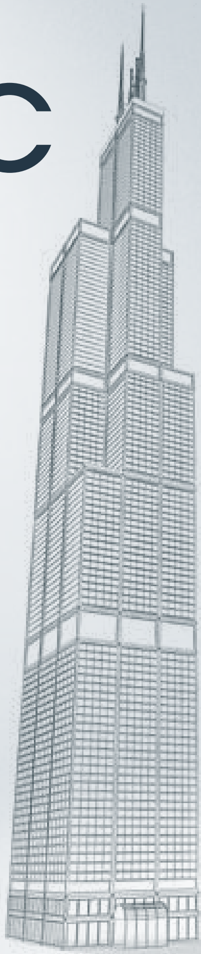
HENDERSON INTERNATIONAL INCOME TRUST PLC

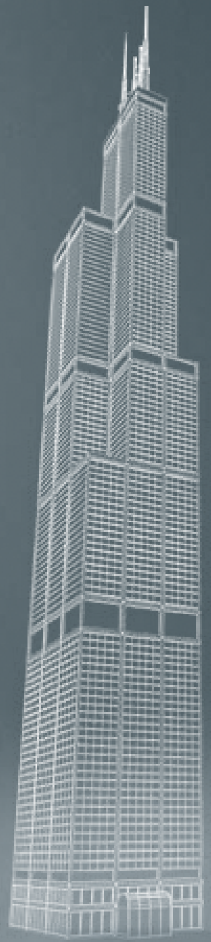
Update for the half-year
ended 29 February 2020



MANAGED BY
Janus Henderson
INVESTORS

Investment objective

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



This update contains material extracted from the unaudited half year results of the Company for the six months ended 29 February 2020. The unabridged results for the half year are available on the Company's website:

www.hendersoninternationalincometrust.com

The image on the front cover and above is based on the Sears Tower, Chicago

Performance highlights

Total return performance for the six months to 29 February 2020

NAV
(4.5)% (par[1])
(4.3)% (fair[2])

Benchmark[4]
(3.4)%

Share price[3]
(1.7)%

Dividends in respect of the period

29 Feb 2020 **3.00p**

28 Feb 2019 2.80p

Dividend yield[6]

29 Feb 2020 **3.85%**

31 Aug 2019 3.57%

NAV per ordinary share (debt at fair value)

29 Feb 2020 **151.6p**

31 Aug 2019 161.3p

NAV per ordinary share (debt at par)

29 Feb 2020 **154.6p**

31 Aug 2019 164.8p

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

	6 months %	1 year %	3 years %	Since launch %
Diluted NAV (debt at par value)[1]	**(4.5)**	4.7	12.5	115.3[7]
Diluted NAV (debt at fair value)[2]	**(4.3)**	2.8	10.4	110.3[7]
Share price[3]	**(1.7)**	2.4	12.7	109.8
Benchmark[4]	**(3.4)**	10.4	23.5	163.4
Sector average[5]	**(4.3)**	5.7	14.1	106.7

1 Calculated using published daily NAVs including current year revenue and debt at par value
2 Calculated using published daily NAVs including current year revenue and debt at fair value
3 Using mid-market share price
4 MSCI World (ex UK) Index (sterling adjusted)
5 The AIC Global Equity Income sector based on NAV
6 Calculated using the share price at the period end
7 Incorporating the dilution resulting from the impact of the subscription shares which were exercised on 31 August 2014

Sources: Morningstar Direct, Janus Henderson and Refinitiv Datastream

Chairman's statement

Performance and markets

During the six months to 29 February 2020, the net asset value ("NAV") total return per ordinary share was -4.5% (debt at par), and -4.3% (debt at fair value). The Company's return on the ordinary share price (on the same basis) was -1.7%. This included dividends totalling 3.0p per share, which increased by 7.1% as compared to the same period in 2019. In comparison, the Company's benchmark total return was -3.4% (MSCI World (ex UK) Index (sterling adjusted)).

During the six months covered by this report, investors analysed and assessed factors such as the potential impact of trade wars on the global economy, Chinese economic growth and the 2020 US election. The second half of 2019 was a relatively buoyant time for equities, driven by signs that the worst of the trade war might be over and the emergence of encouraging economic data. During this period, the Company's NAV reached its highest level since launch. At the date of this report, however, all these concerns have been rendered relatively insignificant in the face of the spread of the Covid-19 virus and the human and economic devastation that is unfolding. As a result of these concerns, markets remain volatile, and economically sensitive sectors have underperformed.

Earnings and dividends

The revenue return per ordinary share during the six months to 29 February 2020 was 1.37p. A fourth interim dividend of 1.50p per ordinary share, for the year ended 31 August 2019, was paid to shareholders on 29 November 2019, bringing the total dividend paid in respect of the year ended 31 August 2019 to 5.70p per ordinary share (year ended 31 August 2018: 5.30p per ordinary share).

The board declared a first interim dividend payment for the year ending 31 August 2020 of 1.50p per ordinary share and this was paid to shareholders on 28 February 2020. Subsequently, we have declared a second interim dividend of 1.50p per ordinary share that will be paid to shareholders on 29 May 2020.

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 £8.1m at 31 August 2019, and £5.0m (unaudited) at 28 February 2020.

It is worth noting that, since the period end, some of the companies held in the portfolio have been asked to delay or moderate their dividends until the impact of the current pandemic is clearer. 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 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 7.6% (31 August 2019: 3.3%).

Discount control

The Company's share price has traded close to its NAV over the period. 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.

Material events and transactions during the period

A total of 5,125,000 new shares were issued in the six months to 29 February 2020 and the proceeds were added to the portfolio.

Outlook

The outcome of the current pandemic is far from clear, but as the extent of its impact becomes apparent, there is an unprecedented level of fiscal and monetary policy being deployed to try and mitigate its impact on both society and the economy. The immediate impact on the global economy is likely to be severe, but the long-term effects are hard to predict at this time.

That said, the Company is well equipped to weather periods of economic uncertainty. Since launch, annual revenues have exceeded dividend distributions and a revenue reserve has been created to cover any temporary income disruptions. The global remit of the Company allows it to diversify its investments and income sources by sector and region. For example, it currently holds over 70 investments across 20 countries. The Company also has the opportunity to hold fixed income assets in the event it sees interesting opportunities arising outside of the equity markets. Since the period end, the fund manager has used this capability to take advantage of the volatility in credit markets to add some corporate bonds to the portfolio utilising its loan facilities.

These are difficult times, but the board and investment team remain focused on delivering the Company's objectives and where possible realising opportunities as they arise.

Simon Jeffreys
Chairman
29 April 2020

Fund manager's report

Performance review

The portfolio produced a total return of -4.3% in NAV per ordinary share over the period (debt at fair value). The fund return includes dividends totalling 3.0p per share, which increased by 7.1% as compared to the same period in 2019.

Over the period, the strongest performing stocks in the portfolio came from a wide range of sectors. Investors' confidence in the long-term prospects for increased technology adoption across all industries drove share price rallies in semiconductor equipment manufacturers Lam Research and BE Semiconductor Industries, and software and data cloud giant Microsoft. In the utilities sector, energy utility ENEL and waste and water management company Veolia performed strongly, driven by the increasing investor awareness of the growth in their respective end markets of renewable energy and waste and water management. The pharmaceutical sector was also a good performer. Both Roche and Bristol-Meyers Squibb performed well on positive drug pipeline news during the period.

The most significant detractors to performance over the period came from the stocks with the business models most exposed to the reduction in travel caused by Covid-19, travel and leisure and the oil sector. Whilst we acted quickly to reduce exposure to these sectors, it was not before the stocks had started to react. In the oil sector, shale oil leader Occidental Petroleum and Canadian producer Vermilion both sold off as oil demand started to weaken. In the travel sector, cruise operator Royal Caribbean Cruises and travel software operator Sabre will both see their sales impacted by reduced demand. As detailed below, these positions have been sold due to the difficultly in assessing the extent of the impact the pandemic will have on them.

The Company has euro-denominated long-term financing. During this period, sterling strengthened against the euro. On a nominal debt basis, currency moves offset the potential negative impact of gearing from the fall in NAV over the period.

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, we have found a number of interesting opportunities arise as a result of market volatility, and this is reflected in the position changes over the period. In developed markets, the biggest changes have been the increased exposure to the healthcare sector, from 9.3% this time last year to 14.6% now. The consumer goods sector has also increased from 12.5% to 15.9% over the last 12 months. The increases were a combination of additions to existing names, such as pharmaceutical companies Roche and Novartis and confectionery company Mondelez, plus new positions including Johnson & Johnson and Chinese hygiene products company Hengan. In many cases, the companies mentioned had sold off or underperformed due to short-term factors and concerns, allowing attractive entry points. In contrast to these relatively defensive companies, in Asia opportunities have presented themselves due to economic concerns around Chinese growth. New positions were initiated in Chinese train manufacturer China Railway Construction and financial services company Citic Securities, which traded at very low valuations due to economic weakness but are well positioned to benefit from economic recovery.

At the other end of the spectrum, there have been two specific sectors where we have reduced exposure significantly due to concerns about a deterioration of the balance between demand and supply. The first sector is energy, where we have become increasingly concerned about the ongoing supply growth against lacklustre demand, even pre Covid-19. Energy exposure at the period end was 3.5% versus over 8.1% at the year end, after closing positions in ENI and Chevron. The other sector that was reduced considerably was the travel and leisure sector within consumer goods. Positions in Chinese toll road operator Jiangsu Expressway,

Fund manager's report (continued)

cruise operator Royal Caribbean Cruises and casino operator Las Vegas Sands were sold as soon as it became apparent that Covid-19 represented a serious health risk that would curtail travel and tourism. These changes reduced exposure to the companies with the most direct exposure to the impact of Covid-19.

There have been several periods of market volatility since the Company was launched, and they have generally provided good long-term investment opportunities. The impact and duration of this pandemic is very hard to gauge, but we will continue to assess opportunities as they arise. The long-term gearing entered into last year means that we can be confident about the availability of funding regardless of conditions in the banking sector. Since the period end, the Company's loan facilities have been used to purchase a modest position in corporate bonds, the majority of which are investment grade rated. We constantly review the level of gearing utilised by the Company and are comfortable with the current level.

Income trends

The Company's investment process focuses on companies with attractive dividend yields, strong cash flow generation and the potential to grow both earnings and distributions in the future. In the period under review, income from the portfolio remained robust and the majority of companies increased or maintained their dividends. Examples of companies that have increased their dividends include Johnson & Johnson (6% increase over the equivalent period), Microsoft (11%), Canadian telecom operator Telus (7%) and IT hardware company Cisco (6%). Unfortunately, over the coming months the dividend trends are likely to be less positive due to both the slowdown in economic growth and some recent non-economic factors. In some parts of the world there is increasing political pressure to withhold dividends until the pandemic has been resolved. France, for example, is asking all companies to moderate their dividend payments this year regardless of whether they have benefited from direct state aid. In the financial sector, regional regulators are issuing hastily introduced guidance that ranges from suggestions to be prudent through to demands to defer and even cancel dividend payments, which are being interpreted and implemented in different ways by different local regulators. This is leading to considerable confusion at insurers and banks regarding their ability to pay dividends at this time. Whilst this will impact the portfolio's dividend income this year, the Company does benefit from a much diversified income base and these trends have so far been mainly experienced in some European countries. The majority of the portfolio has not been impacted by these factors.

Not all of the Company's holdings will be impacted in the same way by the pandemic. Some divisions of companies are benefiting from the move towards remote working (Microsoft and CyrusOne) and higher levels of food consumption at home (Nestlé, Danone). The utility companies and telecommunication companies owned in the portfolio will see much less of a direct impact than industrial and oil and gas holdings. Where dividend cuts are occurring, we are in communication with the companies to determine the drivers and the potential duration of the cuts.

Ben Lofthouse
Fund Manager
29 April 2020

Financial summary

Extract from the Income Statement (unaudited)	Half-year ended 29 Feb 2020 Revenue return £'000	29 Feb 2020 Capital return £'000	29 Feb 2020 Total £'000	28 Feb 2019 Total £'000
Losses on investments held at fair value through profit or loss	-	(16,958)	**(16,958)**	(22,429)
Income from investments held at fair value through profit or loss	3,672	-	**3,672**	3,633
Gain/(loss) on foreign exchange	-	1,179	**1,179**	(31)
Other income	9	-	**9**	2
Gross revenue and capital gains/(losses)	3,681	(15,779)	**(12,098)**	(18,825)
Expenses, finance costs & taxation	(1,072)	(1,004)	**(2,076)**	(1,470)
Net return after taxation	2,609	(16,783)	**(14,174)**	(20,295)
Return per ordinary share	1.37p	(8.82p)	**(7.45p)**	(11.42p)

Extract from the Statement of Financial Position (unaudited except 31 August 2019 figures)	29 Feb 2020 £'000	28 Feb 2019 £'000	31 Aug 2019 £'000
Fixed asset investments held at fair value through profit or loss	**320,450**	277,606	319,210
Net liabilities	**(22,510)**	(5,519)	(10,034)
Total net assets	**297,940**	272,087	309,176
Net asset value per ordinary share - basic and diluted	**154.6p**	152.9p	164.8p

Financial summary (continued)

Share capital

During the half-year to 29 February 2020, the Company issued 5,125,000 ordinary shares (half year to 28 February 2019: 400,000; year to 31 August 2019: 10,002,410) for a total consideration of £8,643,000 (28 February 2019: £612,000; 31 August 2019: £16,476,000) after deduction of issue costs.

Dividend

A first interim dividend payment for the year ending 31 August 2020 of 1.50p per ordinary share was paid to shareholders on 28 February 2020. A second interim dividend payment for the year ending 31 August 2020 of 1.50p per ordinary share has been declared and will be paid to shareholders on 29 May 2020.

Principal risks and uncertainties

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

- Investment activity and performance risks;
- Portfolio and market price 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 2019. 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. The additions are the risks relating to the Covid-19 pandemic and the uncertainty that this has created in global markets, both economically and politically, as set out in the chairman's statement. The alternative investment fund manager and the Company's other third-party service providers remain fully operational and have implemented appropriate business continuity plans to ensure that there has been no change in service while the majority of staff are working from home.

Going concern

The assets of the Company consist of securities that are readily realisable and exceed its liabilities significantly and the directors believe that the Company has adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. In accordance with the Company's articles of association, shareholders will be asked to vote at the next annual general meeting in December 2020 on the continuation of the Company and the directors have no reason to believe that the continuation resolution will not be passed. 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.

Statement of directors' responsibilities

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

(a) the financial statements for the half-year ended 29 February 2020 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).

For and on behalf of the board

Simon Jeffreys
Chairman
29 April 2020

Portfolio information at 29 February 2020

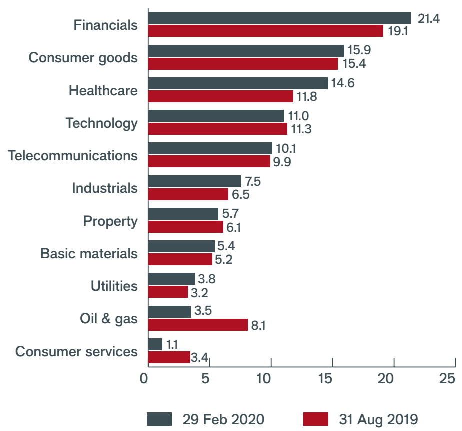
Ten largest investments

Company	Sector	Country	Market value £'000	% of portfolio
Microsoft	Technology	US	12,752	4.0
Nestlé	Consumer goods	Switzerland	10,443	3.3
Roche	Healthcare	Switzerland	9,454	2.9
Novartis	Healthcare	Switzerland	8,943	2.8
Coca-Cola	Consumer goods	US	8,471	2.6
Sanofi	Healthcare	France	7,923	2.5
Taiwan Semiconductor Manufacturing	Technology	Taiwan	7,834	2.4
ABB	Industrials	Switzerland	7,439	2.3
Pfizer	Healthcare	US	7,091	2.2
Samsung	Consumer goods	Korea	6,573	2.1

These investments total £86,923,000, which represents 27.1% of the portfolio.

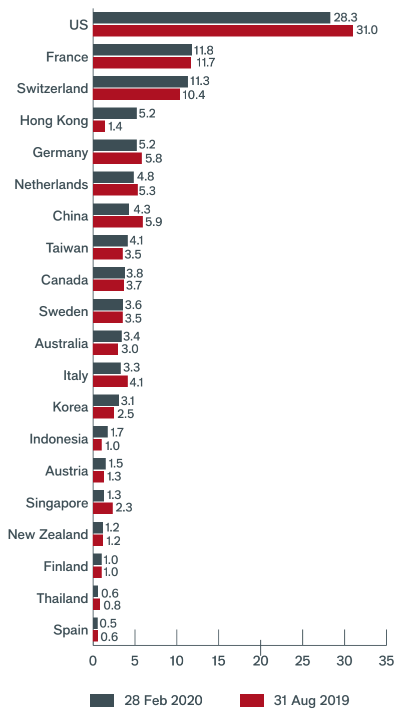
Sector exposure

As a percentage of the investment portfolio excluding cash



Geographic exposure

As a percentage of the investment portfolio excluding cash



Source: Janus Henderson

Investment portfolio at 29 February 2020

Company	Country	Market value £'000	% of portfolio
Basic materials			
BASF	Germany	4,347	1.3
Oz Minerals	Australia	3,606	1.1
UPM-Kymmene	Finland	3,346	1.0
Dow	US	2,462	0.8
DuPont De Nemours	US	1,916	0.6
Indorama Ventures	Thailand	1,796	0.6
		17,473	5.4

Company	Country	Market value £'000	% of portfolio
Consumer goods			
Nestlé	Switzerland	10,443	3.3
Coca-Cola	US	8,471	2.6
Samsung	Korea	6,573	2.1
Mondelez	US	4,879	1.5
Henkel	Germany	4,498	1.4
Michelin	France	4,206	1.3
Hengan International	Hong Kong	4,184	1.3
Treasury Wine Estates	Australia	3,407	1.1
Anta Sports	China	2,417	0.8
Danone	France	1,472	0.5
		50,550	15.9

Company	Country	Market value £'000	% of portfolio
Consumer services			
Sabre	US	2,008	0.6
McDonald's	US	1,566	0.5
		3,574	1.1

Company	Country	Market value £'000	% of portfolio
Financials			
AXA	France	6,172	1.9
E.Sun	Taiwan	5,503	1.7
BNP Paribas	France	5,316	1.7
Bawag	Austria	4,810	1.5
Allianz	Germany	4,300	1.3
Banca Farmafactoring	Italy	4,270	1.3
Manulife Financial	Canada	4,254	1.3
United Overseas	Singapore	4,119	1.3
Macquarie	Australia	3,985	1.2
Citic Securities	Hong Kong	3,925	1.2
ING	Netherlands	3,889	1.2
Nordea	Sweden	3,634	1.1
NN Group	Netherlands	3,619	1.1
Van Lanschot	Netherlands	3,405	1.1
Banca Negara Indonesia	Indonesia	2,751	0.9
Swedbank	Sweden	2,681	0.8
JP Morgan Chase	US	2,528	0.8
		69,161	21.4

Company	Country	Market value £'000	% of portfolio
Healthcare			
Roche	Switzerland	9,454	2.9
Novartis	Switzerland	8,943	2.8
Sanofi	France	7,923	2.5
Pfizer	US	7,091	2.2
Bristol-Myers Squibb	US	6,143	1.9
Medtronic	US	3,802	1.2
Johnson & Johnson	US	3,558	1.1
		46,914	14.6

Investment portfolio at 29 February 2020 (continued)

Company	Country	Market value £'000	% of portfolio
Industrials			
ABB	Switzerland	7,439	2.3
Anhui Conch	China	4,481	1.4
China Railway Construction	Hong Kong	4,362	1.4
Siemens	Germany	3,851	1.2
Sig Combibloc	Canada	2,097	0.7
Prosegur Cash	Spain	1,730	0.5
		23,960	7.5

Company	Country	Market value £'000	% of portfolio
Oil & gas			
Total	France	3,680	1.1
Occidental	US	2,848	0.9
China Petroleum and Chemical	China	2,598	0.8
Vermilion	Canada	2,131	0.7
		11,257	3.5

Company	Country	Market value £'000	% of portfolio
Property			
CyrusOne	US	5,610	1.8
Crown Castle	US	4,493	1.4
China Vanke	China	4,124	1.3
Vici Properties	US	3,895	1.2
		18,122	5.7

Company	Country	Market value £'000	% of portfolio
Technology			
Microsoft	US	12,752	4.0
Taiwan Semiconductor Manufacturing	Taiwan	7,834	2.4
Cisco Systems	US	6,445	2.0
BE Semiconductor	Netherlands	4,625	1.4
Maxim	US	3,821	1.2
		35,477	11.0

Company	Country	Market value £'000	% of portfolio
Telecommunications			
Verizon Communications	US	6,263	2.0
Tele2	Sweden	5,426	1.7
HKT Trust and HKT Ltd	Hong Kong	4,176	1.3
Spark New Zealand	New Zealand	3,687	1.2
Telus	Canada	3,426	1.1
Orange	France	3,331	1.0
SK Telecom	Korea	3,050	1.0
Telekomunikasi	Indonesia	2,440	0.8
		31,799	10.1

Company	Country	Market value £'000	% of portfolio
Utilities			
Enel	Italy	6,278	2.0
Veolia	France	5,885	1.8
		12,163	3.8
Total investments		320,450	100.0

Notes

Notes

Henderson International Income Trust plc
201 Bishopsgate
London EC2M 3AE

MANAGED BY Janus Henderson INVESTORS

aic The Association of Investment Companies

PREMIUM MAIN MARKET LONDON STOCK EXCHANGE

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