent Communications plc Baci Limited Dudley Housing Ventures Limited ENH Pharma LTD	Invesco Income Growth Trust plc (dissolved)

9.3.2. As at the date of this Prospectus, there are no potential conflicts of interest between any of the Directors' duties to the Company and their private interests and/or other duties.

9.3.3. There are no lock-up provisions regarding the disposal by any of the Directors of any Shares.

- 9.3.4. The Directors in the five years before the date of this Prospectus:
- (a) do not have any convictions in relation to fraudulent offences;
 - (b) other than as disclosed in paragraph 9.3.5 below, have not been associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and
 - (c) do not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.
- 9.3.5. Mr Silver was a director of Invesco Income Growth Trust plc. Invesco Income Growth Trust plc entered into a members' voluntary liquidation on 23 April 2021 in connection with a scheme of reconstruction and voluntary winding up under section 110 of the Insolvency Act 1986 pursuant to which certain of its assets were transferred to Invesco Select Trust plc. Invesco Income Growth Trust plc was dissolved on 12 January 2023.
- 9.3.6. The Company maintains directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

9.4. **Major Shareholders**

- 9.4.1. As at close of business on 7 December 2023, being the latest practicable date prior to the publication of this Prospectus, in so far as it is known to the Company, no persons held, directly or indirectly, 3.0 per cent. or more of the Company's issued Share capital.
- 9.4.2. As at the date of this Prospectus the Company is not aware of any person who, immediately following the Issue, will directly or indirectly, jointly or severally, exercise or could exercise control over the Company.
- 9.4.3. None of the Shareholders has or will have voting rights attached to the Shares held by them which are different from the voting rights attached to any other Shares. So far as is known to the Company, as at the date of this Prospectus, the Company will not, immediately following the Issue, be directly or indirectly owned or controlled by any single person or entity and there are no arrangements known to the Company the operation of which may subsequently result in a change of control of the Company.

9.5. **Related party transactions**

Save for payment of fees and expenses to the AIFM and its affiliates pursuant to the Management Agreement, which is summarised in paragraph 13.1 below, the Company has not entered into any related party transaction (within the meaning of UK-adopted international accounting standards) at any time during the period from 30 June 2023 to the date of publication of this Prospectus.

9.6. **Other material interests**

- 9.6.1. The AIFM and the Investment Manager, any of their respective directors, officers, employees, agents and affiliates and the Directors, and any person or company with whom they are affiliated or by whom they are employed, may be involved in other financial, investment or professional activities which may cause conflicts of interest with the Company.
- 9.6.2. In particular, interested parties may provide services similar to those provided to the Company to other entities and shall not be liable to account for any profit from any such services. For example, the AIFM and the Investment Manager, any of their respective directors, officers, employees, agents and affiliates and the Directors and any person

or company with whom they are affiliated or by whom they are employed may (subject to any restrictions contained in any relevant management agreement) acquire on behalf of a client an investment in which the Company may also invest.

10. SHARE OPTIONS AND SHARE SCHEME ARRANGEMENTS

The Company has not created an option over any of its Shares or loan capital or agreed to create such an option.

11. PORTFOLIO

As at the date of this Prospectus, the Portfolio consists principally of investments in the securities of listed companies, in accordance with the Company's investment policy. A substantial majority of the Company's assets are currently invested in the ordinary shares of listed companies, with the balance being invested in listed fixed income securities.

12. OTHER INVESTMENT RESTRICTIONS

- 12.1. The Company will at all times invest and manage its assets with the objective of spreading investment risk and in accordance with its published investment policy and the investment restrictions set out therein as set out in Part 1 (*Henderson High Income Trust plc*) of this Prospectus.
- 12.2. In the event of a material breach of the investment policy and/or restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Investment Manager via an RIS announcement.

13. MATERIAL CONTRACTS

The following is a summary of each material contract, other than contracts entered into in the ordinary course of business, to which the Company is a party or which contains any provision under which the Company has any obligation or entitlement which is material to it as at the date of this Prospectus.

13.1. Management Agreement

The Company entered into the Management Agreement with the AIFM on 17 July 2014. The Management Agreement was amended by subsequent side letters dated 25 March 2015, 19 January 2016, 30 May 2017, 17 January 2018, 25 July 2018, 14 June 2021 and 20 January 2022. Pursuant to the terms of the Management Agreement, the AIFM is responsible to the Company for the provision of discretionary portfolio management, risk management, corporate secretarial and administration services, subject to the overall supervision of the Directors in accordance with the Company's investment objective and policy, the policies laid down by the Directors from time to time, and the schedule of investment limits and restrictions referred to in the Management Agreement. Corporate secretarial and general administration services are provided to the Company by the AIFM, the Investment Manager and their affiliates.

Pursuant to the Investment Management Delegation Agreement, the AIFM has delegated the day-to-day management of the Company's Portfolio to the Investment Manager. The Investment Manager manages the Portfolio and the Company's investments in accordance with the Company's investment objective and policy, the policies laid down by the Directors from time to time and the schedule of investment limits and restrictions referred to in the Management Agreement.

The annual management fee payable to the AIFM by the Company is 0.50 per cent. of the average adjusted value of the gross assets up to £325 million and 0.45 per cent. of the average adjusted value of the gross assets above £325 million. For fee purposes, the average value is calculated by using the values on the last day of each of the two calendar years preceding the reporting year. Average adjusted gross assets are gross assets less current liabilities and less any holdings in Janus Henderson managed funds or Janus Henderson Group plc shares held within the Portfolio. Any debt used for investment purposes, including that recorded in current liabilities, is not deducted from gross assets. The management fee is payable quarterly in arrears. In addition, a supplemental base management fee is paid on any new funds in relation to share

issues in the year they were raised, at the *pro rata* annual rate. For the following year any funds raised are added to prior year assets for the purposes of calculating the management fee.

The AIFM has agreed to make the JHFM Contribution in connection with the Scheme. The JHFM Contribution will be calculated as 1.25 per cent. of the Rollover Pool (excluding the benefit of any amount of JHFM Contribution), up to a maximum contribution of £1,100,000 and subject to a minimum contribution of £360,000. The JHFM Contribution will be allocated first to pay the Company's fixed costs, up to a cap of £550,000, with any balance of the JHFM Contribution allocated to pay HDIV's costs. In the event the Scheme does not proceed, the JHFM Contribution will cover the Company's fixed costs up to a cap of £360,000. To the extent the JHFM Contribution is to benefit the Company, it may be made by means of an offset of an equivalent amount in the management fee that would otherwise be payable to the AIFM by the Company under the Management Agreement. For the avoidance of doubt, the JHFM Contribution will be reflected in the calculation of the HHI FAV per Share and, if applicable, the HDIV FAV per Share.

The Management Agreement is terminable by:

- (a) any of the parties to it on six months' prior written notice;
- (b) the Company immediately by notice in writing if, among other things: (i) the AIFM goes into liquidation (except voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the Company), or a receiver or similar officer has been appointed in respect of the AIFM or of any material part of the AIFM's assets; (ii) the AIFM has committed a breach of its obligations under the Management Agreement that is material in the context of the Management Agreement and, where such breach is capable of remedy, fails to remedy such breach within 30 days after receiving notice from the Company requiring the same to be remedied; (iii) the AIFM ceases to maintain relevant regulatory permissions; and/or (iv) if the AIFM or the Company is the subject of an investigation, audit or visit by the FCA during the course of which, or at the conclusion of which, the AIFM is subject to an adverse finding in writing relating to its control systems or other significant aspects of its business that might reasonably be expected to have a materially adverse effect on the Company's business or reputation; and
- (c) the AIFM immediately by notice in writing if: (i) required to do so by any competent regulatory authority, including the FCA; (ii) the Company goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the AIFM) or a receiver or similar officer has been appointed in respect of the Company or of any material part of the Company's assets; and/or (iii) the Company has committed a breach of its obligations under the Management Agreement that is material in the context of the Management Agreement and, where such breach is capable of remedy, fails to remedy such breach within 30 days after receiving notice from the AIFM requiring the same to be remedied.

The AIFM has, and shall maintain, the necessary authorisations and approvals to act as AIFM to the Company and shall ensure compliance with the UK AIFMD Laws and other applicable laws.

The Management Agreement is governed by the laws of England and Wales.

13.2. **Depository Agreement**

The Depository Agreement is dated 18 July 2014 and entered into between the Company, the AIFM and HSBC Bank plc (the "**Depository**"). Pursuant to the Depository Agreement, the Depository is appointed to act as custodian and depository of the Company. The Depository performs the customary services of a depository in accordance with the UK AIFMD Laws. The Depository may delegate its obligations in respect of the safekeeping of the Company's investments to third parties, subject to the UK AIFMD Laws and the certain conditions within the Depository Agreement. Subject to compliance with relevant regulatory requirements, the Depository is entitled to discharge its liabilities under the Depository Agreement in respect of delegated services where the party to whom it has delegated services is a locally authorised delegate in a non-EU jurisdiction and the Depository can establish an objective reason for the discharge of liability in respect of such delegate.

The annual fee payable to the Depositary contains a fixed element of 0.01 per cent. of the Company's Net Asset Value with debt at par value, a variable element for custody charges on the value of assets based on the value and location of the assets to which the custody charge relates and a variable element for transaction settlement instructions received based on the value and location of the assets to which the settlement instruction relates. In satisfaction of the services rendered by the Depositary pursuant to the Depositary Agreement for the year ended 31 December 2022, the Company paid to the Depositary a fee of £23,000.

The Depositary Agreement may be terminated by any of the parties on 180 days' prior written notice. The Depositary Agreement may be immediately terminated by any party in certain circumstances such as where the AIFM or the Depositary ceases to be authorised to carry on its relevant regulated activity by the relevant regulatory authority. The Depositary Agreement contains customary indemnities given by the Company in favour of the Depositary.

The Depositary Agreement is governed by the laws of England and Wales.

13.3. Registrar Agreement

Computershare Investor Services PLC has been appointed as the Company's Registrar pursuant to the Registrar Agreement entered into between the Company and the Registrar dated 1 March 2021 to provide registrar and receiving agent services to the Company. The Company shall pay to the Registrar as annual remuneration for the services to be rendered by the Registrar under the Registrar Agreement a fee of £18,147 plus VAT. From the second anniversary of the entry into of the Registrar Agreement, the Registrar shall be entitled to increase this fee in line with UK CPI.

Either party may terminate the Registrar Agreement by giving not less than six months' written notice to the other party. Either party may terminate the Registrar Agreement with immediate effect upon notice if the other party is subject to certain insolvency events or commits a material breach of the Registrar Agreement which (if capable of remedy) that party has failed to remedy within 21 days of written notice requiring it to do so.

The Registrar Agreement contains certain standard indemnities from the Company in favour of the Registrar and from the Registrar in favour of the Company. The Registrar's liabilities under the Registrar Agreement are subject to a cap.

The Registrar Agreement is governed by the laws of England and Wales.

13.4. Revolving Credit Facility Agreement

The Company and SDAC entered into the Revolving Credit Facility Agreement, originally dated 30 March 2012, as amended, novated and/or restated from time to time, including, without limitation, (i) as amended and novated from SDAC to SBE on 18 June 2020 and (ii) as amended and novated from SBE to BNS on 21 December 2022. Pursuant to the Revolving Credit Facility Agreement, BNS made available to the Company the Revolving Credit Facility that matures on 20 December 2023, with the option for the Revolving Credit Facility to be increased by a further £12 million, up to a total of £57 million. The purpose of the Revolving Credit Facility is to finance investments in the ordinary course of the Company's business and for general corporate purposes.

Interest on drawings is equal to the margin plus SONIA, or its foreign currency equivalent.

The Company has agreed the terms of the New Revolving Credit Facility Agreement pursuant to which BNP Paribas, London Branch will make available to the Company a multicurrency revolving credit facility of up to £45 million, with a 25 million accordion. The New Revolving Credit Facility will be used, in part, to repay the Revolving Credit Facility and is expected to become effective on 20 December 2023 subject to the Company satisfying certain customary conditions, all of which are of an administrative nature.

13.5. **Note Purchase Agreement**

The Company entered into a note purchase agreement with Canada Life Limited on 8 July 2015 (the “**Note Purchase Agreement**”) in respect of the issue and sale by the Company of £20,000,000 senior unsecured loan notes (the “**Loan Notes**”). Interest on the Loan Notes at a rate of 3.67 per cent. is payable semi-annually with the principal amount due to be repaid on 8 July 2034.

13.6. **Receiving Agent Agreement**

Computershare Investor Services PLC has been appointed as the Company's Receiving Agent in connection with the Proposals pursuant to the Receiving Agent Agreement entered into between the Company and the Receiving Agent dated 5 December 2023.

Under the terms of the Receiving Agent Agreement, the Receiving Agent is entitled to a project fee and additional fees for the management of the General Meeting and the take-on of the HDIV Register which are charged on an item-by-item basis, subject to an overall minimum fee in connection with the Proposals. The Receiving Agent is also entitled to reimbursement of reasonable out of pocket expenses incurred in connection with the provision of services under the Receiving Agent Agreement.

The Company has given certain market standard indemnities in favour of the Receiving Agent in respect of the Receiving Agent's potential losses in carrying on its responsibilities under the Receiving Agent Agreement. The Receiving Agent's liability under the Receiving Agent Agreement is subject to a cap.

13.7. **Transfer Agreement**

If the resolution to be proposed at the Second HDIV General Meeting is passed, the Company will enter into the Transfer Agreement on or about the Effective Date, which is expected to be 16 January 2024, pursuant to which the cash, undertaking and assets of HDIV comprising the Rollover Pool will be transferred to the Company in consideration for the issue by the Company of the New Shares to the Liquidators, as nominees for the HDIV Shareholders who elect, or are deemed to have elected for, the Rollover Option, which the Liquidators have agreed to renounce in favour of such HDIV Shareholders.

Completion of the transfer of the cash, undertaking and assets of HDIV comprised in the Rollover Pool shall take place on the date of satisfaction of the Scheme Conditions or as soon as practicable thereafter.

Upon or as soon as practicable following completion of the transfer, in respect of the transfer of any undertaking and assets of HDIV pursuant to the Transfer Agreement, HDIV acting by the Liquidators, at the Company's risk, shall:

- (a) deliver to the Company, or as it may direct, duly executed transfers in favour of the Company in respect of all bonds and other assets comprised in the Rollover Pool which pass by transfer, together with the relevant certificates or other documents of title relating thereto (to the extent these are in HDIV's possession or control);
- (b) procure and deliver to the Company, or as it may direct, copies of any consents, licences and approvals necessary to transfer the assets comprised in the Rollover Pool (to the extent these are in HDIV's possession or control);
- (c) deliver to the Company, or as it may direct, all bearer instruments and other assets comprised in the Rollover Pool which pass by delivery; and
- (d) promptly give instructions to any person, company or other undertaking holding any part of the assets comprised in the Rollover Pool as nominee or on trust for HDIV or its nominee requiring such person, company or other undertaking to transfer such assets to, or to execute a declaration of nomineehip or trust in favour of, the Company and/or as the Company may direct.

Under the terms of the Transfer Agreement, nothing in the Scheme or in any document executed under or in connection with the Scheme will impose personal liability on the Liquidators or any of them (save for any liability arising out of any negligence, fraud, bad faith, breach of duty or wilful default by the Liquidators in the performance of their duties) and this will, for the avoidance of doubt, exclude any such liability for any action taken by the Liquidators in accordance with the Scheme, the Transfer Agreement or any act which the Liquidators do or omit to do at the request of the Company.

The Transfer Agreement will be governed by the laws of England and Wales.

The parties to the Transfer Agreement have entered into irrevocable undertakings to enter into the Transfer Agreement on the Effective Date.

13.8. Sponsor Agreement

The Company and Dickson Minto W.S. have entered into the Sponsor Agreement dated 15 November 2023 pursuant to which the Company has appointed: (i) Dickson Minto W.S. to act as legal adviser to the Company; and (ii) Dickson Minto W.S., trading as Dickson Minto Advisers, to act as sponsor and financial adviser to the Company, in each case in connection with the Proposals.

The Sponsor Agreement may be terminated by Dickson Minto W.S. in certain customary circumstances, including prior to Admission. The Company will pay Dickson Minto W.S. a sponsor and financial advisory fee and legal advisory fee pursuant to the Sponsor Agreement. Dickson Minto W.S. is also entitled to reimbursement of reasonable out of pocket expenses incurred in connection with the provision of services under the Sponsor Agreement.

The Company has given certain market standard indemnities in favour of Dickson Minto W.S. in respect of Dickson Minto W.S.'s potential losses in carrying on its responsibilities under the Sponsor Agreement. Dickson Minto W.S.'s liability under the Sponsor Agreement is subject to a cap.

The Sponsor Agreement is governed by the laws of England and Wales.

14. LITIGATION

During the 12 month period prior to the date of this Prospectus there have been no governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened, which may have, or have had, in the recent past, a significant effect on the Company and/or the financial position or profitability of the Company.

15. THIRD-PARTY INFORMATION AND CONSENTS

- 15.1. Where third-party information has been referenced in this Prospectus, the source of that third-party information has been disclosed. Where information contained in this Prospectus has been so sourced, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 15.2. Dickson Minto Advisers has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its name in the form and context in which it appears.
- 15.3. The AIFM and the Investment Manager have given and not withdrawn their written consent to the inclusion in this Prospectus of references to their names in the form and context in which they appear.
- 15.4. The AIFM and the Investment Manager, respectively, accept responsibility for the information and opinions contained in this Prospectus relating to it and all statements made by it. To the best of the knowledge of the AIFM and the Investment Manager, as applicable, the information contained in this Prospectus related to or attributed to the AIFM and/or the Investment Manager, as applicable, and its affiliates is in accordance with the facts and such parts of this Prospectus make no omission likely to affect their import. In particular, the AIFM and the Investment Manager

accept responsibility for the information and opinions contained in: (a) the risk factors contained under the heading '*Risks relating to the investment policy*' in the *Risk Factors* section of this Prospectus; (b) paragraph 8 of Part 1 (*Henderson High Income Trust plc*) of this Prospectus; (c) Part 2 (*Market Outlook, Investment Strategy, Performance Track Record and Portfolio*); (d) paragraphs 2.1, 2.2, 2.3 and 6.4 of Part 3 (*Directors, Management and Administration of the Company*) of this Prospectus; and (e) any other information or opinion related to or attributed to either of them or to any of their affiliates contained within this Prospectus.

16. AUDITOR

The auditor of the Company is PricewaterhouseCoopers LLP of 7 More London Riverside, London SE1 2RT, which is a member firm of the Institute of Chartered Accountants in England and Wales.

17. PROFILE OF TYPICAL INVESTORS

The Directors believe that the Company's shares are intended for investors, primarily in the UK, including retail investors, professionally-advised private clients and institutional investors who are seeking income from well-known and smaller UK companies, and who understand and are willing to accept the risks of exposure to equities and fixed interest securities and who view their investment in the Company as long term in nature.

18. GENERAL MEETING

The Company will publish the Circular on or around the date of this Prospectus. The Notice of General Meeting which is included in the Circular sets out in full the Resolution to be proposed at the General Meeting of the Company to be held at 12 noon on 8 January 2024.

19. DOCUMENTS ON DISPLAY

19.1. The following documents will be available for inspection at the Company's website at <https://www.janushenderson.com/combination-with-henderson-diversified-income-trust-plc/> from the date of this Prospectus until the date of Admission:

19.1.1. this Prospectus dated 12 December 2023;

19.1.2. the 2022 Annual Report;

19.1.3. the 2021 Annual Report;

19.1.4. the 2023 Interim Report;

19.1.5. the 2022 Interim Report;

19.1.6. the Articles; and

19.1.7. the Circular.

19.2. In addition, a copy of this Prospectus has been submitted to the National Storage Mechanism and is available for inspection at <https://data.fca.org.uk/a/nsm/nationalstoragemechanism>.

PART 8

DEFINITIONS

In this Prospectus, the words and expressions listed below have the meanings set out opposite them (except where the context otherwise requires):

2021 Annual Report	the annual report and audited financial statements of the Company for the financial year ended 31 December 2021
2022 Annual Report	the annual report and audited financial statements of the Company for the financial year ended 31 December 2022
2022 Interim Report	the report and unaudited interim financial statements of the Company for the six month period ended 30 June 2022
2023 Interim Report	the report and unaudited interim financial statements of the Company for the six month period ended 30 June 2023
Accredited Investor or AI	an “accredited investor” as defined in Regulation D under the US Securities Act
Admission	the admission of the New Shares issued pursuant to the Issue to listing on the premium segment of the Financial Conduct Authority’s Official List and to trading on the Main Market becoming effective
AGM or Annual General Meeting	an annual general meeting of the Company
AIC	the Association of Investment Companies
AIC Code	the 2019 AIC Code of Corporate Governance, as revised or updated from time to time
AIFM or JHFM	Janus Henderson Fund Management UK Limited, a private limited company incorporated in England and Wales with registered number 02678531 and having its registered office at 201 Bishopsgate, London EC2M 3AE
Annual Exempt Amount	the annual exemption available to UK-resident and domiciled individual Shareholders, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of that figure, being £6,000 for the tax year 2023/24
Articles	the articles of association of the Company, as amended from time to time
Audit and Risk Committee	the committee of this name established by the Board and having the duties described in paragraph 3.2 of Part 3 (<i>Directors, Management and Administration of the Company</i>) of this Prospectus
Auditor or PwC	PricewaterhouseCoopers LLP, a limited liability partnership incorporated in England and Wales with registered number OC303525 and having its registered office at 1 Embankment Place, London WC2N 6RH

Benchmark Index	the Company's benchmark index, being a composite of 80 per cent. of the FTSE All-Share Index (total return) and 20 per cent. of the ICE BofA Sterling Non-Gilts Index (total return) rebalanced annually
Benefit Plan Investor	has the meaning in Section 3(3) of ERISA
BNP Paribas, London Branch	BNP Paribas, London Branch, the UK establishment of BNP Paribas S.A. with UK establishment number BR000170 and having its UK establishment office address at 10 Harewood Avenue, London NW1 6AA
BNP Paribas S.A.	BNP Paribas S.A., a public limited company incorporated in France with registered number 662 042 449 and having its registered office at 16 boulevard des Italiens, 75009 Paris, France
BNS	The Bank of Nova Scotia, London Branch, the UK establishment of Bank of Nova Scotia with UK establishment number BR010889 and having its UK establishment office address at 201 Bishopsgate, London EC2M 3NS
Board	the board of Directors of the Company from time to time, including any duly constituted committee thereof
Business Day	a day on which the London Stock Exchange and banks in the UK are normally open for business
Calculation Date	the time and date to be determined by the HDIV Board (but expected to be market close on 10 January 2024) at which the value of HDIV's assets and liabilities will be determined for the purposes of creating the Liquidation Pool, the Cash Pool and the Rollover Pool, and at which the HDIV Transaction NAV, the NAV per HDIV Share, the HDIV FAV per Share, the Cash Pool NAV, the Cash NAV per HDIV Share, the HHI FAV and the HHI FAV per Share will be calculated for the purposes of the Scheme
Cash NAV per HDIV Share	an amount equal to the NAV per HDIV Share less the Cash Option Discount, expressed in pence and calculated to six decimal places (with 0.0000005 rounded down)
Cash Option	the option for HDIV Shareholders to receive an amount of cash equal to the Cash NAV per HDIV Share attributable to the number of HDIV Shares so elected
Cash Option Discount	the discount of 1.0 per cent. to the NAV per HDIV Share at which the Cash Option is being offered under the Scheme
Cash Pool	the fund comprising the pool of HDIV's undertaking, cash and assets attributable to the HDIV Shares elected, or deemed to have been elected, for the Cash Option under the Scheme
Cash Pool NAV	an amount equal to the Cash NAV per HDIV Share multiplied by the total number of HDIV Shares elected, or deemed to have been elected, for the Cash Option under the Scheme
certificated or in certificated form	a share or other security which is not in uncertificated form

Chairman	the chairman of the Board
Circular	the shareholder circular relating to the General Meeting and the Resolution published by the Company on or around the date of this Prospectus
Companies Act	the UK Companies Act 2006, as amended
Company	Henderson High Income Trust plc, a public limited company incorporated in England and Wales with registered number 02422514 and having its registered office at 201 Bishopsgate, London EC2M 3AE
Continuation Vote	the vote on the continuation of the Company put forward at every fifth Annual General Meeting
Corporate Secretary	Janus Henderson Secretarial Services UK Limited, a private limited company incorporated in England and Wales with registered number 01471624 and having its registered office at 201 Bishopsgate, London EC2M 3AE
Corporation Tax Act	the UK Corporation Tax Act 2010, as amended
CPI or Consumer Price Index	the Consumer Price Index published by the UK Office for National Statistics
CREST	the Relevant System as defined in the Uncertificated Securities Regulations in respect of which Euroclear is operator (as defined in the Uncertificated Securities Regulations), in accordance with which securities may be held in uncertificated form
CREST Account	an account in CREST
CRS	the global standard for the automatic exchange of financial information between tax authorities developed by the OECD
Depository	HSBC Bank plc, a public limited company incorporated in England and Wales with registered number 00014259 and having its registered office at 8 Canada Square, London E14 5HQ
Depository Agreement	the agreement dated 18 July 2014 and entered into between the Company, the AIFM and the Depository, which is summarised in paragraph 13.2 of Part 7 (<i>General Information</i>) of this Prospectus
Dickson Minto Advisers	a trading name of Dickson Minto W.S., a Scottish partnership having its business address at 16 Charlotte Square, Edinburgh EH2 4DF and a place of business at Level 4, Dashwood House, 69 Old Broad Street, London EC2M 1QS
Directors	the directors of the Company, from time to time
Disclosure Guidance and Transparency Rules	the UK disclosure guidance and transparency rules made by the FCA under Part VI of FSMA
Dissenting HDIV Shareholder	a HDIV Shareholder who validly dissents from the Scheme pursuant to section 111(2) of the Insolvency Act
EEA	the European Economic Area

EEA Member State	any member state of the EEA from time to time
Effective Date	the date on which the Scheme becomes effective, which is expected to be 16 January 2024
Enlarged Company	the Company following completion of the Proposals
ERISA	the US Employment Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations thereunder
EU	the European Union
EU AIFM Delegated Regulation	the Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision
EU AIFM Directive	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 and the EU AIFM Delegated Regulation
EU Market Abuse Regulation or EU MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and repealing the Directive of the European Parliament and of the Council of 28 January 2003 and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC
EU PRIIPs Regulation	Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (“ PRIIPs ”) and its implementing and delegated acts
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC
Euroclear	Euroclear UK & International Limited, a private limited company incorporated in England and Wales with registered number 02878738 and having its registered office at 33 Cannon Street, London EC4M 5SB, the operator of CREST
Existing Shareholders	holders of Shares prior to the Effective Date
FATCA	Sections 1471 to 1474 of the US Tax Code, known as the US Foreign Account Tax Compliance Act (together with any regulations, rules and other guidance implementing such sections and any applicable IGA or information exchange agreement and related statutes, regulations, rules and other guidance thereunder)

FAV	formula asset value
FCA or Financial Conduct Authority	the Financial Conduct Authority of the United Kingdom whose place of business is at 12 Endeavour Square, London E20 1JN, including any replacement or substitute therefor, and any regulatory body or person succeeding, in whole or in part, to the functions thereof
Financial Statements	the financial statements of the Company for the financial years ended 31 December 2021 and 31 December 2022
First HDIV General Meeting	the general meeting of HDIV in relation to the Scheme convened for 11.00 a.m. on 8 January 2024 or any adjournment of that meeting
Form of Proxy	the form of proxy for use in connection with the General Meeting
FRS 102	financial reporting standard 102 applicable in the UK and Republic of Ireland
FSMA	the UK Financial Services and Markets Act 2000, as amended
General Meeting or GM	the general meeting of the Company convened for 12 noon on 8 January 2024 at 201 Bishopsgate, London EC2M 3AE or any adjournment of that meeting
HDIV	Henderson Diversified Income Trust plc, a public limited company incorporated in England and Wales with registered number 10635799 and having its registered office at 201 Bishopsgate, London EC2M 3AE
HDIV Board	the board of directors of HDIV from time to time, including any duly constituted committee thereof
HDIV Directors	the directors of HDIV, from time to time
HDIV FAV	an amount equal to the HDIV Transaction NAV as at the Calculation Date less the value of the Liquidation Pool, including the Liquidators' Retention, and any costs of the Proposals payable by HDIV, to the extent the same do not already form part of the value of the Liquidation Pool plus the benefit of the JHFM Contribution, if any, less the Cash Pool NAV plus the benefit of the Cash Option Discount
HDIV FAV per Share	the HDIV FAV divided by the total number of HDIV Shares elected, or deemed to have been elected, for the Rollover Option, expressed in pence and calculated to six decimal places (with 0.0000005 rounded down)
HDIV General Meetings	the First HDIV General Meeting and/or the Second HDIV General Meeting, as the context requires
HDIV Portfolio	HDIV's portfolio of investments prior to the Effective Date
HDIV Register	the register of members of HDIV
HDIV Resolutions	the resolutions to be proposed at the First HDIV General Meeting and/or the Second HDIV General Meeting, or any of them as the context may require
HDIV Shareholders	holders of HDIV Shares whose names are entered on the HDIV Register as at the Record Date

HDIV Shares	ordinary shares of 1 penny each in the capital of HDIV
HDIV Transaction NAV	the Net Asset Value of HDIV, being the value of HDIV's assets less any liabilities it has (which includes a deduction for any dividends declared but not paid to HDIV Shareholders prior to the Calculation Date) but excluding any provision for the JHFM Contribution, the costs of the Proposals or any costs of the Proposals already accrued in the Net Asset Value of HDIV as at the Calculation Date, the winding up or the Liquidators' Retention, calculated in accordance with HDIV's normal accounting policies on a cum-income debt at par value basis
HHI FAV	the Net Asset Value of the Company as at the Calculation Date (cum-income with debt at fair value) less any costs of the Proposals payable by the Company (excluding those payable by the Enlarged Company) but not accrued in the Company's NAV as at the Calculation Date and adjusted to take account of the JHFM Contribution and to exclude any dividends declared but not paid prior to the Effective Date where such dividends have not accrued to the Company's NAV as at the Calculation Date, plus a premium of 1.0 per cent.
HHI FAV per Share	an amount equal to the HHI FAV divided by the number of Shares in issue (excluding treasury shares) as at the Calculation Date, expressed in pence and calculated to six decimal places (with 0.0000005 rounded down)
HMRC	HM Revenue & Customs in the UK
IGA	intergovernmental agreement
Insolvency Act	the UK Insolvency Act 1986, as amended
Investment Management Delegation Agreement	the sub-investment management agreement dated 21 July 2014 between the AIFM and the Investment Manager
Investment Manager or Janus Henderson	Janus Henderson Investors UK Limited, a private limited company incorporated in England and Wales with registered number 00906355 and having its registered office at 201 Bishopsgate, London EC2M 3AE
Investment Trust Tax Regulations	the UK Investment Trust (Approved Company) (Tax) Regulations 2011
IRS	the US Internal Revenue Service
ISA	an individual savings account approved in the UK by HMRC
ISIN	international securities identification number
Issue	the issue of New Shares to HDIV Shareholders who have elected, or are deemed to have elected, for the Rollover Option pursuant to the Scheme
JHFM Contribution	the AIFM's contribution to the fixed costs of implementing the Scheme, calculated as 1.25 per cent. of the Rollover Pool (excluding the benefit of any amount of JHFM Contribution), up to a maximum contribution of £1,100,000 and subject to a minimum contribution of £360,000

KID	key information document
LEI	legal entity identifier
Liquidation Pool	the pool of assets of HDIV to be retained by the Liquidators to meet all known and unknown liabilities of HDIV and other contingencies, as further described in paragraph 2.1 of Part 4 (<i>Details of the Scheme and the Issue</i>) of this Prospectus
Liquidators	the liquidators of HDIV being, initially, the persons appointed jointly and severally upon the relevant resolution to be proposed at the Second HDIV General Meeting becoming effective
Liquidators' Retention	an amount to be retained by the Liquidators to meet any unknown or unascertained liabilities of HDIV and the entitlements of any Dissenting HDIV Shareholders, which is currently estimated by HDIV at £50,000
Listing Rules	the listing rules made by the FCA under Part VI of FSMA, as amended from time to time
Loan Notes	the 19 year £20 million of senior unsecured loan notes issued and sold by the Company to Canada Life Limited pursuant to the Note Purchase Agreement which will mature on 8 July 2034
London Stock Exchange	London Stock Exchange plc, a public limited company incorporated in England and Wales with registered number 02075721 and having its registered office at 10 Paternoster Square, London EC4M 7LS
Main Market	the main market for listed securities operated by the London Stock Exchange
Management Agreement	the management agreement dated 17 July 2014, as amended by side letters dated 25 March 2015, 19 January 2016, 30 May 2017, 17 January 2018, 25 July 2018, 14 June 2021 and 20 January 2022 between the Company and the AIFM, as summarised in paragraph 13.1 of Part 7 (<i>General Information</i>) of this Prospectus
Management Engagement Committee	the committee of this name established by the Board and having the duties described in paragraph 3.3 of Part 3 (<i>Directors Management and Administration of the Company</i>) of this Prospectus
MiFID II Product Governance Requirements	has the definition given in the section titled "Information to Distributors" in the Part titled "Important Information" of this Prospectus
NAV or Net Asset Value	the net assets attributable to the Shares or the HDIV Shares in issue, calculated in accordance with the respective company's usual accounting policies. In the case of the Company, this shall mean the Net Asset Value with debt at par value and/or the Net Asset Value with debt at fair value, as appropriate.
NAV per HDIV Share	the HDIV Transaction NAV divided by the number of HDIV Shares in issue (excluding any HDIV Shares held in treasury), expressed in pence and calculated to six decimal places (with 0.0000005 rounded down)

Net Asset Value per Share or NAV per Share	the NAV of the Company divided by the number of Shares in issue (excluding any Shares held in treasury) at the relevant time
New Revolving Credit Facility	the new revolving credit facility to be made available pursuant to the New Revolving Credit Facility Agreement
New Revolving Credit Facility Agreement	the new revolving credit facility agreement expected to become effective on 20 December 2023 pursuant to which BNP Paribas, London Branch will make available to the Company a multicurrency revolving credit facility of up to £45 million, with an accordion of £25 million, which will be used to refinance the Revolving Credit Facility as described in further detail in in paragraph 13.4 of Part 7 (<i>General Information</i>) of this Prospectus
New Shares	the Shares to be issued to HDIV Shareholders who have elected, or are deemed to have elected, for the Rollover Option pursuant to the Scheme
Nominated Charity	United Nations Association
Nominations and Remuneration Committee	the committee of this name established by the Board and having the duties described in paragraph 3.4 of Part 3 (<i>Directors, Management and Administration of the Company</i>) of this Prospectus
Notice of General Meeting	the notice of General Meeting, as set out at the end of the Circular
Note Purchase Agreement	the note purchase agreement dated 8 July 2015 between the Company and Canada Life Limited, as summarised in paragraph 13.5 of Part 7 (<i>General Information</i>) of this Prospectus
OECD	the Organisation for Economic Co-operation and Development
Overseas HDIV Shareholders	HDIV Shareholders who have a registered address in or who are resident in, or citizens, residents or nationals of, any jurisdiction outside of the United Kingdom, the Channel Islands or the Isle of Man
Panel	the Panel on Takeovers and Mergers
PDMRs	persons discharging managerial responsibilities (as defined in UK MAR)
personal data	has the meaning given in the subsection titled “Data protection” in the section titled “Important Information” of this Prospectus
Portfolio	the portfolio of investments in which the funds of the Company are invested from time to time
PRA	the Prudential Regulation Authority of the United Kingdom and any organisation which may replace it or take over the conduct of its affairs
Proposals	the proposals for the Company’s participation in the Scheme and the Issue, as set out in further detail in this Prospectus and the Circular
Prospectus	this document

Prospectus Regulation Rules	the UK prospectus regulation rules made by the FCA under Part VI of FSMA, as amended from time to time
QIB	a “qualified institutional buyer” within the meaning of Rule 144A of the US Securities Act
Qualified Purchaser or QP	a “qualified purchaser” as defined in Section 2(a)(51)(A) of the US Investment Company Act
Receiving Agent or Registrar or Computershare	Computershare Investor Services PLC, a public limited company incorporated in England and Wales with registered number 03498808 and having its registered office at The Pavilions, Bridgwater Road, Bristol BS13 8AE
Reclassified HDIV Shares	the HDIV Shares reclassified under the Scheme as HDIV Shares with “A” rights or “B” rights
Record Date	the record date for entitlements of HDIV Shareholders to New Shares pursuant to the Scheme, being 6.00 p.m. on 8 January 2024 (or such other date as determined at the sole discretion of the HDIV Board)
Register	the register of members of the Company
Registrar Agreement	the agreement dated 1 March 2021, between the Company and the Registrar, as summarised in paragraph 13.3 of Part 7 (<i>General Information</i>) of this Prospectus
Regulation S	Regulation S under the US Securities Act
Regulatory Information Service or RIS	a service authorised by the FCA to release regulatory announcements to the London Stock Exchange
Relevant System	means a computer-based system which enables title to units of a security to be evidenced and transferred without written instruments pursuant to the Uncertificated Securities Regulations
Resolution	the resolution to be proposed at the General Meeting to approve the issue of New Shares in connection with the Scheme
Revolving Credit Facility	the multicurrency revolving credit facility of £45 million made available by BNS to the Company pursuant to the Revolving Credit Facility Agreement
Revolving Credit Facility Agreement	the multicurrency revolving credit facility agreement between the Company and SDAC originally dated 30 March 2012, as amended, novated and/or restated from time to time, including, without limitation, (i) as amended and novated from SDAC to SBE on 18 June 2020 and (ii) as amended and novated from SBE to BNS on 21 December 2022, as summarised in paragraph 13.4 of Part 7 (<i>General Information</i>) of this Prospectus
Rollover Option	the option under the Scheme for HDIV Shareholders to elect to receive such number of New Shares as have a value (at the HHI FAV per Share) equal to the proportion of the Rollover Pool attributable to the number of HDIV Shares so elected, or deemed to have been so elected

Rollover Pool

the pool of cash, undertaking and other assets to be established under the Scheme to be transferred from HDIV to the Company pursuant to the Transfer Agreement

Sanctions Authority

each of:

- (i) the United States government;
- (ii) the United Nations;
- (iii) the United Kingdom;
- (iv) the European Union (or any of its member states);
- (v) any other relevant governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; or

the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the US Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty's Treasury

Sanctions Restricted Person

each person or entity:

- (i) that is organised or resident in a country or territory which is the target of comprehensive country sanctions administered or enforced by any Sanctions Authority; or
- (ii) that is, or is directly or indirectly owned or controlled by a person or entity that is, described or designated in (a) the current "Specially Designated Nationals and Blocked Persons" list (which as of the date of this Prospectus can be found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>); and/or (b) the current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date of this Prospectus can be found at: <https://data.europa.eu/data/datasets/consolidatedlist-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en>); or the current "Consolidated list of financial sanctions targets in the UK" (which as of the date of this Prospectus can be found at: <https://ofsistorage.blob.core.windows.net/publishlive/2022format/ConList.pdf>); or
- (iii) that is otherwise the subject of or in violation of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of their inclusion in: (a) the current "Sectoral Sanctions Identifications" list (which as of the date of this Prospectus can be found at: <https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf>) (the "**SSI List**"), (b) Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the "**EU Annexes**"), or (c) any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes

SBE	Scotiabank Europe plc, a public limited company incorporated in England and Wales with registered number 00817692 and having its registered office at 201 Bishopsgate, London EC2M 3NS
Scheme	the proposed scheme of reconstruction and members' voluntary winding up of HDIV under section 110 of the Insolvency Act, pursuant to which the Issue shall be undertaken
SDAC	Scotiabank (Ireland) Designated Activity Company, a limited company incorporated in Ireland with registered number 30350 and having its registered office at I.F.S.C. House, Custom House Quay, Dublin 1
SDRT	stamp duty reserve tax imposed under Part IV of the UK Finance Act 1986
SEC	the US Securities and Exchange Commission and any organisation which may replace it or take over the conduct of its affairs
SEDOL	the Stock Exchange Daily Official List
Second HDIV General Meeting	the general meeting of HDIV in relation to the Scheme convened for 10.30 a.m. on 16 January 2024 or any adjournment of that meeting
Shareholder	a holder of Shares, including a holder of New Shares if the context so requires
Shares	ordinary shares with a nominal value of 5 pence each in the capital of the Company, including the New Shares following their issue if the context so requires
Sponsor Agreement	the sponsor agreement entered into between the Company and Dickson Minto W.S. on 15 November 2023, as summarised in paragraph 13.8 of Part 7 (<i>General Information</i>) of this Prospectus
Sterling, £ or GBP	pounds sterling, the lawful currency of the UK
Takeover Code	the City Code on Takeovers and Mergers
Target Market Assessment	has the meaning given in the subsection titled "Information to distributors" in the section titled "Important Information" of this Prospectus
Transfer Agreement	the agreement for the transfer of the cash, assets and undertaking comprising the Rollover Pool from HDIV to the Company pursuant to the Scheme to be dated on or around the Effective Date between the Company, HDIV and the Liquidators, with the terms of the agreed form of such agreement being summarised in paragraph 13.7 of Part 7 (<i>General Information</i>) of this Prospectus
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
UK AIFMD Laws	(i) the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) and any other implementing measure which operated to transpose the EU AIFM Directive into UK law before 31 January 2020 (as amended from time to time); and

	(ii) the UK versions of the EU AIFM Delegated Regulation and any other delegated regulations in respect of the EU AIFM Directive, each being part of UK law by virtue of the European Union (Withdrawal) Act 2018, as further amended and supplemented from time to time
UK Corporate Governance Code	the UK Corporate Governance Code published by the Financial Reporting Council in July 2018
UK GAAP	United Kingdom Generally Accepted Accounting Practice
UK MAR	the UK version of the EU Market Abuse Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time
UK MiFID II	the UK's implementation of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU ("MiFID"), together with the UK version of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 ("MiFIR"), which forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time
UK PRIIPs Laws	the UK version of the EU PRIIPs Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time
UK Prospectus Regulation	the UK version of the EU Prospectus Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (as amended and supplemented from time to time (including by the Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234))
uncertificated or in uncertificated form	a share recorded on the register of members of a company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
Uncertificated Securities Regulations	any provision of the Companies Act relating to uncertificated shares (including the holding, evidencing of title to, or transfer of uncertificated shares) and any legislation, rules or other arrangements made under or by virtue of such provision, including without limitation the Uncertificated Securities Regulations 2001, as amended from time to time
United States or US	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
US Exchange Act	the US Securities Exchange Act of 1934, as amended
US HDIV Shareholders	a HDIV Shareholder that is a US Person

US Investment Company Act	the US Investment Company Act of 1940, as amended
US Investor Representation Letter	a representation letter that can be completed by US HDIV Shareholders who are Qualified Purchasers
US Person	a “U.S. person” as such term is defined under Regulation S
US Securities Act	the US Securities Act of 1933, as amended
US Tax Code	the US Internal Revenue Code of 1986, as amended
US-UK IGA	the IGA between the UK and the US pursuant to which parts of FATCA have effectively been incorporated into UK law