

**Company Number: 7549407**

**HENDERSON INTERNATIONAL INCOME TRUST PLC**

**HALF-YEAR REPORT  
(unaudited)  
for the six months ended 28 February 2021**

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

# HENDERSON INTERNATIONAL INCOME TRUST PLC

## UNAUDITED RESULTS FOR THE HALF-YEAR ENDED 28 FEBRUARY 2021

### INVESTMENT OBJECTIVE

The Company's investment objective is to provide shareholders with a growing total annual dividend, as well as capital appreciation.

### PERFORMANCE HIGHLIGHTS FOR THE SIX MONTHS TO 28 FEBRUARY 2021

- The first interim dividend payment for the year ending 31 August 2021 of 1.50p per ordinary share was paid to shareholders on 26 February 2021. A second interim dividend payment for the year ending 31 August 2021 of 1.50p per ordinary share has been declared and will be paid to shareholders on 28 May 2021. The dividend will be paid from the Company's revenue account.
- The share price at 28 February 2021 was 149.25p per share compared with 145.50p at 31 August 2020.
- The net asset value ("NAV") per share as at 28 February 2021 was 162.2p compared to 153.5p (with debt at par) at 31 August 2020 and 160.0p at 28 February 2021 compared to 150.5p as at 31 August 2020 (with debt at fair value).
- The discount on the ordinary shares to the net asset value (with debt at par) as at 28 February 2021 was 8.0% compared to a discount of 5.2% as at 31 August 2020.

**Total return performance** (including dividends reinvested and excluding transaction costs)

	<b>6 months</b>	<b>1 year</b>	<b>3 years</b>	<b>Since launch</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
NAV (debt at par) <sup>1</sup>	7.7	9.1	11.8	134.7 <sup>6</sup>
NAV (debt at fair value) <sup>2</sup>	8.4	9.8	10.4	131.8 <sup>6</sup>
Share price <sup>3</sup>	4.6	1.0	2.5	106.1
Benchmark <sup>4</sup>	7.1	19.8	38.5	215.4
Sector average <sup>5</sup>	10.9	13.6	17.4	128.4

<sup>1</sup> Calculated using published daily NAVs including current year revenue and debt at par

<sup>2</sup> Calculated using published daily NAVs including current year revenue and debt at fair value

<sup>3</sup> Using mid-market share price

<sup>4</sup> MSCI World (ex UK) Index (sterling adjusted)

<sup>5</sup> The AIC Global Equity Income sector based on NAV

<sup>6</sup> Incorporating the dilution resulting from the impact of the subscription shares which were exercised on 31 August 2014

Sources: Morningstar, Refinitiv Datastream and Janus Henderson

## **INTERIM MANAGEMENT REPORT**

### **CHAIRMAN'S STATEMENT**

#### **Performance and markets**

During the six months to 28 February 2021, the net asset value ("NAV") total return per ordinary share was 7.7% (debt at par) and 8.4% (debt at fair value). The Company's return on the ordinary share price (on the same basis) was 4.6%. This included dividends totalling 3.0p per share, in line with the same period last year. In comparison, the Company's benchmark total return was 7.1% (MSCI World (ex UK) Index (sterling adjusted)).

Over the last six months equity markets around the world have reacted strongly to a combination of central bank action, government spending and positive Covid-19 vaccine developments. The vaccine roll-out around the world is still in its early stages, but the fact that several different vaccines have been identified offers hope that it will be possible to contain the pandemic and start the process of recovering from the crisis. As is often the case after economic recessions, the market has been led by those sectors that benefit the most from a recovery, such as the financial services, energy, and materials sectors. As we expect most companies in the portfolio to gain from the recovery and reopening up of society in due course, gearing levels over the period have been maintained to enhance returns to shareholders. The vaccine news has been positive for market sentiment, but there has also been tangible evidence of increased corporate confidence in the form of dividend trends. Whilst the majority of companies in the portfolio maintained their dividends last year, some sectors and companies suspended them until the outlook was clearer, but encouragingly a number of these have reinstated their dividends this year.

#### **Earnings and dividends**

The revenue return per ordinary share during the six months to 28 February 2021 was 1.68p. A fourth interim dividend of 1.50p per ordinary share, for the year ended 31 August 2020, was paid to shareholders on 30 November 2020, bringing the total dividend paid in respect of the year ended 31 August 2020 to 6.00p per ordinary share (year ended 31 August 2019: 5.70p per ordinary share).

The board declared a first interim dividend payment for the year ending 31 August 2021 of 1.50p per ordinary share and this was paid to shareholders on 26 February 2021. Subsequently, we have declared a second interim dividend of 1.50p per ordinary share that will be paid to shareholders on 28 May 2021.

The long-term objective of your Company since launch has been to achieve a high and rising level of dividends as well as capital appreciation. To date, we have increased the dividend each year while setting aside part of the net return after taxation to build up revenue reserves to supplement dividends in difficult years. Revenue reserves amounted to £7.1m at 31 August 2020 and £4.6m (unaudited) at 28 February 2021.

We continue to recognise the importance of dividend income to our shareholders, and if need be, we intend to utilise the Company's revenue reserves in the event of any temporary shortfall between the Company's distributions and portfolio income.

The board continues to monitor the level of dividend paid out to shareholders and currently aims to at least maintain the same level of dividend for the remaining six months of this financial year.

#### **Gearing**

Well-judged gearing enhances returns to shareholders. The board's current policy is to permit the fund manager to gear up to 25% of net assets at the time of drawdown or investment, as appropriate. Borrowing limits for this purpose include implied gearing through the use of derivatives. The gearing at the period end was 13.8% (31 August 2020: 11.4%).

#### **Discount control**

The Company's share price has traded at a discount of between 2-8% over the period. The uncertainty caused by the pandemic has caused discounts to NAV to open up for some trusts and sectors over the last year. The board continues to monitor the premium/discount to NAV and will consider appropriate action if the relationship between NAV and share price moves and remains out of line with the Company's peer group. However, there is a distinct limit to the board's ability to influence the premium or discount to NAV. Accordingly, we believe it is not in shareholders' interests to have a specific share issuance or buy-back policy. We believe that it is sensible to retain flexibility; therefore, we shall consider share issuance and/or buy-backs where appropriate and subject to market conditions.

**Outlook**

This time last year the world was at the start of what would turn out to be an unprecedented global crisis. The ongoing global fiscal and monetary intervention and its associated implications continues to create uncertainty with regards to the long-term economic out-turn. However, with the progressing roll-out of the vaccine programme, we hope that things are set to improve. The impact of the crisis has varied significantly by both region and industry, and we will continue to benefit from having a diversified portfolio and the flexibility to adjust exposures in response to changing conditions.

**Simon Jeffreys****Chairman****23 April 2021**

## **PRINCIPAL RISKS AND UNCERTAINTIES**

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

- Global pandemic;
- Investment activity and performance risks;
- Portfolio and market price risks;
- Brexit/political risks;
- Tax and regulatory risks;
- Operational and cyber risks; and
- Risks associated with the senior unsecured notes.

Information on these risks and how they are managed are given in the annual report for the year ended 31 August 2020. In the view of the board, the principal risks and uncertainties at the year end remain 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 financial statements for the half-year ended 28 February 2021 have been prepared in accordance with 'FRS 104 Interim Financial Reporting';
- (b) the Interim Management 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) the Interim Management 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).

**On behalf of the board**

**Simon Jeffreys**  
**Chairman**  
**23 April 2021**

## FUND MANAGER'S REPORT

### Performance review

The portfolio produced a total return of 8.4% in NAV per ordinary share over the period (debt at fair value). The fund return includes dividends totalling 3.0p per share.

After falling sharply as Covid-19 emerged at the start of last year, equity markets started to stabilise in March 2020 and received a boost in October 2020 from the announcements of several successful vaccines. During the period under review, the highest returning region for the portfolio was Asia Pacific, followed by Europe and the US. Generally, the best performing sectors in the market and portfolio were those that benefit most from economic recovery, but in addition to this the portfolio benefited significantly from its exposure to the semiconductor industry. We have written before about the increasing structural demand for semiconductors and computer memory (increased data storage and processing, artificial intelligence and, more recently, electric and self-driving vehicle developments) and this theme has continued to drive significant appreciation in the portfolio's holdings of BE Semiconductor, Texas Instruments, Broadcom, Taiwan Semiconductor Manufacturing and Samsung Electronics. All these stocks were amongst the largest positive contributors to performance over the last six months. The portfolio has a significant exposure to the financial services sector (17.3% as at 28 February 2021) and these stocks have also been strong performers, recovering much of their Covid induced losses in early 2020. Whilst the sector has been volatile, the lessons of the financial crisis have been learnt and they went into the crisis with strong balance sheets, which has allowed them to emerge from this crisis in a much better position than the previous recessions.

The most significant detractors to performance over the period have been stocks in the pharmaceutical, telecommunications and consumer staples sectors. These companies weathered 2020 well; they have stable earnings that are not significantly impacted by economic trends, often providing essential services or goods, and have managed to deliver them throughout the various lockdowns. They have suffered, however, from investors' shift in focus to more cyclically sensitive sectors that got sold off early in 2020. Whilst the relative underperformance is understandable over this short period of time, in some cases they have seen a fall in absolute value, which feels like an overreaction and the positions continue to be held. Companies held in the portfolio that fit this description include Roche, Nestlé, Mondelez and Telus.

Gearing was a positive contributor to performance over the period, enhancing the positive portfolio returns. The currency impact of the Company's euro-denominated long-term financing was also positive as sterling strengthened against the euro. The Company's long-term financing means that a fair value and par value return is quoted. The fair value of the debt reflects a theoretical market price and is impacted by changes in interest rate expectations in the financial markets. The rise in interest rate expectations during the period has reduced the fair value of the debt, enhancing the fair value net asset value return.

### Portfolio positioning

Stock selection for the portfolio is driven by a combination of the attractiveness of the company in question (competitive positioning, cash flow generation, sustainability of business model) combined with its valuation. Over the last 12-18 months, a number of interesting opportunities arose as a result of market volatility, and this is reflected in the position changes over the period.

The most significant asset allocation change in the portfolio has been the sale of all the US dollar-denominated corporate bonds (4.2% of the portfolio at the year end), and reinvestment of the proceeds in the Asia Pacific region. The corporate bonds had performed well since purchase, benefiting from normalisation of the credit markets, and we saw more long-term growth and income opportunity available in a number of sectors and countries in Asia. Positions added include drinks company Thai Beverage, Korean industrial conglomerate LG Corp and Hong Kong holding company Swire Pacific. All these companies were trading at significant discounts to their historical valuations but should see a relatively short-lived impact of the pandemic on their businesses and hence long-term valuations. Exposure to the property sector was also reduced over the period via exits of the positions in gaming REIT Vici Properties, data centre REIT CryusOne and Chinese property company China Vanke. These positions had performed well and might prove to be sensitive to higher interest rates due to the use of debt in their business models. One notable new area of investment in the portfolio is the truck and automotive sector. Many truck and car suppliers have spent several years restructuring their businesses and this activity is starting to bear fruit in terms of stronger balance sheets, higher cash flows and higher margins, even in a downturn. Positions were initiated in Stellantis, Daimler and Volvo during the period.

**Income trends**

Equity markets experienced several high-profile dividend cuts in 2020, particularly amongst some UK and European companies. The experience globally was less severe, and as the year progressed the dividend trends stabilised and it was only those companies whose businesses were most affected by the pandemic that changed their dividend policies. The Company's investment process focuses on companies with attractive dividend yields, strong cash flow generation and the potential to grow capital values via earnings and distributions growth in the future. The result of this focus is that the majority of the companies in the portfolio have either continued to pay their dividends or have reinitiated dividends already. During this period, a wide range of portfolio companies have actually increased their dividends, although understandably the rate of dividend growth has moderated in light of economic conditions. Companies that have increased dividends come from a wide range of sectors, including utility company Enel, food producer Mondelez, and technology companies Broadcom and Cisco. There have also been special dividends from Samsung, Stellantis and Volvo. The only sector that has not fully normalised is the European banking sector; holdings including BFF Banking Group, ING and Van Lanschot have announced the intention to pay dividends, but the regulator has requested that they wait until later in the year to assess the impact of the pandemic.

**Ben Lofthouse**  
**Fund Manager**  
**23 April 2021**

**INVESTMENT PORTFOLIO**  
at 28 February 2021

<b>Company</b>	<b>Country</b>	<b>Market value £'000</b>	<b>% of portfolio</b>
<b>Basic materials</b>			
OZ Minerals	Australia	9,879	2.7
UPM-Kymmene	Finland	5,096	1.4
		<b>14,975</b>	<b>4.1</b>
<b>Consumer goods</b>			
Nestlé	Switzerland	11,306	3.1
Samsung	Korea	10,375	2.9
Coca-Cola	US	7,070	2.0
Panasonic	Japan	5,351	1.5
Mondelez	US	4,486	1.2
Thai Beverage	Thailand	4,219	1.2
Anta Sports	China	4,213	1.2
Hengan International	Hong Kong	3,562	1.0
Pepsico	US	3,234	0.9
Stellantis	Netherlands	3,176	0.9
Daimler	Germany	2,176	0.6
		<b>59,168</b>	<b>16.5</b>
<b>Consumer services</b>			
China Yongda Automobiles	China	4,691	1.3
Vivendi	France	3,517	1.0
McDonald's	US	1,917	0.5
		<b>10,125</b>	<b>2.8</b>
<b>Financials</b>			
Allianz	Germany	8,304	2.3
Zurich Insurance	Switzerland	6,431	1.8
AIA	Hong Kong	5,167	1.4
Travelers Companies	US	4,891	1.4
AXA	France	4,784	1.3
Manulife Financial	Canada	4,760	1.3
Macquarie	Australia	4,611	1.3
CME Group	US	4,600	1.3
Van Lanschot	Netherlands	4,332	1.2
ING	Netherlands	4,123	1.1
Citic Securities	Hong Kong	3,620	1.0
BFF Banking Group	Italy	3,467	1.0
KB Financial Group	Korea	3,151	0.9
		<b>62,241</b>	<b>17.3</b>
<b>Health care</b>			
Novartis	Switzerland	8,407	2.3
Sanofi	France	6,527	1.8
Pfizer	US	6,486	1.8
Bristol-Myers Squibb	US	6,219	1.7
Roche	Switzerland	5,464	1.4
Medtronic	US	4,743	1.3
Abbvie	US	3,536	1.0
Merck & Co	US	3,056	0.8
Novo-Nordisk	Denmark	3,007	0.8
		<b>47,445</b>	<b>12.9</b>



**Industrials**

ABB	Switzerland	9,125	2.5
Volvo	Sweden	6,524	1.8
LG Corp	Korea	5,518	1.5
Swire Pacific	Hong Kong	5,434	1.5
SKF	Sweden	4,898	1.4
Anhui Conch	China	4,681	1.3
Honeywell International	US	3,726	1.0
Sig Combibloc	Canada	3,074	0.9
Siemens	Germany	2,600	0.7
		<b>45,580</b>	<b>12.6</b>

**Property**

Sun Hung Kai Properties	Hong Kong	4,473	1.2
Crown Castle	US	4,447	1.2
Ascendas REIT	Singapore	3,357	0.9
		<b>12,277</b>	<b>3.3</b>

**Technology**

Microsoft	US	16,685	4.6
Taiwan Semiconductor Manufacturing	Taiwan	11,029	3.1
Cisco Systems	US	8,593	2.4
Tencent Holdings	Hong Kong	7,183	2.0
BE Semiconductor	Netherlands	6,271	1.7
Broadcom	US	5,650	1.6
Corning	US	4,061	1.1
Chinasoft International	China	3,924	1.1
Texas Instruments	US	3,516	1.0
		<b>66,912</b>	<b>18.6</b>

**Telecommunications**

Verizon Communications	US	7,997	2.2
Telenor	Norway	4,806	1.3
SK Telecom	Korea	4,521	1.3
Tele2	Sweden	4,283	1.2
Telus	Canada	3,497	1.0
HKT Trust and HKT Ltd	Hong Kong	3,458	1.0
Telekom Indonesia Persero	Indonesia	2,252	0.6
		<b>30,814</b>	<b>8.6</b>

**Utilities**

Enel	Italy	7,392	2.0
Iberdola	Spain	4,602	1.3
		<b>11,994</b>	<b>3.3</b>

**Total investments**

		<b>361,531</b>	<b>100.0</b>
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**TEN LARGEST INVESTMENTS**  
at 28 February 2021

<b>Company</b>	<b>Sector</b>	<b>Country</b>	<b>Market value £'000</b>	<b>% of portfolio</b>
Microsoft	Technology	US	16,685	4.6
Nestlé	Consumer goods	Switzerland	11,306	3.1
Taiwan Semiconductor Manufacturing	Technology	Taiwan	11,029	3.1
Samsung	Consumer goods	Korea	10,375	2.9
OZ Minerals	Basic materials	Australia	9,879	2.7
ABB	Industrials	Switzerland	9,125	2.5
Cisco Systems	Technology	US	8,593	2.4
Novartis	Health care	Switzerland	8,407	2.3
Allianz	Financials	Germany	8,304	2.3
Verizon Communications	Telecommunications	US	7,997	2.2

These investments total £101,700,000 which represents 28.1% of the portfolio.

**Sector exposure** as a percentage of the investment portfolio excluding cash

	<b>28 February 2021</b>	<b>31 August 2020</b>
	<b>%</b>	<b>%</b>
Technology	<b>18.6</b>	16.0
Financials	<b>17.3</b>	16.9
Consumer goods	<b>16.5</b>	14.9
Health care	<b>12.9</b>	15.4
Industrials	<b>12.6</b>	9.6
Telecommunications	<b>8.6</b>	12.0
Basic materials	<b>4.1</b>	2.8
Property	<b>3.3</b>	7.4
Utilities	<b>3.3</b>	3.5
Consumer services	<b>2.8</b>	1.5
	<b>100.0</b>	100.0

**Geographic exposure** as a percentage of the investment portfolio excluding cash

	<b>28 February 2021</b>	<b>31 August 2020</b>
	<b>%</b>	<b>%</b>
US	<b>29.0</b>	34.0
Switzerland	<b>11.1</b>	14.2
Hong Kong	<b>9.1</b>	9.1
Korea	<b>6.6</b>	3.0
China	<b>4.9</b>	3.1
Netherlands	<b>4.9</b>	3.7
Sweden	<b>4.4</b>	1.2
France	<b>4.1</b>	5.6
Australia	<b>4.0</b>	4.0
Germany	<b>3.6</b>	4.6
Canada	<b>3.2</b>	2.9
Taiwan	<b>3.1</b>	3.3
Italy	<b>3.0</b>	3.4
Japan	<b>1.5</b>	0.9
Finland	<b>1.4</b>	0.9
Norway	<b>1.3</b>	1.3
Spain	<b>1.3</b>	1.3
Thailand	<b>1.2</b>	0.0
Singapore	<b>0.9</b>	1.1
Denmark	<b>0.8</b>	0.0
Indonesia	<b>0.6</b>	0.6
New Zealand	<b>0.0</b>	1.2
Ireland	<b>0.0</b>	0.6
	<b>100.0</b>	100.0

Source: Janus Henderson

## CONDENSED INCOME STATEMENT

	(Unaudited) Half-year ended 28 February 2021			(Unaudited) Half-year ended 29 February 2020			(Audited) Year ended 31 August 2020		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Gains/(losses) on investments held at fair value through profit or loss	-	19,822	19,822	-	(16,958)	(16,958)	-	(19,672)	(19,672)
Income from investments held at fair value through profit or loss	4,490	-	4,490	3,672	-	3,672	12,482	188	12,670
Gains on foreign exchange	-	726	726	-	1,179	1,179	-	417	417
Other income	-	-	-	9	-	9	879	26	905
<b>Gross revenue and capital gains/(losses)</b>	<b>4,490</b>	<b>20,548</b>	<b>25,038</b>	<b>3,681</b>	<b>(15,779)</b>	<b>(12,098)</b>	<b>13,361</b>	<b>(19,041)</b>	<b>(5,680)</b>
Management fee (note 3)	(251)	(754)	(1,005)	(253)	(759)	(1,012)	(481)	(1,444)	(1,925)
Other administrative expenses	(349)	-	(349)	(303)	-	(303)	(611)	-	(611)
<b>Net return before finance costs and taxation</b>	<b>3,890</b>	<b>19,794</b>	<b>23,684</b>	<b>3,125</b>	<b>(16,538)</b>	<b>(13,413)</b>	<b>12,269</b>	<b>(20,485)</b>	<b>(8,216)</b>
Finance costs	(104)	(312)	(416)	(82)	(246)	(328)	(192)	(539)	(731)
<b>Net return before taxation</b>	<b>3,786</b>	<b>19,482</b>	<b>23,268</b>	<b>3,043</b>	<b>(16,784)</b>	<b>(13,741)</b>	<b>12,077</b>	<b>(21,024)</b>	<b>(8,947)</b>
Taxation on net return	(489)	-	(489)	(434)	1	(433)	(1,459)	53	(1,406)
<b>Net return after taxation (note 5)</b>	<b>3,297</b>	<b>19,482</b>	<b>22,779</b>	<b>2,609</b>	<b>(16,783)</b>	<b>(14,174)</b>	<b>10,618</b>	<b>(20,971)</b>	<b>(10,353)</b>
<b>Return per ordinary share</b>	<b>1.68p</b>	<b>9.94p</b>	<b>11.62p</b>	<b>1.37p</b>	<b>(8.82p)</b>	<b>(7.45p)</b>	<b>5.53p</b>	<b>(10.91p)</b>	<b>(5.38p)</b>

The total columns of this statement represent the Income Statement of the Company, prepared in accordance with FRS 104. The revenue and capital columns are supplementary to this and are published under guidance from the Association of Investment Companies.

The Company has no recognised gains or losses other than those disclosed in the Income Statement and Statement of Changes in Equity.

All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period.

The accompanying notes are an integral part of the condensed financial statements.

## CONDENSED STATEMENT OF CHANGES IN EQUITY

	Called up share capital £'000	Share premium account £'000	Special reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
<b>Half-year ended 28 February 2021 (unaudited)</b>						
At 31 August 2020	1,960	194,550	45,732	51,509	7,164	300,915
Net return after taxation	-	-	-	19,482	3,297	22,779
Dividends paid (note 6)	-	-	-	-	(5,879)	(5,879)
<b>At 28 February 2021</b>	<b>1,960</b>	<b>194,550</b>	<b>45,732</b>	<b>70,991</b>	<b>4,582</b>	<b>317,815</b>
	Called up share capital £'000	Share premium account £'000	Special reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
<b>Half-year ended 29 February 2020 (unaudited)</b>						
At 31 August 2019	1,876	181,007	45,732	72,480	8,081	309,176
New shares allotted	51	8,592	-	-	-	8,643
Net return after taxation	-	-	-	(16,783)	2,609	(14,174)
Dividends paid	-	-	-	-	(5,705)	(5,705)
<b>At 29 February 2020</b>	<b>1,927</b>	<b>189,599</b>	<b>45,732</b>	<b>55,697</b>	<b>4,985</b>	<b>297,940</b>
	Called up share capital £'000	Share premium account £'000	Special reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
<b>Year ended 31 August 2020 (audited)</b>						
At 31 August 2019	1,876	181,007	45,732	72,480	8,081	309,176
New shares allotted	84	13,543	-	-	-	13,627
Net return after taxation	-	-	-	(20,971)	10,618	(10,353)
Dividends paid	-	-	-	-	(11,535)	(11,535)
<b>At 31 August 2020</b>	<b>1,960</b>	<b>194,550</b>	<b>45,732</b>	<b>51,509</b>	<b>7,164</b>	<b>300,915</b>

The accompanying notes are an integral part of the financial statements.

## CONDENSED STATEMENT OF FINANCIAL POSITION

	(Unaudited) At 28 February 2021 £'000	(Unaudited) At 29 February 2020 £'000	(Audited) At 31 August 2020 £'000
<b>Investments held at fair value through profit or loss (note 4)</b>			
Fixed asset investments held at fair value through profit or loss	361,531	320,450	335,243
<b>Current assets</b>			
Debtors	2,278	1,361	10,621
Cash at bank	-	2,471	-
	<b>2,278</b>	<b>3,832</b>	<b>10,621</b>
Bank overdraft (note 8)	(18,050)	-	(4,900)
<b>Creditors: amounts falling due within one year</b>	<b>(2,068)</b>	<b>(716)</b>	<b>(13,423)</b>
<b>Net current (liabilities)/assets</b>	<b>(17,840)</b>	<b>3,116</b>	<b>(7,702)</b>
<b>Total assets less current liabilities</b>	<b>343,691</b>	<b>323,566</b>	<b>327,541</b>
<b>Creditors: amounts falling due after more than one year</b>	<b>(25,876)</b>	<b>(25,626)</b>	<b>(26,626)</b>
<b>Total net assets</b>	<b>317,815</b>	<b>297,940</b>	<b>300,915</b>
<b>Capital and reserves</b>			
Called up share capital (note 9)	1,960	1,927	1,960
Share premium account	194,550	189,599	194,550
Special reserve	45,732	45,732	45,732
Other capital reserves	70,991	55,697	51,509
Revenue reserve	4,582	4,985	7,164
<b>Total shareholders' funds</b>	<b>317,815</b>	<b>297,940</b>	<b>300,915</b>
<b>Net asset value per ordinary share – basic and diluted (note 7)</b>	<b>162.2p</b>	<b>154.6p</b>	<b>153.5p</b>

The accompanying notes are an integral part of the financial statements.

## CONDENSED STATEMENT OF CASH FLOWS

	(Unaudited) Half-year ended 28 February 2021 £'000	(Unaudited) Half-year ended 29 February 2020 £'000	(Audited) Year ended 31 August 202019 £'000
<b>Cash flows from operating activities</b>			
Net return before taxation	23,268	(13,741)	(8,947)
Add back: finance costs	416	328	731
Less: (gains)/losses on investments held at fair value through profit or loss	(19,822)	16,958	19,672
Less: gains on foreign exchange	(726)	(1,179)	(417)
Withholding tax on dividends deducted at source	(471)	(426)	(2,128)
Taxation recovered	68	38	39
(Increase)/decrease in debtors	(147)	216	88
Increase/(decrease) in creditors	16	(429)	30
<b>Net cash inflow from operating activities</b>	<b>2,602</b>	<b>1,765</b>	<b>9,068</b>
<b>Cash flows from investing activities</b>			
Purchase of investments	(84,405)	(66,695)	(173,890)
Sale of investments	74,972	41,759	135,281
<b>Net cash outflow from investing activities</b>	<b>(9,433)</b>	<b>(24,936)</b>	<b>(38,609)</b>
<b>Cash flows from financing activities</b>			
Equity dividends paid (net of refund of unclaimed distributions and reclaimed distributions)	(5,879)	(5,704)	(11,535)
Proceeds from issue of ordinary shares	-	8,643	13,627
Interest paid	(413)	(337)	(728)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(6,292)</b>	<b>2,602</b>	<b>1,364</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(13,123)</b>	<b>(20,569)</b>	<b>(28,177)</b>
Cash and cash equivalents at start of year	(4,900)	23,189	23,189
Effect of foreign exchange rates	(27)	(149)	88
<b>Cash and cash equivalents at end of year</b>	<b>(18,050)</b>	<b>2,471</b>	<b>(4,900)</b>
<b>Comprising:</b>			
Cash at bank	-	2,471	-
Bank overdraft	(18,050)	-	(4,900)
	<b>(18,050)</b>	<b>2,471</b>	<b>(4,900)</b>

The accompanying notes are an integral part of the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

The half-year financial statements cover the period from 1 September 2020 to 28 February 2021.

### 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 Tax Act 2010.

### 2. Accounting policies – basis of preparation

The condensed set of financial statements has been prepared in accordance with FRS 104, Interim Financial Reporting and FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements have also been prepared in accordance with the Statement of Recommended Practice (“SORP”), “Financial Statements of Investment Trust Companies and Venture Capital Trusts” issued in October 2019.

The accounting policies applied are consistent with those of the most recent annual financial statements for the period ended 31 August 2020.

The condensed set of financial statements has been neither audited nor reviewed by the Company's auditor.

### 3. Management fee

The management fee is payable quarterly in arrears at the rate of 0.65% per annum of the Company's net assets up to £250 million and the rate reduces to 0.60% per annum of net assets in excess of £250 million. In accordance with the directors' policy on the allocation of expenses between income and capital, in each financial year 75% of the management fee payable is charged to capital and the remaining 25% to income.

### 4. Financial instruments

The financial assets and financial liabilities are either carried in the statement of financial position at their fair value or the statement of financial position amount is a reasonable approximation of fair value (debtors and creditors falling due within one year). The senior unsecured notes are carried in the statement of financial position at par.

As at 28 February 2021, the fair value of the senior unsecured notes was estimated to be £30,158,000 (29 February 2020: £31,445,000; 31 August 2020: £32,616,000).

The fair value of the senior unsecured notes is calculated using a discount rate which reflects the yield of a euro swap of similar maturity plus a suitable credit spread. Within the terms of the senior unsecured notes are clauses that would be enacted in certain scenarios should the notes be prepaid by the Company before maturity. These clauses could impact the total amount repayable.

The directors have assessed these and have concluded that these clauses are highly unlikely to occur. The value of such additional payments has therefore been deemed to be immaterial and has not been recognised in the financial statements.

The senior unsecured notes are categorised as level 3 in the fair value hierarchy.

The table below analyses fair value measurements for investments held at fair value through profit or loss. These fair value measurements are categorised into different levels in the fair value hierarchy based on the valuation techniques used and are defined as follows under FRS 102:

Level 1: Valued using quoted prices in active markets for identical assets.

Level 2: Valued by reference to valuation techniques using observable inputs other than quoted prices included in level 1.

Level 3: Valued by reference to valuation techniques using inputs that are not based on observable market data.

#### Financial assets at fair value through profit or loss at 28 February 2021

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	361,531	-	-	361,531
<b>Total financial assets carried at fair value</b>	<b>361,531</b>	<b>-</b>	<b>-</b>	<b>361,531</b>



Financial assets at fair value through profit or loss at 29 February 2020

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	320,450	-	-	320,450
<b>Total financial assets carried at fair value</b>	<b>320,450</b>	<b>-</b>	<b>-</b>	<b>320,450</b>

Financial assets at fair value through profit or loss at 31 August 2020

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	321,396	-	-	321,396
Fixed interest investments	13,847	-	-	13,847
<b>Total financial assets carried at fair value</b>	<b>335,243</b>	<b>-</b>	<b>-</b>	<b>335,243</b>

There have been no transfers between levels of the fair value hierarchy during the period.

## 5. Return per ordinary share

	(Unaudited) Half-year ended 28 February 2021 £'000	(Unaudited) Half-year ended 29 February 2020 £'000	(Audited) Year ended 31 August 2020 £'000
The return per ordinary share is based on the following figures:			
Revenue return	3,297	2,609	10,618
Capital return	19,482	(16,783)	(20,971)
<b>Total</b>	<b>22,779</b>	<b>(14,174)</b>	<b>(10,353)</b>
Weighted average number of ordinary shares in issue for each period			
	<b>195,978,716</b>	190,262,287	192,134,317
Revenue return per ordinary share	<b>1.68p</b>	1.37p	5.53p
Capital return per ordinary share	<b>9.94p</b>	(8.82p)	(10.91p)
<b>Total return per ordinary share</b>	<b>11.62p</b>	<b>(7.45p)</b>	<b>(5.38p)</b>

The Company does not have any dilutive securities, therefore, the basic and diluted returns per share are the same.

## 6. Dividends

	£'000
Fourth interim dividend of 1.50p for the year ended 31 August 2020 (paid 30 November 2020)	<b>2,939</b>
First interim dividend of 1.50p for the year ending 31 August 2021 (paid 26 February 2021)	<b>2,940</b>
<b>Total</b>	<b>5,879</b>

The board has declared a second interim dividend of 1.50p per ordinary share to be paid on 28 May 2021 to shareholders registered at the close of business on 7 May 2021. The shares will be quoted ex-dividend on 6 May 2021.

## 7. Net asset value per ordinary share

The net asset value ("NAV") per ordinary share is calculated on the net assets attributable to shareholders' funds and the number of ordinary shares in issue. The NAV per ordinary share with debt at par and the NAV per ordinary share with debt at fair value is calculated as follows:

	(Unaudited) 28 February 2021	(Unaudited) 29 February 2020	(Audited) 31 August 2020
<b>NAV per ordinary share with debt at par</b>			
Net assets (£'000)	317,815	297,940	300,915
Number of ordinary shares	195,978,716	192,708,716	195,978,716
<b>NAV per ordinary share with debt at par (p)</b>	<b>162.2</b>	<b>154.6</b>	<b>153.5</b>
<b>NAV per ordinary share with debt at fair value</b>			
Net assets (£'000)	317,815	297,940	300,915
Add back debt at par (£'000)	25,876	25,626	26,626
Less debt at fair value (£'000)	(30,158)	(31,445)	(32,616)
Net assets with debt at fair value (£'000)	313,533	292,121	294,925
Number of ordinary shares	195,978,716	192,708,716	195,978,716
<b>NAV per ordinary share with debt at fair value (p)</b>	<b>160.0</b>	<b>151.6</b>	<b>150.5</b>

#### 8. Bank overdraft

At 28 February 2021, the Company had an overdraft with HSBC of £18,050,000 (29 February 2020: £nil; 31 August 2020: £4,900,000).

#### 9. Called up share capital

	Number of shares in issue	Nominal value £'000
<b>Ordinary shares of 1p each</b>		
In issue at start of year	195,978,716	1,960
Allotment of new shares in the period	-	-
<b>At 28 February 2021</b>	<b>195,978,716</b>	<b>1,960</b>

During the half-year to 28 February 2021, the Company issued no ordinary shares (half year to 29 February 2020: 5,125,000; year to 31 August 2020: 8,395,000) for a total consideration of £nil (29 February 2020: £8,643,000; 31 August 2020: £13,627,000) after deduction of issue costs.

#### 10. Related party transactions

The Company's current related parties are its directors and Henderson Investment Funds Limited ("Janus Henderson"). There have been no material transactions between the Company and its directors during the period. The only amounts paid to them were in respect of expenses and remuneration for which there were no outstanding amounts payable at the period end.

In relation to the provision of services by Janus Henderson (other than fees payable by the Company in the ordinary course of business and the provision of marketing services) there have been no material transactions with Janus Henderson affecting the financial position of the Company during the period under review.

#### 11. Going concern

The assets of the Company consist of securities that are readily realisable. The directors have also considered the impact of Covid-19, 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 and have concluded that the Company has adequate resources to meet its financial obligations, including the repayment of the bank overdraft, as they fall due for a period of at least twelve months from the date of approval of the financial statements. Having assessed these factors and the principal risks, the board has determined that it is appropriate for the financial statements to be prepared on a going concern basis.

#### 12. Comparative information

The financial information contained in this half-year report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The figures and financial information for the year ended 31 August 2020 are extracted from the latest published accounts and do not constitute the statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the report of the independent auditor, which was unqualified and did not include a statement under either section 498(2) or 498(3) of the Companies Act 2006.

A glossary of terms and details of alternative performance measures can be found in the Annual Report for the year ended 31 August 2020.

### **13. Half-year report**

The half-year report will shortly be available on the Company's website ([www.hendersoninternationalincometrust.com](http://www.hendersoninternationalincometrust.com)) or in hard copy from the Company's registered office. An abbreviated version of this half-year report, the 'update', will be circulated to shareholders in early May 2021.

### **14. General information**

#### **Company status**

Registered as an investment company in England and Wales.  
London Stock Exchange (TIDM) Code: HINT  
SEDOL/ISIN number: Ordinary shares B3PHCS8/GB00B3PHC586  
Global Intermediary Identification Number (GIIN): WRGF5X.99999.SL.826  
Legal Entity Identifier (LEI): 2138006N35XWVGK2YUK38

#### **Registered office**

201 Bishopsgate, London EC2M 3AE

#### **Company registration number**

7549407

#### **Directors**

The directors of the Company are Simon Jeffreys (Chairman), Joanne Parfrey (Chair of the Audit Committee), Lucy Walker, Richard Hills and Aidan Lisser.

#### **Corporate Secretary**

Henderson Secretarial Services Limited, represented by Sally Porter, ACG.

#### **Website**

Details of the Company's share price and net asset value, together with general information about the Company, monthly factsheets and data, copies of announcements, reports and details of general meetings can be found at [www.hendersoninternationalincometrust.com](http://www.hendersoninternationalincometrust.com).