

PROPOSED COMBINATION OF HENDERSON DIVERSIFIED INCOME TRUST PLC (HDIV) WITH HENDERSON HIGH INCOME TRUST PLC (HHI)

- As announced on 4 October 2023, HDIV and HHI have agreed heads of terms in respect of a proposed combination of the assets of HDIV with HHI.
- The combination, if approved by each shareholder base, would be achieved through a scheme of reconstruction and members' voluntary winding up of HDIV under section 110 of the Insolvency Act 1986 (the "Scheme") with the associated transfer of part of the assets and undertaking of HDIV to HHI in exchange for the issue of new ordinary shares in HHI to those HDIV shareholders who rollover their investment into HHI (see below).
- HDIV shareholders will in respect of some or all of their holdings of HDIV shares, be entitled to:
 - Rollover (default option) their investment into new HHI shares, which will be issued to HDIV shareholders on a Formula Asset Value (FAV) for FAV basis pursuant to the terms of the Scheme; and/or
 - elect to receive cash, which will be offered at HDIV's NAV per share (cum income with debt at par value) less a discount of 1%

The HDIV Board believes that the proposals contained within the Prospectus will offer Shareholders of the Enlarged Company [HHI] the following benefits:

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

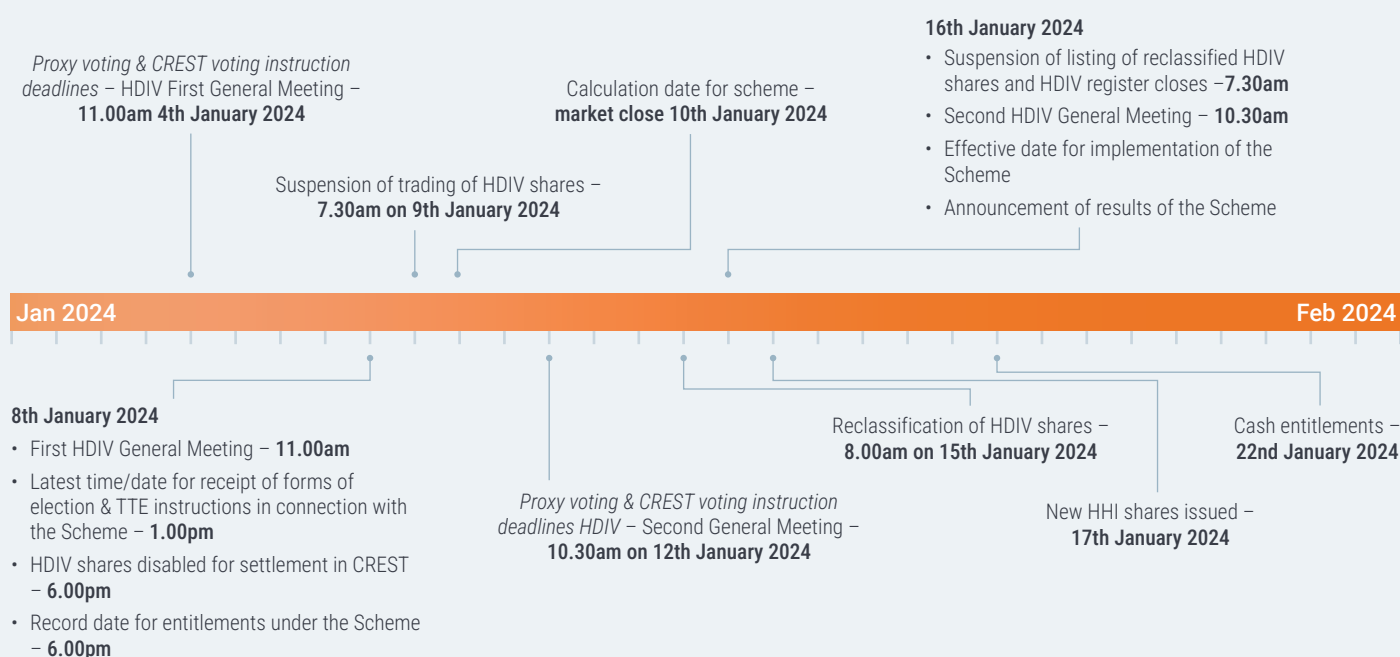
¹ Source: Morningstar Direct, Janus Henderson Investors. Data to 30 November (being the latest practicable date for this data). 20 year performance data based on ex income NAV (with debt at fair value). Total return calculations assume dividend reinvestment as at the ex-dividend date. **Past performance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

About Henderson High Income Trust

Henderson High Income Trust plc is a closed-ended public limited company with an investment objective of investing in a prudently diversified selection of both well-known and smaller companies to provide investors with a high dividend income stream while also maintaining the prospect of capital growth. The Company's lead portfolio manager is David Smith. David has been involved in the management of the Company since 2012 and became the lead portfolio manager in July 2015.

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

The expected timeline



How do I vote?

Please refer to the **HDIV Scheme Circular**, published on 12 December 2023, for information on how to vote.

Performance

Discrete year performance (%)	30/09/2022 to 30/09/2023	30/09/2021 to 30/09/2022	30/09/2020 to 30/09/2021	30/09/2019 to 30/09/2020	30/09/2018 to 30/09/2019
Share price (total return)	18.4	-6.1	37.2	-22.6	5.3
NAV (total return)	15.8	-6.5	27.2	-16.7	4.7

Source: Morningstar Direct, Janus Henderson Investors. 20 year performance data based on Ex Income NAV (with debt at fair value), all other time period based on Cum Income NAV (with debt at fair value). Total return calculations assume dividend reinvestment as at the ex-dividend date. **Past performance does not predict future returns.** Fund charges will impact the value of your investment. In particular, the ongoing charges applicable to each fund will dilute investment performance, particularly over time.

Glossary

Diversification

A way of spreading risk by mixing different types of assets/asset classes in a portfolio, on the assumption that these assets will behave differently in any given scenario. Assets with low correlation should provide the most diversification.

Dividend

A variable discretionary payment made by a company to its shareholders.

Gilts

UK government bonds sold by the Bank of England, used to finance public spending.

Net asset value (NAV)

The total value of a fund's (or company's) assets less its liabilities.

Par value

With bonds, the par value is the amount of money that bond issuers agree to repay to the purchaser at the bond's maturity.

Yield

The level of income on a security over a set period, typically expressed as a percentage rate. For equities, a common measure is the dividend yield, which divides recent dividend payments for each share by the share price. For a bond, this is calculated as the coupon payment divided by the current bond price. **For investment trusts:** 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.

FOR MORE INFORMATION, READ THE **PROSPECTUS** OR VISIT THE **WEBSITE**

MANAGED BY
Janus Henderson
INVESTORS

Important Information

You should not construe the contents of this document as legal, tax, investment or other advice. If you are in any doubt about the action you should take, you should seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser who is authorised under the Financial Services and Markets Act 2000 without delay.

This document contains information designed only to provide a broad overview. Investors should not make any investment decision except on the basis of the information in the prospectus and circular (which are available at: <https://www.janushenderson.com/en-gb/investor/combination-with-henderson-diversified-income-trust-plc>). Investors should read the prospectus and circular before making any investment decision in order to fully understand the potential risks and rewards associated with the transaction/investment in shares of Henderson High Income Trust plc. Approval of the prospectus by the FCA should not be understood as an endorsement of the shares of Henderson High Income Trust plc (which are to be admitted to trading on the London Stock Exchange).

For the avoidance of doubt, any activity carried out based on information contained in this document is carried out entirely at your own risk. To the fullest extent permitted by law HDIV, HHI and their respective directors, advisers or representatives shall not have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document.

Not for onward distribution. Before investing in an investment trust referred to in this document, you should satisfy yourself as to its suitability and the risks involved, you may wish to consult a financial adviser. This is a marketing communication. Please refer to the AIFMD Disclosure document and Annual Report of the AIF before making any final investment decisions. Past performance does not predict future returns. The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested. Tax assumptions and reliefs depend upon an investor's particular circumstances and may change if those circumstances or the law change. Nothing in this document is intended to or should be construed as advice. This document is not a recommendation to sell or purchase any investment. It does not form part of any contract for the sale or purchase of any investment. We may record telephone calls for our mutual protection, to improve customer service and for regulatory record keeping purposes.

Issued in the UK by Janus Henderson Investors. Janus Henderson Investors is the name under which investment products and services are provided by Janus Henderson Investors International Limited (reg no. 3594615), Janus Henderson Investors UK Limited (reg. no. 906355), Janus Henderson Fund Management UK Limited (reg. no. 2678531), (each registered in England and Wales at 201 Bishopsgate, London EC2M 3AE and regulated by the Financial Conduct Authority) and Janus Henderson Investors Europe S.A. (reg no. B22848 at 2 Rue de Bitbourg, L-1273, Luxembourg and regulated by the Commission de Surveillance du Secteur Financier).

Janus Henderson and Knowledge Shared are trademarks of Janus Henderson Group plc or one of its subsidiaries. © Janus Henderson Group plc.

In accordance with the Sustainable Finance Disclosure Regulation, the HENDERSON DIVERSIFIED INCOME TRUST PLC is classified as Article 8 and promotes, among other characteristics, environmental and/or social characteristics, and invests in companies with good governance practices.