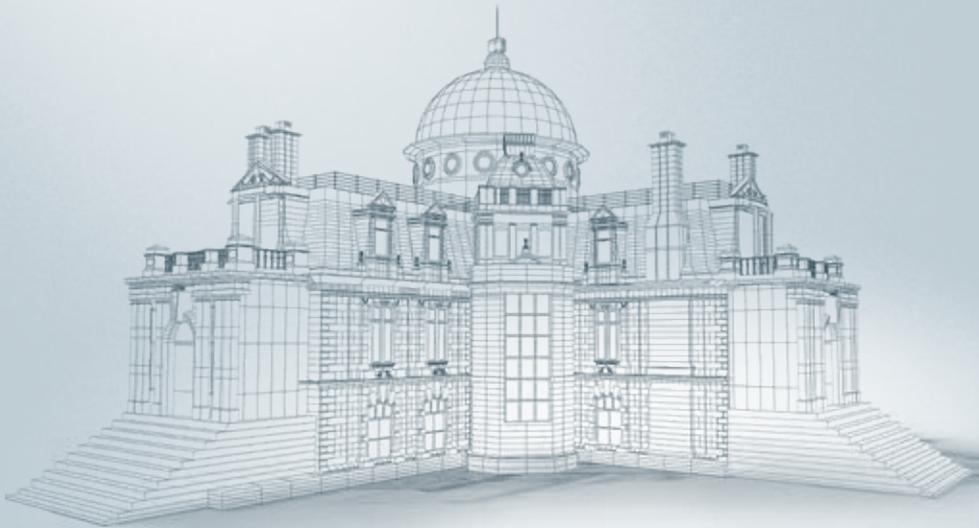


HENDERSON HIGH INCOME TRUST PLC

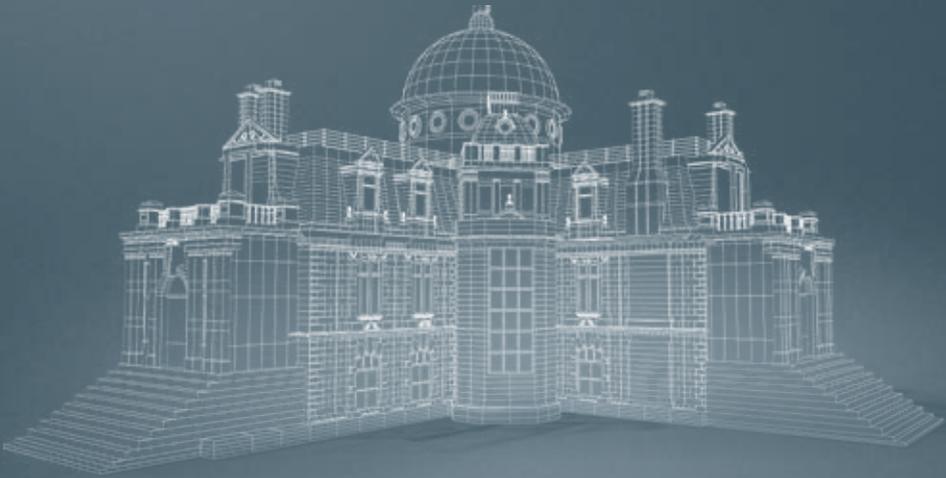
Update for the half-year ended 30 June 2019



Janus Henderson
— INVESTORS —

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.



This update contains material extracted from the unaudited half-year results of the Company for the six months ended 30 June 2019. The unabridged results for the half-year are available on the Company's website:

www.hendersonhighincome.com

The image represents the Greenwich Royal Observatory, London

Performance highlights

Total return performance for the six months ended 30 June 2019



NAV per share³



Discount to NAV (debt at fair value)



Mid-market price per share



Dividend yield



Net assets



Gearing



Total return performance over the ten years to 30 June 2019



¹ Net asset value total return (including dividends reinvested and excluding transaction costs) with debt at fair value.

² A composite of 80% of the FTSE All-Share Index (total return) and 20% of the ICE BofAML Sterling Non-Gilts Index (total return) rebalanced annually.

³ Net asset value per share with debt at fair value as published by the AIC. As mentioned in the Annual Report the methodology for calculating the discount rate for the fair value net asset value per share changed with effect from 30 June 2019. This has resulted in an increase of 0.12p to the fair value net asset value per share as at 30 June 2019.

Sources: Morningstar Direct, Janus Henderson and Datastream

Chairman's Statement

Performance

UK equities rallied strongly in the first half of 2019, reversing the sharp decline experienced in the second half of last year, and the FTSE All-Share Index has almost returned to the same level it was 12 months ago. I am pleased to report that the Company's total return on net assets (with debt at fair value) was 15.7% during the first six months of 2019, some 4.0% higher than the Company's benchmark which increased by 11.6% for the same period. This outperformance was driven by good stock selection in both the equity and fixed interest investments of the portfolio and by gearing. The Company's shares moved from trading in-line with the net asset value (with debt at fair value) at year-end to a slight discount of 1.8%, giving shareholders a total return of 13.7% for the first 6 months of the year. As at 30 June 2019 the dividend yield on the Company's share price was 5.5%, exceeding the 4.1% yield of the FTSE All-Share Index.

As I explained in my last statement at year-end, the Company took the decision to position the portfolio more defensively following the Board's strategy meeting in November. This involved increasing the portfolio's allocation to bonds, in particular some US investment grade corporate bonds, to provide potentially greater protection from capital losses during these uncertain times without reducing income significantly. The total fixed interest portion of the portfolio is now 15.5% with the US exposure partially hedged by borrowings in US dollars. The Company's bonds have performed well, delivering 11.0% total return, representing an excess of 4.4% in relation to the fixed interest component of the Company's benchmark.

Gearing

The Company's gearing has reduced from 271% to 23.1% over the period, firstly due to the increase in the value of the Company's assets and secondly due to a deliberate small decrease in borrowings. Nearly four-fifths of the Company's loans are now being used to finance the Company's fixed interest holdings which effectively yield 4.5% compared to the Company's average cost of borrowing of 2.6%. The level of gearing allocated to equities is therefore significantly lower than the headline gearing figure. The Company still has £6 million available of its multicurrency revolving loan facility should investment opportunities arise.

Dividends

The first interim dividend of 2.425p per share was paid on 26 April 2019 and the second interim dividend for the same amount will be paid on 26 July 2019. While there are

still considerable challenges ahead in the UK economy, we continue to believe that the companies in the portfolio are well placed to grow their underlying earnings. Therefore I am pleased to announce an increase in the third interim dividend to 2.475p for this financial year. This third interim dividend will be paid on 25 October 2019.

Board of Directors

Following many years of service to the Company, Janet Walker, the Audit Chairman, retired from the Board at the Annual General Meeting in May. The Board wishes to thank Janet for her wise counsel and her valuable contribution to the Company.

As I advised at year-end, we are delighted that Jonathan Silver joined the Board at the beginning of the year. Jonathan succeeds Janet as Audit Chairman. More detail on Jonathan's audit and financial experience can be found in the last Annual Report.

Outlook

Twelve months ago commentators were predicting relatively strong global growth and inflationary pressures that would lead to a gradual increase in interest rates by the US Federal Reserve and possibly the Bank of England. Views have now reversed with an expectation that growth may be slowing and that interest rates are likely to be cut. This has generally been positive news for both equities and bonds.

Thank goodness that I did not make any predictions on either the timing or the outcome of Brexit in my last statement. Since year-end the date of the UK's withdrawal from Europe has been postponed twice and is now set for the inauspicious date of Halloween! Against this backdrop UK equities remain out of favour, particularly with international investors. The UK equity market is likely to remain volatile until greater certainty emerges in both Brexit negotiations and trade relations between the US and China. However, for long term investors seeking a relatively high income stream, these circumstances also provide good opportunities to invest in financially sound companies with sustainable cash generative businesses that may be overlooked by others. The Company will continue to build a well-diversified portfolio of such investments to create for its shareholders regular and reliable income with the potential for capital growth in the long term.

Margaret Littlejohns
Chairman
25 July 2019

Fund Manager's report

Markets

Equity markets experienced a strong recovery in the first half of 2019, with the FTSE All-Share Index returning 13.0%, erasing the majority of losses from the previous year. Global equity markets were driven by the support of governments and central banks to subdued economic growth, with China announcing a new monetary stimulus plan and the US Federal Reserve putting future interest rate increases on hold. There was also initial optimism over a resolution to the US-China trade war, however, talks broke down in May. With inflation expectations reducing and investors starting to factor in interest rate cuts globally, bond yields fell over the period (prices rose) with UK Gilts returning 4.7%.

UK economic growth remained lacklustre while areas of the economy, such as industrial production and manufacturing contracted. The jobs market, however, continued its resilience with unemployment close to historical low levels. Political stalemate in the UK remained as no resolution to Brexit was found and the date of exit was delayed until the end of October. The FTSE 100 (+13.1%) outperformed small cap FTSE Small Cap (+9.4%) companies, led by mega cap sectors, such as mining, oil & gas and consumer goods. Cyclical sectors also outperformed with industrials and financial services performing well, while telecommunications, utilities and tobacco lagged on the back of increased political and regulatory risk.

Portfolio activity

During the period the Company continued to increase the defensiveness of the portfolio, recognising the late cycle nature of economies and markets. The allocation to the bond portfolio was increased with a focus on US investment grade corporate bonds where yields remained attractive. Bonds now represent 15.5% of the investment portfolio. Within the equity portfolio, new holdings were initiated in French pharmaceutical company Sanofi, further utilising the Company's ability to invest selectively overseas, and National Express. Sanofi's new management team are focused on increasing research and development productivity and

improving operational efficiencies to drive margins higher, while the valuation remains attractive with the shares trading at a significant discount to the global peer group. National Express is a geographically diverse bus and coach operator with its main divisions in the UK, Spain and US. Having exited UK rail a number of years ago the business should be more resilient going forward, while the company's strong cash flow supports an attractive dividend and opportunities for further bolt-on acquisitions to supplement growth. Elsewhere, the position in Unilever was significantly added to. Unilever is one of the world's leading fast moving consumer group (FMCG) companies with strong brands across three main categories of food, home care and personal care. The majority of sales are now in emerging markets where the company has a dominant position and should support sustainable growth into the long term.

Performance

The Company's NAV (with debt at fair value) was strong during the period, rising 15.7% and outperforming the benchmark's return of 11.6%. The Company's holdings in financials, Intermediate Capital, Jupiter Fund Management and Phoenix all benefitted performance. Intermediate Capital announced robust results, with strong asset growth and a 50% increase in the dividend while Jupiter's share price was supported by strong equity markets, a change of CEO and the company's intention of paying a further special dividend. Phoenix's shares rose as investors gained comfort in the long term sustainability of the dividend post the newly acquired Standard Life Assurance book of business. Elsewhere the Company's positions in Manx Telecom and bus operator Go-Ahead were also positive for performance. Manx Telecom was subject to a bid approach by Basalt Investment Partners while Go-Ahead reassured on its trading with growth returning to its regional bus division.

David Smith
Fund Manager
25 July 2019

Financial summary

Extract from the Income Statement (unaudited)	Half-year ended			
	30 Jun 2019 Revenue return £'000	30 Jun 2019 Capital return £'000	30 Jun 2019 Total £'000	30 Jun 2018 Total £'000
Gains/(losses) on investments	-	26,837	26,837	(10,620)
Investment income	7,892	-	7,892	7,804
Other income	3	-	3	30
Gross revenue and capital gains/(losses)	7,895	26,837	34,732	(2,786)
Expenses, finance costs & taxation ¹	(729)	(1,029)	(1,758)	(1,643)
Net return after taxation	7,166	25,808	32,974	(4,429)
Return per ordinary share	5.57p	20.07p	25.64p	(3.44)p

¹ Expenses, finance costs & taxation include no performance fee provision

The actual performance fee, if any, payable to the Manager for the year to 31 December 2019 requires outperformance above a hurdle of 1% over the full financial year after covering any prior years' underperformance. The performance fee is subject to a 0.4% cap of the average of gross assets in any one year

Extract from the Statement of Financial Position (unaudited except 31 December 2018 figures)	Half-year ended		Year-ended
	30 Jun 2019 £'000	30 Jun 2018 £'000	31 Dec 2018 £'000
Fair value of investments	292,385	299,555	267,966
Net current liabilities	(35,007)	(33,032)	(37,357)
Creditors: amounts falling due after more than one year	(19,825)	(19,817)	(19,821)
Net assets	237,553	246,706	210,788
Net asset value per ordinary share²	184.73p	191.85p	163.91p

² Net asset value (debt at par value)

Going concern

The assets of the Company consist of securities that are readily realisable and, accordingly, the Directors believe that the Company has adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. The Company's shareholders are asked every five years to vote for the continuation of the Company. An ordinary resolution to this effect was passed by the shareholders at the Annual General Meeting held on 5 May 2015. Having assessed these factors, the principal risks and other matters discussed in connection with the viability statement, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Financial summary (continued)

Dividends

In respect of the year-ended 31 December 2018, a fourth interim dividend of 2.425p per share (2017: 2.375p) was paid on 25 January 2019 to shareholders on the register at close of business on 14 December 2018. In respect of the year ending 31 December 2019, a first interim dividend of 2.425p per share (2018: 2.375p) was paid on 26 April 2019 to shareholders on the register at close of business on 5 April 2019. These dividends are reflected in the half-year financial statements.

A second interim dividend of 2.425p per share (2018: 2.375p) will be paid on 26 July 2019 to shareholders on the register at close of business on 21 June 2019. The shares went ex-dividend on 20 June 2019. A third interim dividend of 2.475p per share (2018: 2.425p) will be paid on 25 October 2019 to shareholders on the register on 20 September 2019. The shares will go ex-dividend on 19 September 2019. In accordance with FRS 102, the second and third interim dividends have not been accrued for in the half-year financial statements as they will be paid after the period end.

Share capital

During the half-year ended 30 June 2019, no ordinary shares were issued (half-year ended 30 June 2018: none; year-ended 31 December 2018: none). At 30 June 2019 there were 128,596,278 ordinary shares of 5p nominal value in issue. Between 1 July 2019 and 25 July 2019, no further shares have been issued. The Company has no shares held in Treasury.

Principal risks and uncertainties

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

- Investment
- Market/Financial
- Operational and Cyber
- Tax, Legal and Regulatory
- Risks associated with Brexit

Information on these risks and how they are managed is given in the Company's Annual Report for the year-ended 31 December 2018. In the view of the Board these principal risks and uncertainties were unchanged over the last six months and are as applicable to the remaining six months of the financial year as they were to the six months under review.

Statement of Directors' responsibilities

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

- a) the condensed set of financial statements has been prepared in accordance with FRS 104 "Interim Financial Reporting" issued by the Financial Reporting Council;
- b) this report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- c) this report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

For and on behalf of the Board

Margaret Littlejohns

Chairman

25 July 2019

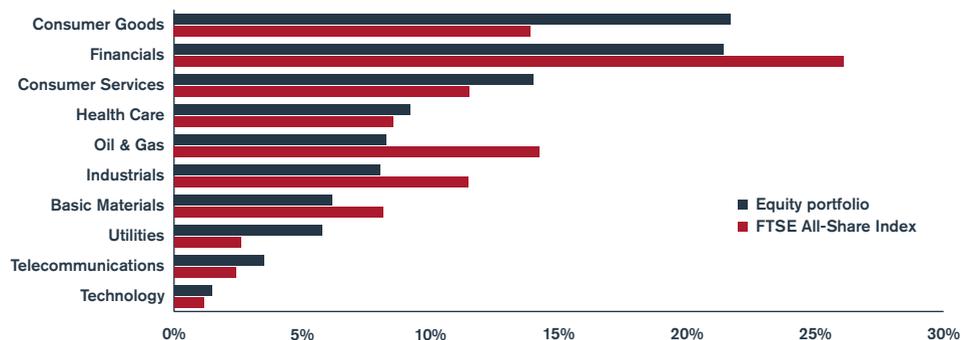
Portfolio information

Twenty largest investments

Company	Sector	Fair value 30 Jun 2019 £'000	% of portfolio 2019	Fair value 31 Dec 2018 £'000	% of portfolio 2018
Diageo	Consumer Goods	12,192	4.2	10,687	4.0
Royal Dutch Shell	Oil & Gas	11,389	3.9	10,545	3.9
GlaxoSmithKline	Health Care	10,629	3.6	9,149	3.4
BP	Oil & Gas	9,224	3.2	8,339	3.1
Rio Tinto	Basic Materials	7,539	2.6	5,363	2.0
Tesco ¹	Consumer Services	7,031	2.4	6,213	2.3
RELX	Consumer Services	6,921	2.4	6,086	2.3
British American Tobacco	Consumer Goods	6,818	2.3	6,201	2.3
HSBC	Financials	6,813	2.3	6,709	2.5
Lloyds Banking ¹	Financials	6,235	2.1	6,102	2.3
Unilever	Consumer Goods	6,130	2.1	1,725	0.7
National Grid	Utilities	5,913	2.0	4,937	1.9
AstraZeneca	Health Care	5,892	2.0	8,110	3.0
Johnson Matthey	Basic Materials	5,479	1.9	4,607	1.7
Imperial Brands	Consumer Goods	5,255	1.8	6,557	2.5
Phoenix	Financials	4,773	1.6	4,363	1.6
Hilton Food	Consumer Goods	4,600	1.6	5,153	1.9
Informa	Consumer Services	4,504	1.5	3,592	1.3
Vodafone	Telecommunications	4,475	1.5	5,291	2.0
BT	Telecommunications	4,232	1.4	5,128	1.9
Total Investments		136,044	46.4	124,857	46.6

¹ includes fixed interest

Equity portfolio sector exposure at 30 June 2019



Investment portfolio

Classification of investments by sector

	30 Jun 2019 %	31 Dec 2018 %		30 Jun 2019 %	31 Dec 2018 %
FIXED INTEREST			EQUITIES (continued)		
Preference shares	1.4	1.4	Consumer Services		
Other fixed interest	14.1	12.6	Food & drug retailers	1.7	1.6
Total Fixed Interest	15.5	14.0	General retailers	0.9	0.7
EQUITIES			Media	3.9	4.5
Oil & Gas			Travel & leisure	5.5	4.2
Oil & gas producers	7.0	7.0	Total Consumer Services	12.0	11.0
Total Oil & Gas	7.0	7.0	Telecommunications		
Basic Materials			Fixed line telecommunications	1.5	2.9
Chemicals	2.7	2.7	Mobile telecommunications	1.5	2.0
Mining	2.6	2.0	Total Telecommunications	3.0	4.9
Total Basic Materials	5.3	4.7	Utilities		
Industrials			Electricity	0.8	0.8
Aerospace & defence	0.7	1.3	Gas, water & multi-utilities	4.1	4.0
Construction & materials	1.2	1.1	Total Utilities	4.9	4.8
General industrials	2.0	2.1	Financials		
Industrial transportation	0.9	-	Banks	4.1	5.3
Support services	2.1	2.2	Equity investment instruments	2.1	2.6
Total Industrials	6.9	6.7	Financial services	4.5	3.9
Consumer Goods			Life insurance	3.7	3.6
Automobiles & parts	0.6	0.6	Non-life insurance	0.9	1.7
Beverages	6.7	6.4	Real Estate Investment Trusts	2.7	3.0
Food producers	2.4	3.7	Total Financials	18.0	20.1
Household goods & home construction	2.0	1.1	Technology		
Personal goods	2.5	1.4	Software & computer services	1.3	1.3
Tobacco	4.1	4.8	Total Technology	1.3	1.3
Total Consumer Goods	18.3	18.0	TOTAL INVESTMENTS	100.0	100.0
Health Care					
Pharmaceuticals & biotechnology	7.8	7.5			
Total Health Care	7.8	7.5			

Financial calendar

Financial calendar

Half-year results announced	25 July 2019
Third interim dividend payable	25 October 2019
Year-end	31 December 2019

Information sources

For more information about the Company, visit the website at www.hendersonhighincome.com.

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

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