

# Henderson High Income Trust plc

Update for the half-year ended 30 June 2025



Seeking superior  
income generation  
and long-term  
capital growth

MANAGED BY

Janus Henderson  
INVESTORS

# Investment objective

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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 2025. The unabridged results for the half-year are available on the Company's website:

[www.hendersonhighincome.com](http://www.hendersonhighincome.com)

# Financial highlights

## Total return performance for the six months ended 30 June 2025

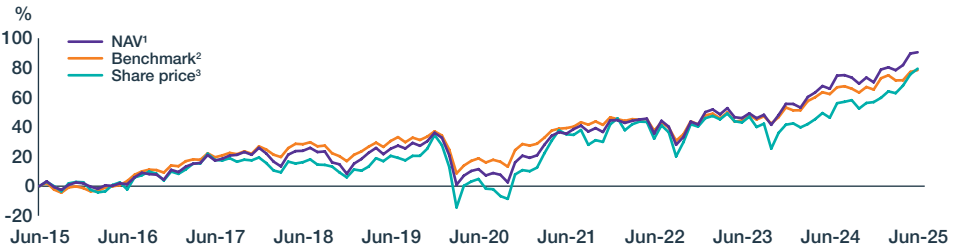
<b>NAV<sup>1</sup></b> <b>11.9%</b>	<b>Benchmark<sup>2</sup></b> <b>8.0%</b>	<b>Share Price<sup>3</sup></b> <b>14.4%</b>
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NAV per share <sup>4</sup>	(Discount)/premium to NAV (debt at fair value)
30 June 2025 <b>190.0p</b>	30 June 2025 <b>(5.1%)</b>
31 December 2024 <b>174.7p</b>	31 December 2024 <b>(7.0%)</b>

Mid-market price per share	Dividend yield
30 June 2025 <b>180.3p</b>	30 June 2025 <b>6.0%</b>
31 December 2024 <b>162.5p</b>	31 December 2024 <b>6.5%</b>

Net assets	Gearing
30 June 2025 <b>£327.2m</b>	30 June 2025 <b>18.2%</b>
31 December 2024 <b>£303.2m</b>	31 December 2024 <b>21.0%</b>

## Total return performance over the ten years to 30 June 2025



<sup>1</sup> Net asset value with debt at fair value per ordinary share total return (including dividends reinvested and excluding transaction costs)  
<sup>2</sup> The benchmark is a composite of 80% of the FTSE All-Share Index (total return) and 20% of the ICE BofA Sterling Non-Gilts Index (total return) rebalanced annually  
<sup>3</sup> The mid-market share price total return (including dividends reinvested)  
<sup>4</sup> Net asset value per share with debt at fair value as published by the Association of Investment Companies (AIC)  
Sources: Morningstar Direct and Janus Henderson

# Chairman's statement

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## Markets/Performance

The first half of 2025 has seen financial markets deliver positive returns. A global backdrop of easing inflation and lower interest rates, combined with robust corporate results has enabled equity markets to move higher with UK equities also benefitting from a historically low relative valuation.

Against this backdrop the Company has also achieved a positive relative performance versus its benchmark (80% of the FTSE All-Share Index and 20% of the ICE BofA Sterling Non-Gilts Index) with a net asset value total return of 11.9% versus the benchmark return of 8.0%, outperformance of 3.9%. The Company's share price total return was higher still at 14.4% as the discount the share price has traded at relative to the Company's net asset value reduced during the period.

## Gearing/Asset Allocation

The Company's asset allocation did not change significantly during the first half of the year with a clear bias towards equities at the expense of fixed interest investments versus the benchmark. During the period the Company had approximately 90% of its assets invested in equities and 10% in bonds. Gearing reduced a little in the period with the Company ending the first half with a gearing level of approximately 18% (versus approximately 21% at the start of 2025).

## Dividends

The first interim dividend of 2.675 pence per share was paid on 25 April 2025 and the second interim dividend for the same amount was paid on 25 July 2025. A third interim dividend, to be paid from the Company's revenue account, of 2.775 pence per share was announced on 7 July 2025 and this dividend will be paid on 24 October 2025 to shareholders registered at the close of business on 12 September 2025 (with the shares being quoted ex-dividend on 11 September 2025).

Dividend payouts from UK companies have continued to be positive with overall levels of corporate profitability remaining healthy. In particular the UK banking sector has exhibited very solid dividend growth whilst the UK miners have seen payout levels more constrained.

The Board continues to regularly review prospective income levels from the Company's portfolio and it remains confident in the Company's ability to provide shareholders with a high income return.

## Outlook

Whilst markets have made good progress in the first half of the year investors remain focused on the impact of ongoing tariff negotiations between the US and its trading partners and the impact that this may have on economic activity. With global inflationary pressures having eased a little there is some scope for monetary policy to become a little less restrictive although the US Federal Reserve appears reluctant to reduce rates for the moment. In the UK, although inflation has picked up a little, the Bank of England has lowered the UK interest rate to 4 percent due to signs that the labour market is cooling off and evidence that pay settlements at least in the private sector have begun to reduce.

The UK equity market has made good progress in the early part of the year, aided by strong company results and significant share buyback activity. There is a clear divergence between the apparent health of the corporate sector and government finances which remain under significant pressure due to public spending commitments. It is important to remember that a significant proportion of UK company profitability is derived from activities outside the UK and the UK market continues to trade at an attractive valuation relative to other global markets.

As usual, the Company's Fund Manager will continue to focus on delivering the high level of income which our shareholders expect while also mindful of the requirement to target longer term capital growth.

**Jeremy Rigg**  
**Chairman**  
**9 September 2025**

# Fund Manager's report

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## Markets

The UK equity market made strong returns during the first half of the year with the FTSE All-Share Index up 9.1% on a total return basis. Optimism over looser monetary policy, plans by European countries to boost defence spending and better than expected UK economic growth helped drive the equity markets higher during the first quarter. Global markets, however, experienced a sharp sell-off in early April 2025 after US President Trump announced new tariffs on imports, before quickly recovering after the US administration suspended their imposition for 90 days. The trade uncertainty also caused increased volatility in other asset classes, with the US dollar weakening against sterling, falling 9.4% over the period, and the oil price sinking 9.2% to \$66 per barrel as at the end of June 2025.

The Bank of England announced two 25-basis-point (bps) interest rate cuts, reducing its benchmark rate to 4.25%. Annual inflation, however, remained stubbornly above its 2% target, as it accelerated to 3.4% in May from 3.0% in January 2025. The UK 10-year gilt yield ended June at 4.5%, down from 4.6% as at the end of last year, although this masked significant volatility in the period given the tariff uncertainties along with fears over the UK's fiscal deficit position.

Larger cap companies outperformed mid- and small-cap companies with the FTSE 100 Index rising 9.5% versus the FTSE 250 and FTSE Small Cap indices gaining 6.9% and 7.1% respectively. Sectors such as aerospace & defence, life insurance, banks and tobacco outperformed, while beverages, mining and general industrials lagged.

## Performance

The Company's NAV (with debt at fair value) rose by 11.9% during the period, outperforming the Company's benchmark return of 8.0%. Within the equity portfolio, holdings in life insurance companies Phoenix and M&G were positive for performance. Phoenix reported good results with cash generation better than expected while M&G announced a long-term strategic partnership with Japanese

Insurer Dai-ichi Life, which is expected to deliver new business flows for M&G while Dai-ichi will also acquire a 15% stake in the company. Some of the overseas equity holdings also aided performance with Nordic telecommunications company Tele2 and French utility Engie performing strongly. Tele2 released good results with early evidence that their cost transformation plan was leading to higher profits and cash flow. Engie shares reacted positively to its upgraded profit guidance on better trading and increased capital investment plans in energy infrastructure.

Elsewhere, not holding Rolls Royce was a negative to relative performance given its strong share price performance and large weighting in the benchmark. Rolls Royce's full year results significantly beat expectations while the shares were further supported by the proposal by the new German government to materially increase its defence spending. This also led to strong outperformance from holdings in defence contractors BAE and Chemring which helped offset some of the relative performance headwind.

## Portfolio Activity

Given geopolitical and economic uncertainties and the strength of equity markets, gearing was modestly reduced during the first half of the year and finished the period at 18.2%.

Within the equity portfolio new holdings were established in overseas companies BNP Paribas and AXA. BNP is a diversified and strongly capitalised bank and is well placed to benefit from any de-regulation of the EU banking sector and capital market reforms. This should help release capital, drive higher growth and improve returns which we believe is not currently discounted in the valuation. AXA is a well-diversified European multi-line insurer with a strong solvency position and attractive dividend. Sales for the period included SSE, Mobico and Sabre Insurance. UK utility SSE is due to make significant investments in renewable energy projects over the next few years, however, we are concerned over the level of returns given the material increase in construction costs in recent years. We exited

# Fund Manager's report

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Mobico at the beginning of the year on fears over the balance sheet and the company's ability to sell assets to reduce leverage. Finally, Sabre was sold after a recovery from its share price lows given margins had recovered back to more normalised levels.

**David Smith**  
**Fund Manager**  
**9 September 2025**

# Financial summary

	Half-year ended			
Extract from the Income Statement (unaudited)	30 Jun 2025 Revenue return £'000	30 Jun 2025 Capital return £'000	30 Jun 2025 Total return £'000	30 Jun 2024 Total return £'000
Gains on investments	-	25,536	25,536	8,900
Investment income	12,551	-	12,551	11,917
Other income	101	-	101	44
Gross revenue and capital gains	12,652	25,536	38,188	20,861
Expenses, finance costs and taxation	(1,283)	(1,322)	(2,605)	(2,978)
Net return after taxation	11,369	24,214	35,583	17,883
Return per ordinary share	6.64p	14.13p	20.77p	10.60p

	Half-year ended		Year-ended
Extract from the Statement of Financial Position (unaudited except 31 December 2024 figures)	30 Jun 2025 £'000	30 Jun 2024 £'000	31 Dec 2024 £'000
Fair value of investments	386,901	369,785	366,790
Net current liabilities	(39,811)	(45,674)	(43,704)
Creditors: amounts falling due after more than one year	(19,884)	(19,873)	(19,879)
Net assets	327,206	304,238	303,207
Net asset value per ordinary share <sup>1</sup>	191.68p	176.74p	176.14p

<sup>1</sup> Net asset value (debt at par value)

## Going concern

The Directors have considered the risks associated with global interest rates that continue to remain at higher levels despite recent cuts and the continued impact on the broader financial system, as well as the risks arising from the wider ramifications of geopolitical conflicts, including cash flow forecasting, a review of covenant compliance including the headroom above the most restrictive covenants and an assessment of the liquidity of the portfolio. They have concluded that they are able to meet their financial obligations, including the repayment of the bank loan, as they fall due for a period of at least twelve months from the date of issuance. Having assessed these factors, the principal risks and other matters discussed in connection with the viability statement, the Board has determined that it is appropriate for the financial statements to be prepared on a going concern basis.

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 13 May 2025.

# Financial summary (continued)

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## Dividends

The Company pays dividends on a quarterly basis. In respect of the year ended 31 December 2024, a fourth interim dividend of 2.675p per share (2023: 2.625p) was paid on 31 January 2025 to shareholders on the register at close of business on 13 December 2024. In respect of the year ending 31 December 2025, a first interim dividend of 2.675p per share (2024: 2.625p) was paid on 25 April 2025 to shareholders on the register at close of business on 4 April 2025. These dividends are reflected in the half-year financial statements.

A second interim dividend of 2.675p per share (2024: 2.625p) for the year ending 31 December 2025 was paid on 25 July 2025 to shareholders on the register at close of business on 13 June 2025. A third interim dividend of 2.775p per share (2024: 2.675p) for the year ending 31 December 2025 will be paid on 24 October 2025 to shareholders on the register at close of business on 12 September 2025. The shares will be quoted ex-dividend on 11 September 2025. 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

At 1 January 2025 there were 172,141,700 ordinary shares of 5p nominal value in issue. During the six months under review, 1,436,064 shares were bought back and held in treasury. Accordingly, the number of shares in issue as at 30 June 2025 was 172,141,700, of which 1,436,064 were held in treasury.

Between 1 July 2025 and 5 September 2025, being the last practicable date prior to publication, 632,254 shares were bought back. Accordingly, the number of shares in issue as at 5 September 2025 was 172,141,700, of which 2,068,318 were held in treasury. Therefore, the total voting rights in the Company at that date was 170,073,382.

## Principal Risks and Uncertainties

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

- Climate change risk
- Investment risk
- Market/financial risk
- Operational risks including cyber risks, pandemic risks and epidemic risks and risks relating to terrorism and international conflicts
- Tax, legal and regulatory risk

Information on these risks and how they are managed is given in the Company's Annual Report for the year-ended 31 December 2024. The Board has completed a thorough review of the principal risks and considers that these risks have not changed over the past 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) the Interim Management Report and condensed financial statements include a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- c) the Interim Management Report and condensed financial statements include 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**  
**Jeremy Rigg**  
**Chairman**  
**9 September 2025**

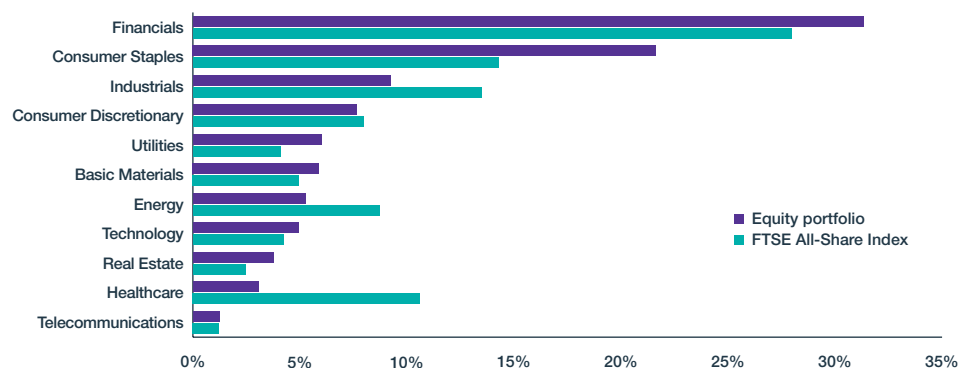


# Portfolio information

## Twenty Largest Investments

Company	Sector	Fair value as at 30 Jun 2025 £'000	% of portfolio 2025	Fair value as at 31 Dec 2024 £'000	% of portfolio 2024
British American Tobacco	Consumer Staples	21,289	5.5	17,709	4.8
HSBC	Financials	12,812	3.3	12,546	3.4
Imperial Brands	Consumer Staples	11,289	2.9	11,761	3.2
Shell	Energy	11,133	2.9	9,569	2.6
RELX (Netherlands)	Technology	10,662	2.8	9,798	2.7
Phoenix	Financials	10,122	2.6	7,836	2.0
Unilever	Consumer Staples	9,340	2.4	10,544	2.9
Aviva	Financials	8,842	2.3	6,540	1.7
National Grid	Utilities	8,651	2.2	7,449	1.9
Rio Tinto	Basic Materials	8,600	2.2	10,542	2.9
NatWest	Financials	8,569	2.2	8,112	2.2
Lloyds Banking Group	Financials	8,559	2.2	6,114	1.2
Reckitt Benckiser	Consumer Staples	8,098	2.1	7,029	1.8
3i	Financials	7,405	1.9	8,102	2.2
BP	Energy	7,402	1.9	7,953	2.2
M&G	Financials	7,223	1.9	6,796	1.8
Severn Trent	Utilities	7,213	1.9	6,023	1.6
BAE Systems	Industrials	6,929	1.8	4,218	1.1
Tesco	Consumer Staples	6,869	1.8	7,535	2.0
Hilton Food	Consumer Staples	6,385	1.7	6,023	1.6
<b>TOTAL</b>		<b>187,392</b>	<b>48.5</b>	<b>172,199</b>	<b>45.8</b>

## Equity Portfolio Sector Exposure at 30 June 2025



Source: Janus Henderson

# Investment portfolio

## Classification of Investments by Sector

	30 Jun 2025 %	31 Dec 2024 %

FIXED INTEREST		
Preference shares	0.8	1.2
Other fixed interest	8.8	9.7
<b>Total Fixed Interest</b>	<b>9.6</b>	<b>10.9</b>

EQUITIES		
<b>Energy</b>		
Oil, gas and coal	4.8	4.8
<b>Total Energy</b>	<b>4.8</b>	<b>4.8</b>
<b>Basic Materials</b>		
Chemicals	1.9	1.7
Industrial metals and mining	3.4	4.3
<b>Total Basic Materials</b>	<b>5.3</b>	<b>6.0</b>
<b>Industrials</b>		
Aerospace and defence	3.1	1.9
Construction and materials	0.9	0.7
Electronic and electrical equipment	-	0.5
General industrials	1.9	1.8
Industrial engineering	0.7	0.8
Industrial support services	1.9	2.1
<b>Total Industrials</b>	<b>8.5</b>	<b>7.8</b>
<b>Consumer Discretionary</b>		
Consumer services	1.5	1.8
Household goods and home construction	1.1	1.0
Media	-	2.7
Retailers	2.4	2.3
Travel and leisure	2.0	2.7
<b>Total Consumer Discretionary</b>	<b>7.0</b>	<b>10.5</b>
<b>Healthcare</b>		
Pharmaceuticals and biotechnology	2.8	3.3
<b>Total Healthcare</b>	<b>2.8</b>	<b>3.3</b>

	30 Jun 2025 %	31 Dec 2024 %

EQUITIES (continued)		
<b>Consumer Staples</b>		
Beverages	2.1	2.0
Food producers	2.9	2.9
Personal care, drug and grocery stores	6.3	6.9
Tobacco	8.4	8.0
<b>Total Consumer Staples</b>	<b>19.7</b>	<b>19.8</b>
<b>Utilities</b>		
Electricity	-	0.9
Gas, water and multiutilities	5.5	4.8
<b>Total Utilities</b>	<b>5.5</b>	<b>5.7</b>
<b>Financials</b>		
Banks	8.9	7.3
Closed end investments	1.5	1.8
Finance and credit services	1.1	0.9
Investment banking and brokerage services	7.9	8.4
Life insurance	5.6	4.5
Non-life insurance	2.7	2.3
<b>Total Financials</b>	<b>27.7</b>	<b>25.2</b>
<b>Technology</b>		
Software and computer services	3.7	1.0
Technology hardware and equipment	0.8	0.8
<b>Total Technology</b>	<b>4.5</b>	<b>1.8</b>
<b>Real Estate</b>		
Real estate investment trusts	3.4	3.0
<b>Total Real Estate</b>	<b>3.4</b>	<b>3.0</b>
<b>Telecommunications</b>		
Fixed Line Telecommunications	1.2	1.2
<b>Total Telecommunications</b>	<b>1.2</b>	<b>1.2</b>
<b>TOTAL INVESTMENTS</b>	<b>100.0</b>	<b>100.0</b>

# Corporate information

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## Registered Office

201 Bishopsgate  
London  
EC2M 3AE

## Service Providers

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

## Corporate Secretary

Janus Henderson Secretarial Services UK Limited  
201 Bishopsgate  
London  
EC2M 3AE  
Telephone: 0207 818 1818  
Email: [itsecretariat@janushenderson.com](mailto:itsecretariat@janushenderson.com)

## Depository and Custodian

HSBC Bank plc  
8 Canada Square  
London  
E14 5HQ

## Stockbrokers

J.P. Morgan Cazenove Limited  
25 Bank Street  
London  
E14 5JP

## Registrar

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

Telephone: 0370 707 1039

Email: [web.queries@computershare.co.uk](mailto:web.queries@computershare.co.uk)

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

## Independent Auditors

PricewaterhouseCoopers LLP  
7 More London Riverside  
London  
SE1 2RT

## Information Sources

To receive regular expert insights about the Company, visit [www.hendersonhighincome.com](http://www.hendersonhighincome.com)

To receive regular insights about investment trusts from the Manager, visit: [www.janushenderson.com/en-gb/investor/subscriptions](http://www.janushenderson.com/en-gb/investor/subscriptions).



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Henderson High Income Trust plc  
201 Bishopsgate  
London EC2M 3AE  
[www.hendersonhighincome.com](http://www.hendersonhighincome.com)

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— INVESTORS —

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