



# Henderson International Income Trust plc

Unaudited Financial Report  
for the period ended 31 August 2011

Managed by  
 **Henderson**  
GLOBAL INVESTORS

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# Henderson International Income Trust plc

## Objective

The Company's investment objective is to provide a high and rising level of dividends as well as capital appreciation over the long-term from a focused and internationally diversified portfolio of securities outside the UK.

## Investment Policy

The Company will invest in a diversified global portfolio consisting of predominantly listed equities and fixed interest asset classes. The portfolio is diversified by factors such as geography, industry sub-sector and investment size. The Company does not invest in issuers whose securities are, at the time of investment, listed only in the United Kingdom.

The portfolio, when fully invested, will be made up of interests in 40-60 companies, with no single investment accounting for more than 5 per cent. of net assets at the time of investment.

The Company has an options strategy and may invest in derivative instruments; up to 20 per cent. of the Company's income may be generated by the options strategy. If considered appropriate the Company may hedge exposure to foreign currencies up to a maximum of 20 per cent. of gross assets.

## Benchmark

The Company will measure its performance against the MSCI World ex UK Index (sterling adjusted).

## Borrowings

Where the Manager believes that gearing will enhance returns to Shareholders, the Company may borrow up to 20 per cent. of its net assets at the time of drawdown or investment (as appropriate). Borrowings for these purposes would include implied gearing through the use of derivatives.

## Dividends

The Company has adopted a progressive dividend policy, with the intention of returning an initial annual yield of 4.0% to Shareholders. Quarterly dividends will ordinarily be paid on or about 28 February, 31 May, 31 August and 30 November in each year.

## Continuation Vote

The Company has no fixed life but an ordinary resolution for the continuation of the Company will be proposed in accordance with Article 176 of the Company's Articles of Association at the Annual General Meeting to be held in 2014 and, if passed, every three years thereafter.

## Share Capital

The Company has 41,500,000 Ordinary shares and 8,300,000 Subscription shares in issue. The Subscription shares will be exercisable by Shareholders on 31 August 2014 at a subscription price of 100 pence per share.

# Financial Highlights

	<b>At 31 August 2011 (unaudited)</b>	<b>At 28 April 2011 (launch)</b>
Net asset value per Ordinary share	89.2p	98.1p
Ordinary share price	93.0p	100.0p
Premium	4.3%	1.9%
Subscription share price	8.4p	n/a
Total loss per Ordinary share	-8.3p	n/a
Revenue return per Ordinary share	2.5p	n/a
Capital loss per Ordinary share	-10.8p	n/a
Dividend per Ordinary share	0.6p	n/a

## Performance

	<b>3 months to 31 August 2011</b>	<b>Since launch to 31 August 2011</b>
Net asset value per Ordinary share total return <sup>(1)</sup>	-7.3	-8.3
Ordinary share price total return <sup>(1)</sup>	-7.2	-8.9
MSCI World ex UK Index (sterling adjusted) <sup>(2)</sup>	-9.1	-9.6

Source: <sup>(1)</sup>Fund Data <sup>(2)</sup>Datastream

Total return assumes net dividends are reinvested and excludes transaction costs.

# Chairman's Statement

## Interim Management Report

This is the first report to Shareholders since the Company was incorporated on 2 March 2011 and it covers the period to 31 August 2011. The Company was listed on the London Stock Exchange on 28 April 2011. A second interim report will be produced for the six months ending 28 February 2012, prior to our first full accounting period end on 31 August 2012. The Board and Manager would like to take this opportunity to thank Shareholders for their support, which enabled the launch of this Company.

### Market

The short period since the Company launched on 28 April 2011 has seen a sharp reassessment by investors of the outlook for global growth. This has been a period of exceptional stock market volatility for most equity markets around the globe with severe market swings being experienced by investors. Since the period end market volatility has continued although we have seen some recovery in the Net Asset Value ("NAV") at the time of writing. The principal cause is an increasing concern about sovereign debt and the international private sector's exposure to it. There was an uneasy return to more stable markets following the Lehmann crisis, driven mainly by successful if short-term inter-government collaboration. The concern now is whether a comparable solution can be devised at the global level.

The political situation in Europe is driven by different influences from those in the United States, but the outcome is broadly the same: a breakdown in market confidence in governments' ability to reach a credible strategy for the financial system. Euro zone members are exposing the currency area's essential weakness of it having so many parliaments to satisfy. In the United States perceived political manoeuvring over the extension of the debt ceiling highlighted the risk that local divisions between the two main political parties may hamper the legislature's financial responsibilities.

Against this background and in general, companies have continued to report strong earnings, improved balance sheets, and importantly for us, continued dividend growth. A general lack of confidence however has had its effect on market levels. As a result many of the equity market metrics are looking attractive relative to their long run averages.

### Company Performance

During the four months since the Company was listed the NAV per Ordinary share (total return) fell by 8.3% whilst the Company's Ordinary share price decreased by 7.0% compared with a decrease of 9.6% in the MSCI World ex UK Index (sterling adjusted).

The Company's share price premium to NAV per Ordinary share remained buoyant increasing from 1.9% at launch to 4.3% at 31 August 2011.

### Earnings and Dividends

The revenue earnings per Ordinary share were 2.48p. As stated within the Prospectus, the Company has adopted a progressive dividend policy with the aim of returning 5.4p to Shareholders over the period from launch to 31 August 2012. The first interim dividend of 0.6p per Ordinary share was paid on 31 August 2011 to Shareholders on the register on 12 August 2011, the second interim dividend of 0.8p per Ordinary share will be paid on 30 November 2011 to Shareholders on the register on 11 November 2011, the shares will go ex-dividend on 9 November 2011. Future dividends are expected to be paid on or around 28 February, 31 May, 31 August and 30 November in each year.

### Related Party Transactions

Since the launch of the Company, no transactions with related parties have taken place which materially affected the financial position or performance of the Company during the period.

### Outlook

In the coming phase much will depend on how managements react at company level to the concern about sovereign debt internationally. After the recent utilisation of corporate capacity we would normally expect to see an upturn in capital expenditure programmes. Balance sheets, cash balances and earnings are all stronger than present market levels would imply. The question for the coming half-year is the degree to which managements will have the confidence to put them to work.

**Christopher Jonas, CBE**  
**Chairman**  
**31 October 2011**

# Managers' Report

## Portfolio Positioning

The majority of the Company's capital was invested shortly after it was received and the investment portfolio has been constructed to enable the Company's income objective to be met, whilst maintaining the potential for capital appreciation. Holdings have been selected on the basis of their fundamental attributes, with the focus on the payment of sustainable dividends.

The Company's portfolio of investments is widely diversified on both a geographic and a sector basis. The portfolio is held across North & South America representing 36.7% of investments, Continental Europe 31.7% and Asia Pacific including Australasia 31.6%. It is generally defensively positioned, with overweight positions in sectors whose earnings and cash flows have a low sensitivity to changes in economic growth, such as the Telecommunications, Utilities and Consumer Staples sectors. Whilst the portfolio is defensively positioned, it is not without growth, and we expect companies like US utility

**Dominion Resources**, tobacco company **Reynolds**, and Brazilian beverage company **Ambev** to continue growing earnings and dividends in future years.

On a sector basis the largest position is in Telecommunications. This is not a "top down" driven decision; these companies are held in the belief that their dividends and valuations are attractive on a stock by stock basis, and the position is diversified across eight companies, each of which operates in different geographies, which reduces the economic and regulatory risks across the sector.

The second largest sector exposure is to the Financial sector, which includes holdings in property REITs. The portfolio has no direct holdings in European banks, which has been beneficial to performance, and direct exposure to euro zone bonds, where the greatest market concerns lie, is low and consists of life and non-life insurers **Allianz** (a 2.6% position) and **Scor** (a 1.5% position), both of which are well capitalised and whose dividends are well covered by their earnings.

The remainder of the portfolio is well diversified across a number of different sectors as indicated in the charts on page 6. Although market conditions are difficult, it is an interesting time for equity income investors because there is a larger than normal universe of high yielding stocks across a wider range of sectors as a result of depressed share prices.

## Performance

As detailed in the Chairman's Statement the Company outperformed its index over the period since launch and the Ordinary shares have continually traded above the Company's Net Asset Value ("NAV"). Whilst it is pleasing to have outperformed the index we were disappointed to see the NAV fall to the extent that it did during the period.

Stock selection was positive and the regional portfolios all outperformed their respective benchmarks. Performance was helped by the out performance of more defensive, higher yielding sectors and stocks as concerns about a slow down in global growth resurfaced. There was also some evidence, particularly in the United States, of investors buying higher yielding equities to compensate for the low interest rates on offer to savers from bank accounts and bonds. As a result the most significant positive contributors included Telecoms companies **Chunghwa**, **Telstra**, and **BCE**, and US utility **Dominion Resources**.

Although stock selection was good, performance was impacted by the Company's overweight position to Europe relative to the index. The general de-rating of companies across Europe, where there was some indiscriminate selling as investors reduced exposure to the region on debt concerns, was a particularly disappointing aspect of the market during the period and it led to the MSCI Europe ex UK Index falling by 17.9% over the period compared to a fall of 9.6% for the MSCI World ex UK Index (sterling adjusted). The Company's European listed holdings were not immune to this de-rating, however many of the companies held are global and in time we expect their ratings to recover.

# Managers' Report (continued)

## Outlook

Investors are in general risk averse at the moment and small changes in companies' operating environments and macro economic events are being met with significant share price reactions, which are often reversed in following periods. There is still a long way to go before investors can be confident that the financial positions of some of the euro zone countries will not give the markets more cause for concern, however whilst equity markets are likely to continue to be volatile the portfolio is well positioned for income and capital growth in the medium term. The potential for dividend growth is important at a time when investors are being impacted by the high levels of inflation currently being experienced in the UK, and when there is no certainty that inflation will recede in the medium term. The Company's objective is to provide investors with the opportunity to invest in an overseas portfolio of income generating equities to address their income requirements, and is able to invest in companies exposed to countries with high levels of economic growth in regions such as Asia and Latin America to achieve this aim. We will use volatility in the market to invest the Company's remaining cash, and have a borrowing facility in place which will provide scope to gear as we become more confident in the sustainability of global economic growth.

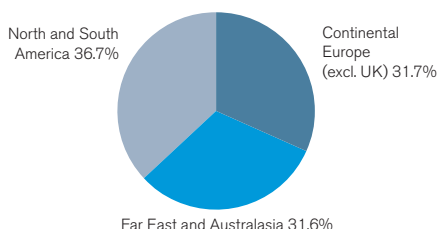
**Ben Lofthouse**  
**Fund Manager**  
**31 October 2011**

# Twenty Largest Investments by Value

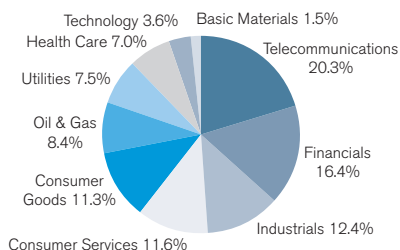
as at 31 August 2011

Company	Country	Valuation £'000	% of Total Portfolio
Dominion Resources	United States	1,317	3.63
Telstra	Australia	1,278	3.53
Reynolds	United States	1,267	3.50
Pfizer	United States	1,144	3.16
Ambev De Bebidas	Brazil	1,143	3.16
AT&T	United States	1,128	3.11
New York Community Bancorp	United States	1,125	3.10
Vivendi	France	1,048	2.89
ENI	Italy	988	2.73
KT Corp	Korea	965	2.66
Allianz	Germany	955	2.64
BCE	Canada	896	2.47
Kraft Foods	United States	865	2.39
Exelon	United States	862	2.38
Philippines Long Distance Telephone	Philippines	839	2.32
Abbott Laboratories	United States	838	2.31
Deutsche Telekom	Germany	795	2.19
Bank Of Montreal	Canada	771	2.13
United Parcel Service	United States	753	2.08
Home Depot	United States	742	2.05
<b>Twenty Largest Investments</b>		<b>19,719</b>	<b>54.43</b>
Remaining Investments (40)		16,508	45.57
<b>Total</b>		<b>36,227</b>	<b>100.00</b>

## Geographical Analysis\*



## Sector Analysis\*



\* As at 31 August 2011



# Income Statement

For the period from 2 March 2011 (incorporation) to 31 August 2011 (unaudited)

	Notes	Revenue return £'000	Capital return £'000	Total £'000
Losses from investments held at fair value through profit or loss		-	(4,391)	(4,391)
Income from investments held at fair value through profit or loss		1,313	-	1,313
<b>Gross revenue and capital losses</b>		<b>1,313</b>	<b>(4,391)</b>	<b>(3,078)</b>
Management fees		(27)	(81)	(108)
Other administrative expenses	3	(106)	-	(106)
<b>Net return/(loss) on ordinary activities before finance costs and taxation</b>		<b>1,180</b>	<b>(4,472)</b>	<b>(3,292)</b>
Finance costs		(1)	(2)	(3)
<b>Net return/(loss) on ordinary activities before taxation</b>		<b>1,179</b>	<b>(4,474)</b>	<b>(3,295)</b>
Taxation on net return/(loss) on ordinary activities		(148)	-	(148)
<b>Net return/(loss) on ordinary activities after taxation</b>		<b>1,031</b>	<b>(4,474)</b>	<b>(3,443)</b>
<b>Basic and diluted return/(loss) per Ordinary share</b>	4	<b>2.48p</b>	<b>(10.78)p</b>	<b>(8.30)p</b>

The total column of this statement represents the Income Statement of the Company. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies. All revenue and capital items derive from continuing operations. The Company had no recognised gains or losses other than those disclosed in the Income Statement.

# Statement of Changes in Equity

For the period from 2 March 2011 (incorporation) to 31 August 2011 (unaudited)

	Called up Share capital £'000	Share premium account £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
At the start of the period	-	-	-	-	-
Ordinary shares issued	415	41,085	-	-	41,500
Issue costs	-	(777)	-	-	(777)
	415	40,308	-	-	40,723
Net (loss)/return for the period	-	-	(4,474)	1,031	(3,443)
Dividend paid	-	-	-	(249)	(249)
<b>As at 31 August 2011</b>	<b>415</b>	<b>40,308</b>	<b>(4,474)</b>	<b>782</b>	<b>37,031</b>

## Balance Sheet

As at 31 August 2011 (unaudited)

	Note	At 31 August 2011 £'000
<b>Investments held at fair value through profit or loss</b>		<b>36,227</b>
<b>Current assets</b>		
Debtors		303
Cash at bank		619
		922
<b>Creditors: amounts falling due within one year</b>		<b>(118)</b>
<b>Net current assets</b>		<b>804</b>
<b>Total net assets</b>		<b>37,031</b>
<b>Capital and reserves</b>		
Called up share capital	6	415
Share premium account		40,308
Other capital reserves		(4,474)
Revenue reserve		782
<b>Shareholders' funds</b>		<b>37,031</b>
<b>Net asset value per Ordinary share</b>		<b>89.23p</b>

# Cash Flow Statement

For the period from 2 March 2011 (incorporation) to 31 August 2011 (unaudited)

**Period ended  
31 August 2011  
£'000**

Net cash inflow from operating activities	783
Net cash outflow from servicing of finance	(3)
Net cash outflow from financial investment	(40,222)
Equity dividends paid	(249)
Net cash inflow from financing	40,723
Net taxation suffered on investments	(17)
<b>Increase in cash</b>	<b>1,015</b>

## Reconciliation of operating revenue to net cash inflow from operating activities

Net total loss before finance costs and taxation	(3,292)
Add: Capital loss before finance and taxation	4,472
Net revenue return before finance costs and taxation	1,180
Movement in accrued income	(218)
Movement in other debtors	(68)
Movement in creditors	118
Expenses charged to capital	(81)
Overseas withholding tax suffered	(148)
<b>Net cash inflow from operating activities</b>	<b>783</b>

## Reconciliation of net cashflow to movements in net cash

Increase in cash above	1,015
Exchange movements	(396)
<b>Net cash at 31 August</b>	<b>619</b>

# Notes to the Financial Statements

The interim financial statements cover the period from 2 March 2011 (incorporation) to 31 August 2011 and have not been either audited or reviewed by the Auditors.

## 1. Principal activity

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

The Company was incorporated on 2 March 2011, the Ordinary and Subscription shares were listed on the London Stock Exchange on 28 April 2011.

## 2. Accounting policies

### (a) Basis of accounting

The financial statements have been prepared on a going concern basis and under the historical cost basis of accounting, as modified to include the revaluation of investments at fair value. The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice and with the Statement of Recommended Practice ("the SORP") for investment trusts issued by the Association of Investment Companies ("the AIC") in January 2009. All the Company's operations are of a continuing nature.

### (b) Valuation of investments held at fair value through profit or loss

The Company's investments are classified as held at fair value through profit or loss in accordance with FRS 26 - Financial Instruments: Recognition and Measurement and are managed and evaluated on a fair value basis in accordance with its investment strategy. All investments are designated upon initial recognition as held at fair value through profit or loss. Purchases of investments are recognised on a trade date basis. The sale of assets are recognised at the trade date of the disposal. Proceeds are measured at fair value which will be regarded as the proceeds of sale less any transaction costs. The fair value of the financial investments is based on their quoted bid price at the balance sheet date, without deduction for the estimated selling costs.

### (c) Capital gains and losses

Profits or losses on disposal of investments and investment holding gains or losses are taken to the capital column in the income statement and transferred to other capital reserves.

### (d) Income

Dividends receivable (including overseas withholding taxes) from equity shares are taken to the revenue return on an ex-dividend basis except where, in the opinion of the directors, the dividend is capital in nature, in which case it is taken to the capital return.

### (e) Expenses

All expenses and finance charges are accounted for an accruals basis. On the basis of the Board's expected long-term split of total returns in the form of capital and revenue returns of 75% and 25%, respectively, the Company charges 75% of its finance costs and investment management fee to capital. Any performance fee would be allocated 100% to capital. All other administrative expenses are charged to the revenue column of the income statement.

# Notes to the Financial Statements (continued)

## 2. Accounting policies (continued)

### (f) Taxation

In line with the recommendations of the SORP, the tax effect of different items of expenditure is allocated between the capital return and revenue return using the 'marginal basis'. Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue column of the income statement, then no tax relief is transferred to the capital return column. Deferred taxation is provided on all timing differences that have originated but not been reversed by the balance sheet date, other than those differences regarded as permanent. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Any liability to deferred tax is provided at the current rate of tax. Deferred tax assets and liabilities are not discounted to reflect the time value of money. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

### (g) Foreign currency

The results and financial position of the Company are expressed in pounds sterling, which is the functional and presentational currency of the Company. Sterling is the functional currency because it is the currency of the primary economic environment in which the Company operates. Transactions recorded in foreign currencies during the period are translated into sterling at the appropriate daily exchange rates. Monetary assets and liabilities and equity investments held at fair value through profit or loss which are denominated in foreign currencies at the balance sheet date are translated into sterling at the exchange rates ruling at that date.

## 3. Other administrative expenses

	Revenue return £'000	Capital return £'000	Total £'000
Auditors' remuneration	21	-	21
Directors' fees	48	-	48
Other expenses*	37	-	37
	<b>106</b>	<b>-</b>	<b>106</b>

\* Including: Custody, registrar and bank charges, insurance, marketing and other advisory services.

# Notes to the Financial Statements (continued)

## 4. Return/(loss) per Ordinary share

The total loss per share is based on the net loss attributable to the Ordinary shares of £3,443,000 and on 41,500,000 shares in issue during the period.

The total loss can be further analysed as follows:

	£'000
Revenue return	1,031
Capital loss	(4,474)
<b>Total</b>	<b>(3,443)</b>

Number of Ordinary shares	41,500,000
---------------------------	------------

Revenue return per Ordinary share	2.48p
Capital loss per Ordinary share	(10.78)p
<b>Loss per Ordinary share</b>	<b>(8.30)p</b>

The Subscription shares are not dilutive at 31 August 2011 as the average Ordinary share price was below the exercise price of 100p.

## 5. Dividends per Ordinary share

A first interim dividend of 0.6p per Ordinary share was paid on 31 August 2011 to Shareholders registered at the close of business on 12 August 2011.

	£'000
Revenue available for distribution	1,031
First interim dividend of 0.6p	(249)
<b>Undistributed revenue at 31 August 2011</b>	<b>782</b>

The Board proposes to pay a second interim dividend of 0.8p per Ordinary share, payable on 30 November 2011 to Shareholders registered at the close of business on 11 November 2011.

## 6. Called up share capital

	£'000
Allotted issued and fully paid: 41,500,000 Ordinary shares of 1p each	415

The Company was incorporated on 2 March 2011 with an authorised share capital of £415,000 divided into 41,500,000 Ordinary shares of 1p each which are all issued and fully paid.

The Company issued Subscription shares to all subscribers on the basis of one Subscription share for every five Ordinary shares subscribed. Each Subscription share confers the right to subscribe for one Ordinary share on payment of the subscription price of 100p. Notice to exercise the subscription rights may be given by Subscription Shareholders during the 30 days prior to the subscription date of 31 August 2014, after which the subscription right will lapse. At 31 August 2011 there were 8,300,000 Subscription shares in issue.

# Notes to the Financial Statements (continued)

## 7. Transaction costs

Purchase and sale transaction costs for the period ended 31 August 2011 were £34,000 and £5,000 respectively, which comprise mainly stamp duty and commission.

## 8. Financial information

The financial information contained in this financial report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006.

## 9. Going concern

The Directors consider that it is appropriate to adopt the going concern basis in preparing the financial statements. The assets of the Company consist almost entirely of securities that are readily realisable and, accordingly, the Company has adequate financial resources to continue in existence for the foreseeable future.

# Directors' Responsibility Statement

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

- (a) the set of financial statements has been prepared in accordance with the applicable accounting standards and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- (b) the Interim Management Report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- (c) the Interim Management Report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

The Board detailed the risks and uncertainties associated with initial and continued investment in the Company within the Prospectus issued by the Company in March 2011. In the opinion of the Board the principal risks and uncertainties remain unchanged for the period ahead.

For and on behalf of the Board of Directors

**Christopher Jonas, CBE**  
**Chairman**  
**31 October 2011**

# Notice of Annual General Meeting

Notice is hereby given that the first Annual General Meeting of Henderson International Income Trust plc ("the Company") will be held on Thursday, 15 December 2011 at 2:30pm at 201 Bishopsgate, London EC2M 3AE to consider and vote on the resolutions below. Resolutions 1 to 7 will be proposed as Ordinary resolutions and Resolutions 8 to 10 will be proposed as Special resolutions.

## Ordinary Business

1. To elect Mr Christopher Jonas as a Director.
2. To elect Mr Peregrine Banbury as a Director.
3. To elect Mr William Eason as a Director.
4. To elect Mr Simon Jeffreys as a Director.
5. To re-appoint Grant Thornton UK LLP as registered Auditors to the Company.
6. To authorise the Directors to determine the Auditors' remuneration.

## Special Business

7. THAT the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 ("the Act") to exercise all the powers of the Company to allot equity securities (within the meaning of section 560 of the Act) up to an aggregate nominal amount of £41,500 (being 10% of the issued Ordinary share capital at the date of this Notice) during the period commencing on the date of the passing of this resolution and expiring at the conclusion of the Annual General Meeting in 2012 (unless previously renewed, varied or revoked, by the Company in general meeting), save that the Company may before such expiry make an offer or agreement which would or may require relevant securities to be allotted after the expiry of this authority and the Board may allot the securities pursuant to any such offer or agreement as if this authority had not expired.
8. THAT subject to the passing of resolution 7 the Directors be and are hereby empowered pursuant to sections 570 and 573 of the Act to allot equity securities and to sell equity securities from treasury for cash pursuant to the authority conferred by resolution 7 above as if section 561 of the Act did not apply to the allotment or sale. This power shall be limited to:
  - a) the allotment of equity securities whether by way of a rights issue, open offer or otherwise in favour of Ordinary shareholders on the register of members at such record date as the Directors may determine where the equity securities respectively attributable to the interests of all Ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of Ordinary shares held by them (or are otherwise allotted in accordance with the rights attaching to such equity securities) subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or local or practical problems arising under the laws of, or the requirements of any regulatory body or stock exchange in any territory or otherwise howsoever; and
  - b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to a maximum aggregate nominal amount of £41,500 (being 10% of the issued Ordinary share capital, excluding shares held in treasury, at the date of this Notice of Annual General Meeting); and



# Notice of Annual General Meeting (continued)

- c) to the allotment of equity securities at a price of not less than the net asset value per Ordinary share; and shall expire at the conclusion of the Annual General Meeting in 2012 (unless previously renewed, varied or revoked, by the Company in general meeting), save that the Company may before such expiry make an offer or agreement which would or may require equity securities to be allotted after the expiry of this authority and the Board may allot the securities pursuant to any such offer or agreement as if this authority had not expired.

9. THAT the Company be and is hereby and unconditionally authorised in accordance with section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of Ordinary shares of 1p each in the capital of the Company on such terms and in such manner as the Directors may from time to time determine, provided that:

- a) the maximum aggregate number of Ordinary shares hereby authorised to be purchased is 6,220,850 (representing 14.99% of the issued Ordinary share capital, excluding shares held in treasury, at the date of this Notice of Annual General Meeting);
- b) the minimum price which may be paid for an Ordinary share shall be 1p;
- c) the maximum price which may be paid for an Ordinary share shall be an amount equal to the higher of:
  - (i) 105% of the average middle market quotations for an Ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary share is purchased; and
  - (ii) the value of an Ordinary share calculated on the basis of the higher of the price quote for: (1) the last independent trade of, and (2) the highest current independent bid for any number of the Ordinary shares on the London Stock Exchange

the minimum and maximum prices per Ordinary share referred to in sub-paragraphs (b) and (c) of this resolution are in each case exclusive of any expenses payable by the Company;

- d) the authority hereby conferred shall expire on the conclusion of the Annual General Meeting in 2012 (unless previously renewed, varied or revoked, by the Company in general meeting);
- e) the Company may make a contract to purchase Ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be completed wholly or partly after the expiration of such authority and may make a purchase of Ordinary shares pursuant to such contract; and
- f) any Ordinary share so purchased shall be:
  - (i) cancelled immediately upon completion of the purchase; or
  - (ii) held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Companies Act 2006.

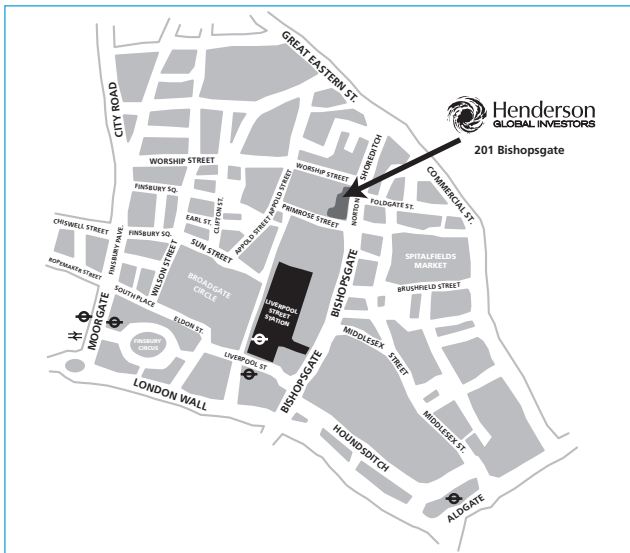
# Notice of Annual General Meeting (continued)

10. THAT a general meeting, other than an annual general meeting may be called on not less than 14 clear days' notice.

By Order of the Board

**Tracey Lago, ACIS**  
For and on behalf of  
**Henderson Secretarial Services Limited**  
Corporate Company Secretary  
31 October 2011

## Location of the Annual General Meeting



Shown to the left is a map of the location of Henderson Global Investors where the meeting will be held at 2:30pm on Thursday, 15 December 2011.

Henderson Global Investors is located in the City of London at 201 Bishopsgate, London EC2M 3AE.

It is a few minutes walk from Liverpool Street mainline and underground stations, Bank and Moorgate underground stations.

# Explanation of the Resolutions

The information set out below is an explanation of the business to be considered at the Annual General Meeting ("AGM") which will be held at 2:30pm on Thursday, 15 December 2011.

## **Resolutions 1 to 4 – Election of Directors (ordinary resolutions)**

The Company was incorporated on 2 March 2011 and was listed on the London Stock Exchange on 28 April 2011. The current Directors were all appointed to the Board on 9 March 2011. In accordance with article 127 of the Articles of Association of the Company each Director shall retire and be eligible to stand for re-election at the first AGM following their appointment.

## **Resolutions 5 and 6 – Statutory Auditor (ordinary resolutions)**

Grant Thornton UK LLP was appointed as Auditor to the Company at the time of launch. In accordance with sections 489 and 492 of the Companies Act 2006, Shareholders are required to approve the appointment of the Company's auditors each year and to give the Directors the authority to determine the auditors' remuneration. Grant Thornton UK LLP have indicated their willingness to continue in office. Resolution 5 relates to their re-appointment and resolution 6 relates to the determination of their remuneration.

## **Resolution 7 – Authority to Allot Shares (ordinary resolution)**

Resolution 7 authorises the Directors to allot new Ordinary shares up to a maximum aggregate nominal amount of £41,500 (being 10% of the issued share capital as at the date of the Notice of the AGM).

## **Resolution 8 – Dis-application of Pre-emption Rights (special resolution)**

Resolution 8 authorises the Directors to disapply the pre-emption rights of existing Shareholders in relation to the issue of new Ordinary shares or the sale of treasury shares under Resolution 7.

The Directors do not intend to allot shares pursuant to these authorities other than to take advantage of opportunities in the market as they arise and only if they believe it to be advantageous to the Company's existing Shareholders to do so and when it would not result in any dilution of NAV per share, the NAV being calculated with debt at fair value. Such authorities will expire at the conclusion of the AGM to be held in 2012.

## **Resolution 9 – Repurchase of the Company's Ordinary shares (special resolution)**

Resolution 9 authorises the Directors to make market purchases of up to 6,220,850 of the Company's own issued Ordinary shares. The Company may utilise the authority to purchase shares by either a single purchase or a series of purchases when market conditions allow, with the aim of maximising the benefit to shareholders. The Company may cancel or hold in treasury shares bought back under this authority.

## **Resolution 10 – Notice of General Meetings (special resolution)**

Changes made to the Companies Act 2006 by the Shareholders' Rights Regulations increased the notice period required for general meetings of the Company to 21 days unless Shareholders approve a shorter notice period, which cannot however be less than 14 clear days. AGMs will continue to be held on at least 21 clear days' notice. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. Note that the changes to the Companies Act 2006 mean that, in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all Shareholders for that meeting.

## **Recommendation and Voting Intentions**

**The Board considers that the resolutions relating to the above items of special business are in the best interests of Shareholders as a whole. Accordingly, the Board unanimously recommends to Shareholders that they vote in favour of the above resolutions to be proposed at the forthcoming AGM.**

# Notes in respect to the Annual General Meeting

Resolutions 1 to 7 are proposed as ordinary resolutions, which, to be passed, require more than half of the votes cast to be in favour of the resolution. Resolutions 8 to 10 are proposed as special resolutions, which, to be passed, require at least three-quarters of the votes cast to be in favour of the resolution.

## 1. Voting record date

Only members registered in the Register of Members of the Company at 2.30pm on 13 December 2011 shall be entitled to attend and vote at the AGM in respect of the number of voting rights registered in their name at that time. Changes to entries on the Register of Members after 2.30pm on 13 December 2011 shall be disregarded in determining the rights of any person to attend and vote at the meeting. In the case of joint holders of a voting right, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.

## 2. Rights to attend and vote

Members are entitled to attend and vote at the forthcoming Annual General Meeting or at any adjournment(s) thereof. On a poll each member has one vote for every one share held.

## 3. Right to appoint proxies

Pursuant to section 324 of the Companies Act 2006, a member entitled to attend and vote at the meeting may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares held by him. A proxy need not be a member of the Company. A form of proxy is enclosed. The completion of the form of proxy will not preclude a Shareholder from attending and voting in person at the meeting.

Section 324 does not apply to persons nominated to receive information rights pursuant to section 146 of the Companies Act 2006. Persons nominated to receive information rights under section 146 of the Companies Act 2006 have been sent this notice of meeting and are hereby informed, in accordance with section 149(2) of the Companies Act 2006, that they may have the right under an agreement with the registered member by whom they are nominated to be appointed, or to have someone else appointed, as a proxy for this meeting. If they have such right or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.

## 4. Proxies' rights to vote at the meeting

On a vote on a show of hands, each proxy has one vote. If a proxy is appointed by more than one member and all such members have instructed the proxy to vote in the same way, the proxy will only be entitled, on a show of hands, to vote "for" or "against" as applicable. If a proxy is appointed by more than one member, but such members have given different voting instructions, the proxy may, on a show of hands, vote both "for" and "against" in order to reflect the different voting instructions.

On a poll all or any of the voting rights of the member may be exercised by one or more duly appointed proxies. However, where a member appoints more than one proxy, section 285(4) of the Companies Act 2006 does not authorise the exercise by the proxies taken together of more extensive voting rights than could be exercised by the member in person.

## 5. Voting by corporate representatives

Corporate representatives are entitled to attend and vote on behalf of the corporate member in accordance with section 323 of the Companies Act 2006.

## 6. Receipt and termination of proxies

To be valid the form of proxy must be lodged with the Company's Registrars no later than 48 hours before the time appointed for the meeting (excluding weekends and bank holidays) or any adjournment of the meeting. A member may terminate a proxy's authority at any time before the commencement of the meeting. Termination must be provided in writing and submitted to the Company's Registrar. In accordance with the Company's articles of association, in determining the time for delivery of proxies, no account shall be taken of any part of a day that is not a working day.

## 7. Electronic receipt of proxies

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for this AGM and any adjournment(s) thereof by utilising the procedures described in the CREST manual, which is available to download from the Euroclear website ([www.euroclear.com/CREST](http://www.euroclear.com/CREST)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST

# Notes in respect to the Annual General Meeting (continued)

manual. The message must be transmitted so as to be received by the Issuer's agent (ID: 3RA50) by the latest time for receipt of proxy appointments specified in note 6 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

## 8. Questions at the Annual General Meeting

Section 319A of the Companies Act 2006 requires the Directors to answer any question raised at the AGM which relates to the business of the meeting, although no answer need be given (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information; (b) if the answer has already been given on a website in the form of an answer to a question; or (c) if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

## 9. Website

Members satisfying the thresholds in section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting; or (b) any circumstances connected with an auditor of the Company ceasing to hold office since the last Annual General Meeting, that the members propose to raise at the meeting. The Company cannot require the

members requesting the publication to pay its expenses. Any statement placed on the website in accordance with section 527 of the Companies Act 2006 must also be sent to the Company's auditor no later than the time it makes its statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required in accordance with section 527 of the Companies Act 2006 to publish on its website. By attending the meeting, members and their proxies and representatives are understood by the Company to have agreed to receive any communications relating to the Company's shares made at the meeting. A copy of the notice of the Annual General Meeting, including these explanatory notes, is included on the Company's website [www.hendersoninternationalincome.com](http://www.hendersoninternationalincome.com)

## 10. Total voting rights

As at 4 November 2011 (being the last practicable date prior to the publication of this Notice) the total number of votes in the Company is 41,500,000. The Subscription shares do not have voting rights attached.

## 11. Documents on display

Copies of the letters of appointment of the Directors of the Company will be available for inspection at the registered office, 201 Bishopsgate, London EC2M 3AE from 4 November 2011 until the time of the meeting and at the meeting itself for at least 15 minutes prior to the meeting until the end of the meeting.

## 12. Communication

Except as provided above, members who have general queries about the meeting should send such queries to the Company Secretary, Henderson International Income Trust plc, 201 Bishopsgate, London EC2M 3AE.

You may not use any electronic address provided either in this notice of AGM or any related documents to communicate with the Company for any purposes other than those expressly stated.

# Directors and Other Information

## Directors

Christopher Jonas, CBE (Chairman)  
Peregrine Banbury, CVO  
William (Bill) Eason  
Simon Jeffreys

## Manager

Henderson Global Investors Limited,  
represented by Ben Lofthouse

Henderson Global Investors Limited is authorised  
and regulated by the Financial Services Authority

## Company Secretary

Henderson Secretarial Services Limited,  
represented by Tracey Lago, ACIS

## Company Incorporation

Incorporated on 2 March 2011  
Listed on the LSE 28 April 2011

## Registered Office

Henderson Global Investors Limited  
201 Bishopsgate  
London EC2M 3AE

## Registered Number

Registered in England and Wales as an investment  
company, No. 7549407

## Independent Auditors

Grant Thornton UK LLP  
30 Finsbury Square  
London EC2P 2YU

## Website

The Ordinary and Subscription share prices, net  
asset value and other information can be found on  
the Company's website  
[www.hendersoninternationalincometrust.com](http://www.hendersoninternationalincometrust.com)

## Registrar

Computershare Investors Services PLC  
The Pavilions  
Bridgwater Road  
Bristol BS99 6ZZ

Investors with share certificates (i.e. not those in a  
share plan or ISA) can check their holdings via the  
Company's Registrar at [www.computershare.com](http://www.computershare.com)

## Legal Advisers

Stephenson Harwood  
1 Finsbury Circus  
London EC2M 7SH

## Custodian

HSBC Bank plc  
8 Canada Square  
London E14 5HQ

## Corporate Broker

Matrix Corporate Capital LLP  
One Vine Street  
London W1J 0AH

## Share Identification Codes

### Ordinary shares

ISIN: GB00B3PHCS86  
SEDOL: B3PHCS8  
EPIC: HINT

### Subscription shares

ISIN: GB00B511KX90  
SEDOL: B511KX9  
EPIC: HINS



The financial statements are published on the [www.hendersoninternationalincometrust.com](http://www.hendersoninternationalincometrust.com) website, which is a website maintained by the Company's Manager, Henderson Global Investors Limited ("Henderson"). The maintenance and integrity of the website maintained by Henderson or any of its subsidiaries is, so far as it relates to the Company, the responsibility of Henderson. The work carried out by the auditors does not involve consideration of the maintenance and integrity of this website and, accordingly, the auditors accept no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

**Henderson International Income Trust plc**  
**201 Bishopsgate**  
**London**  
**EC2M 3AE**  
**is managed by**



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