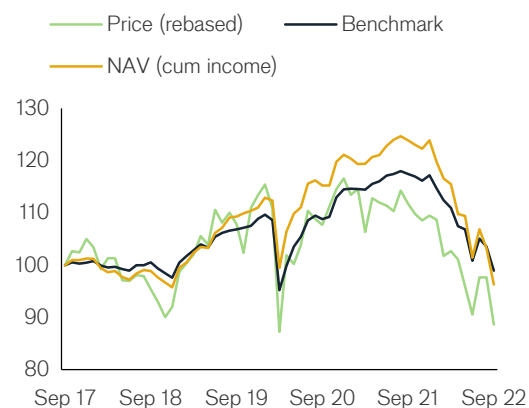


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Share price performance (total return)



Dividend history (pence/share)



In the 2008 financial year, five interim dividends were paid over a 15 month period totalling 9.65p. In the 18 month period to 30 April 2018, the payments comprised of two dividends totalling 2.5p from Henderson Diversified Income Limited and four interest distributions totalling 4.55p from Henderson Diversified Income Trust plc. Please note that the chart includes payments that have been declared but not yet paid.

Performance over (%)	10y	5y	3y	1y	6m
Share price (Total return)	31.1	-11.3	-17.8	-20.6	-13.7
Net asset value (Total return)	41.7	-3.7	-11.9	-22.2	-16.6
Benchmark (Total return)	32.6	-1.1	-7.4	-15.8	-10.8
Relative NAV (Total return)	9.1	-2.6	-4.5	-6.5	-5.8

Discrete year performance (%)	Share price	NAV
30/9/2021 to 30/9/2022	-20.65	-22.24
30/9/2020 to 30/9/2021	3.75	7.48
30/9/2019 to 30/9/2020	-0.17	5.44
30/9/2018 to 30/9/2019	13.08	10.55
30/9/2017 to 30/9/2018	-4.60	-1.13

All performance, cumulative growth and annual growth data is sourced from Morningstar.

Source: at 30/09/22. © 2022 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

Commentary at a glance

Performance

The Company underperformed the Composite Benchmark during the month.

Contributors/detractors (for the quarter)

In terms of performance, the Company's investment grade holding detracted the most from performance as high yield, though down, was less negative due to being lower duration. Sector wise, financial holdings were the largest detractors with few positive contributors.

Outlook

We expect a second move wider in credit spreads after a range-bound summer, driven by deteriorating fundamentals and recession risks. The market is getting better at understanding and pricing monetary policy risks, but fundamental concerns are seemingly not reflected in the price.

See full commentary on page 3.

References made to individual securities do not constitute a recommendation to buy, sell or hold any security, investment strategy or market sector, and should not be assumed to be profitable. Janus Henderson Investors, its affiliated advisor, or its employees, may have a position in the securities mentioned.

Company overview

Objective

The Company's investment objective is to provide shareholders with a high level of income and preservation of capital, through the economic cycle.

Highlights

A long-term fixed income Company that takes a thematic investing approach to providing an income stream for shareholders.

Company information

NAV (cum income)	67.9p
NAV (ex income)	67.3p
Share price	63.6p
Discount(-)/premium(+)	-6.3%
Yield	6.95%
Net gearing	13%
Net cash	-
Total assets	£140m
Net assets	£124m
Market capitalisation	£116m
Total voting rights	182,963,915
Total number of holdings	179
Ongoing charges (year end 30 April 2021)	0.91%
Overall Morningstar Rating™	★★★★
Benchmark	Composite Benchmark

Source: BNP Paribas for holdings information and Morningstar for all other data. Differences in calculation may occur due to the methodology used.

Please note that the total voting rights in the Company does not include shares held in Treasury.

Diversified Income custom benchmark comprised of 60% ICE BofA Global HY 25% ICE BofA Global BBB Corporate 15% CSWELLI all hedged to GBP

Please remember that past performance does not predict future returns. The value of an investment and the income from it can rise as well as fall as a result of market and currency fluctuations, and you may not get back the amount originally invested.

How to invest

Go to www.janushenderson.com/howtoinvest

Find out more

Go to www.hendersondiversifiedincome.com

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Top 10 holdings (%)

Nationwide Building Society	2.1
Service Corp International 4.625% 2027	2.0
Crown Castle 3.65% 2027	2.0
Altice France 5.50% 2028	1.8
Anheuser-Busch Worldwide 4.75% 2029	1.8
Phoenix Group 6.625% 2025	1.6
Hasbro 3.90% 2029	1.5
Virgin Media Secured Finance 4.125% 2030	1.5
Co-Operative Group 7.50% 2026	1.3
TransDigm 6.25% 2026	1.3

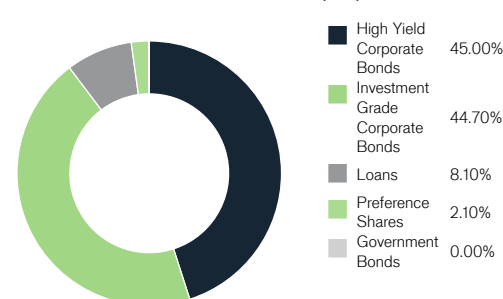
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Derivatives breakdown (%)

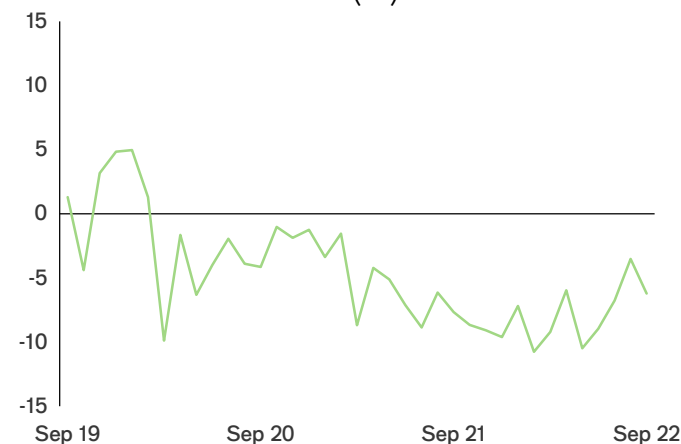
CDS Long Risk	—
CDS Short Risk	—
CDS Net Risk	—
NET Interest Rate Futures	—
Total Synthetic	—
Total Net Gearing (Synthetic + Net)	13.0

The average modified duration of the portfolio at month end was 5.8%.

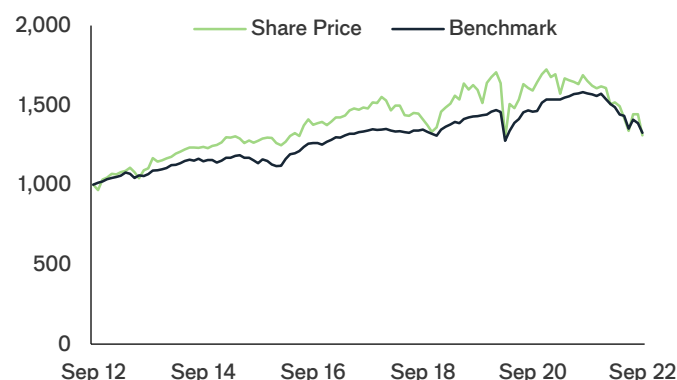
Sector breakdown (%)



Premium/(Discount) of Share Price to NAV at Fair Value (%)



10 year return of £1,000



All performance, cumulative growth and annual growth data is sourced from Morningstar

Key information

Stock code	HDIV
AIC sector	AIC Debt & Loans & Bonds
Benchmark	Composite Benchmark
Company type	Conventional (Ords)
Launch date	2007
Financial year	30-Apr
Dividend payment	March, June, September, December
Risk rating (Source: Numis)	Below average
Management fee	0.65%
Performance fee	No
(See Annual Report & Key Information Document for more information)	
Regional focus	Global
Fund manager appointment	John Pattullo 2007 Jenna Barnard 2007 Nicholas Ware 2022



John Pattullo
Fund Manager



Jenna Barnard, CFA
Fund Manager



Nicholas Ware
Fund Manager

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How to invest

Go to janushenderson.com/howtoinvest

Customer services

0800 832 832

Fund Manager commentary (for the quarter)

Investment environment

The quarter started with a bear market rally due to the belief that the US Federal Reserve (Fed) was about to pivot. This was soon reversed following renewed inflationary pressures in Europe as well as Powell's speech at Jackson Hole in late August where he made it clear that bringing inflation down was his priority. The equity markets then retested the lows coming into September following a worse-than-expected US August Consumer Price Index (CPI) report (8.3% actual versus 8.1% expected). Central banks continued to raise interest rates over the quarter - with 100 basis points (bps) from the Bank of England (BoE), 125bps from the European Central Bank (ECB), and 150bps from the Fed - which led to a spike in bond yields and a sell-off of equities.

The problem is that while US inflation seems to have peaked, it is taking time to roll over with the service component proving sticky, while in Europe and the UK, it is likely to remain elevated this winter due to large energy-related price increases. This has meant that inflation is well above the central banks' targets in most countries, which is why the markets are pricing in further rate hikes. This has led to increased fears of a global recession given their coordinated nature.

The economic picture shows moderating global growth with recession calls from some of the major investment banks for Europe and UK becoming more common. Towards the end of September, the UK governments "mini budget" was poorly

received by markets and led to a large sell-off in gilts, forcing the BoE to intervene by temporarily buying long-dated gilts. The underlying issue was the scale of the deficit leading to huge new issuance of gilts and the fact that the Office for Budget Responsibility (OBR) had not reviewed the new budget ahead of its release. The BoE was then forced into a bizarre policy mix of looking to increase rates at the front end of the yield curve while buying long-dated bonds - akin to having one foot on the brake and the other on the accelerator.

The central banks are succeeding in making financial conditions tight and what has spooked markets is that they are prepared to keep interest rates restrictive even as growth slows in their determination to bring down inflation. Inflation is a lagging indicator of growth and we have begun seeing this seep through into earnings expectations which for the S&P 500 Index started the quarter with an earnings growth forecast of 6.3% in the third quarter and ended the quarter decelerating to growth of 2.9%. We have seen a number of earning warnings saying that demand was very weak through August and September, particularly in Europe and China. It looks like prices are peaking, demand is slowing and yet costs are sticky, so it will be interesting to see what companies say about their guidance as we move into the fourth quarter.

Portfolio review

The Company's net asset value (NAV) fell by -5.1% during

the quarter.

We were given permission by the board to reduce gearing in the quarter and if needed to use the reserves to pay dividends. We have used this flexibility to reduce gearing as a short term/tactical opportunity to re-load at wider spreads. We continued buying back shares and will look to continue to do so in the market if we consider it be accretive for our shareholders.

During the quarter, European investment grade bonds widened by 9 basis points (bps) and delivered -3.3% while US investment grade widened by 3bps and delivered -5.1%. Both these negative returns were driven by the rates sell-off. European high yield bonds tightened by 16bps to deliver -0.4% and US high yield tightened by 44bps and delivered -0.7%, outperforming the rest of the fixed income universe.

In terms of primary activity during the quarter, we have seen muted primary issuance in both the European and US investment grade markets as well as very little issuance in either the European or US high yield market, driven by a typically quieter summer season, secondary market volatility and elevated pricing levels. In terms of distress, we have seen a pick-up in the US with a total of \$23.4 billion this quarter - the highest quarter since the Covid-19 crisis. The US high yield default rate stood at around 1.6% and European markets at around 0.4% at the end of the quarter. The overall level of distress in the market has begun picking up from a low base.

Manager outlook

The themes from the first two quarters remain the same. The market is concerned about high inflation, further interest rate hikes and slowing growth likely heading into a recession. We have positioned the portfolio defensively and, while a little early, we find that data points are corroborating our positioning.

We have been buying more investment grade bonds during the quarter as we have been getting more defensive, selling down some of the sub-financial exposure as we see recessionary fears present a weaker backdrop for global risk assets. We remain fully invested in "reason to exist" large cap credit around what we see as the B-rated (19.7% of the fund), BB-rated (28.7%) and BBB-rated (45.6%) sweet spot.

The focus on providing a relatively consistent and attractive income stream to investors means that the investments are naturally skewed to lower-rated and riskier corporate bonds.

Glossary

Discount/Premium

The amount by which the price per share of an investment trust is either lower (at a discount) or higher (at a premium) than the net asset value per share (cum income), expressed as a percentage of the net asset value per share.

Gearing

The effect of borrowing money for investment purposes (financial gearing). The amount a company can "gear" is the amount it can borrow in order to invest. Gearing is used in the expectation that the returns on the investments bought will exceed the costs of the borrowings that funded the purchase. This Company can also use synthetic gearing through derivatives and foreign exchange hedging and/or other non-fully funded instruments or techniques.

Leverage

The company's leverage is the sum of financial gearing and synthetic gearing. Details of the Company's leverage limits can be found in both the Key Information Document and Annual Report. Where a company utilises leverage, the profits and losses incurred by the company can be greater than those of a company that does not use leverage.

Market capitalisation

Month end closing mid-market share price multiplied by the number of shares outstanding at month end.

NAV (Cum Income)

The value of investments and cash, including current year revenue, less liabilities (prior charges such as loans, debenture stock and preference shares at fair value).

NAV (Ex Income)

The value of investments and cash, excluding current year revenue, less liabilities (prior charges such as loans, debenture stock and preference shares at fair value).

Net asset value total return

The theoretical total return on shareholders' funds per share reflecting the change in Net Asset Value (NAV) assuming that dividends paid to shareholders were reinvested at NAV at the time the shares were quoted ex-dividend. A way of measuring investment management performance of investment trusts which is not affected by movements in discounts/premiums.

Net assets

Total assets minus any liabilities such as bank loans or creditors.

Net cash

A company's net exposure to cash/cash equivalents expressed as a percentage of shareholders' funds, after any offset against its gearing. This is only shown for companies that have gearing in place.

Net gearing

A company's total assets (less cash/cash equivalents) divided by shareholders' funds expressed as a percentage.

Ongoing charges

The total expenses for the financial year (excluding performance fee), divided by the average daily net assets, multiplied by 100.

Risk rating

The key measure used to assess risk is volatility of returns, using historic net asset value (NAV) performance of the company over 1 and 3 years. In this instance volatility measures how much a trust's NAV fluctuates over time in relation to the UK Equity market. The higher a volatility figure, the more the NAV has fluctuated (both up and down) over time. Please note that risk categorisations are indicative and based principally on historic data and should not be solely relied upon when making investment decisions.

Share price

Closing mid-market share price at month end.

Share price total return

The theoretical total return to the investor assuming that all dividends received were reinvested in the shares of the company at the time the shares were quoted ex-dividend. Transaction costs are not taken into account.

Total assets

Cum Income NAV multiplied by the number of shares, plus prior charges at fair value.

Yield

Calculated by dividing the current financial year's dividends per share (this will include prospective dividends) by the current price per share, then multiplying by 100 to arrive at a percentage figure.

Bear market

A bear market is when a market experiences prolonged price declines. It typically describes a condition in which securities prices fall 20% or more from recent highs amid widespread pessimism and negative investor

sentiment.

Bond yield

The level of income on a security, typically expressed as a percentage rate. For a bond, this is calculated as the coupon payment divided by the current bond price. Lower bond yields means higher bond prices.

Credit spread

The difference in the yield of corporate bonds over equivalent government bonds.

Default rate

The default rate is the percentage of all outstanding loans that a lender has written off as unpaid after a prolonged period of missed payments. The term default rate—also called penalty rate—may also refer to the higher interest rate imposed on a borrower who has missed regular payments on a loan.

Defensive stocks

A defensive stock is a stock that provides consistent dividends and stable earnings regardless of the state of the overall stock market. There is a constant demand for their products, so defensive stocks tend to be more stable during the various phases of the business cycle.

Inflation

The rate at which the prices of goods and services are rising in an economy. The CPI and RPI are two common measures.

Investment grade bonds

A bond typically issued by governments or companies perceived to have a relatively low risk of defaulting on their payments. The higher quality of these bonds is reflected in their higher credit ratings when compared with bonds thought to have a higher risk of default, such as high-yield bonds.

Front-end yield curve

The "front end of the yield curve" is financial jargon for short term debt securities. That means bonds issued for around a year or less.

Gearing

Gearing is the measure of a company's debt level. It is also the relationship between a company's leverage, showing how far its operations are funded by lenders versus shareholders. Within investment trusts it refers to how much money the trust borrows for investment purposes.

Gilts

Government bonds in the U.K., India, and several other Commonwealth countries are known as gilts. Gilts are the equivalent of U.S. Treasury securities in their respective countries. The term gilt is often used informally to describe any bond that has a very low risk of default and a

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correspondingly low rate of return.

High yield bond

A bond which has a lower credit rating below an investment grade bond. It is sometimes known as a sub-investment grade bond. These bonds usually carry a higher risk of the issuer defaulting on their payments, so they are typically issued with a higher coupon to compensate for the additional risk.

Large cap credit

Large-cap (sometimes called "big cap") refers to a company with a market capitalization value of more than \$10 billion. Large cap is a shortened version of the term "large market capitalization."

Long-dated bonds

A long-dated asset is a type of income-generating asset, such as residential mortgages and 30-year bonds, where the revenue streams occur until that asset's maturity date (which is well into the future).

Monetary policy - The policies of a central bank, aimed at influencing the level of inflation and growth in an economy. It includes controlling interest rates and the supply of money. Monetary stimulus refers to a central bank increasing the supply of money and lowering borrowing costs. Monetary tightening refers to central bank activity aimed at curbing inflation and slowing down growth in the economy by raising interest rates and reducing the supply of money.

Net Asset Value (NAV)

The total value of a fund's assets less its liabilities.

Recession

A recession is a macroeconomic term that refers to a significant decline in general economic activity in a designated region. It had been typically recognized as two consecutive quarters of economic decline, as reflected by GDP in conjunction with monthly indicators such as a rise in unemployment.

Yield curve

A graph that plots the yields of similar quality bonds against their maturities. In a normal/upward sloping yield curve, longer maturity bond yields are higher than short-term bond yields. A yield curve can signal market expectations about a country's economic direction.

For a full list of terms please visit:

www.janushendersoninvestmenttrusts.com

Source for fund ratings/awards

Overall Morningstar Rating™ is a measure of a fund's risk-adjusted return, relative to similar funds. Fund share classes are rated from 1 to 5 stars, with the best performers receiving 5 stars and the worst performers receiving a single star. Overall Morningstar Rating™ is shown for Janus Henderson share classes achieving a rating of 4 or 5. Ratings should not be taken as a recommendation. For more detailed information about Morningstar Ratings, including its methodology, please go to global.morningstar.com/managerdisclosures.

Company specific risks

- This trust is suitable to be used as one component in several in a diversified investment portfolio. Investors should consider carefully the proportion of their portfolio invested into this trust.
- Active management techniques that have worked well in normal market conditions could prove ineffective or detrimental at other times.
- The trust could lose money if a counterparty with which it trades becomes unwilling or unable to meet its obligations to the trust.
- Higher yieldings bonds are issued by companies that may have greater difficulty in repaying their financial obligations. High yield bonds are not traded as frequently as government bonds and therefore may be more difficult to trade in distressed markets.
- The return on your investment is directly related to the prevailing market price of the trust's shares, which will trade at a varying discount (or premium) relative to the value of the underlying assets of the trust. As a result losses (or gains) may be higher or lower than those of the trust's assets.
- If a trust's portfolio is concentrated towards a particular country or geographical region, the investment carries greater risk than a portfolio diversified across more countries.
- The trust may use gearing as part of its investment strategy. If the trust utilises its ability to gear, the profits and losses incurred by the trust can be greater than those of a trust that does not use gearing.
- All or part of the trust's management fee is taken from its capital. While this allows more income to be paid, it may also restrict capital growth or even result in capital erosion over time.

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