Annual Report 2024

Henderson International Income Trust plc

MANAGED BY Janus Henderson INVESTORS

Looking beyond the UK to a wider world of growing income

With a broad international remit outside the UK, a long-term outlook and a track record of dividend growth every year since launch, **Henderson International Income Trust** provides a reliable source of diversified income.

Your Company scours global markets with the goal of finding consistent and growing income from equities, with the added prospect of capital appreciation.

www.hendersoninternationalincometrust.com

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Objective

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

Highlights for the year to 31 August 2024

- Dividends for the year increased by 3.2% to 7.71p per share. Your Company has been recognised as a "next generation dividend hero" by the AIC.
- The portfolio has delivered attractive absolute growth this year: NAV total return of 10.4% (debt at par) and 9.8% (debt at fair value).
- Equity markets have performed well over the period. The global economy has generally weathered higher interest rates better than expected and all regions of the portfolio generated positive returns.

Henderson International Income Trust plc – A truly diversified source of growing income

"We look for companies that are leaders in their fields. Our objective is to provide investors with attractive, growing income and capital growth through a portfolio of diversified global stocks beyond the UK."

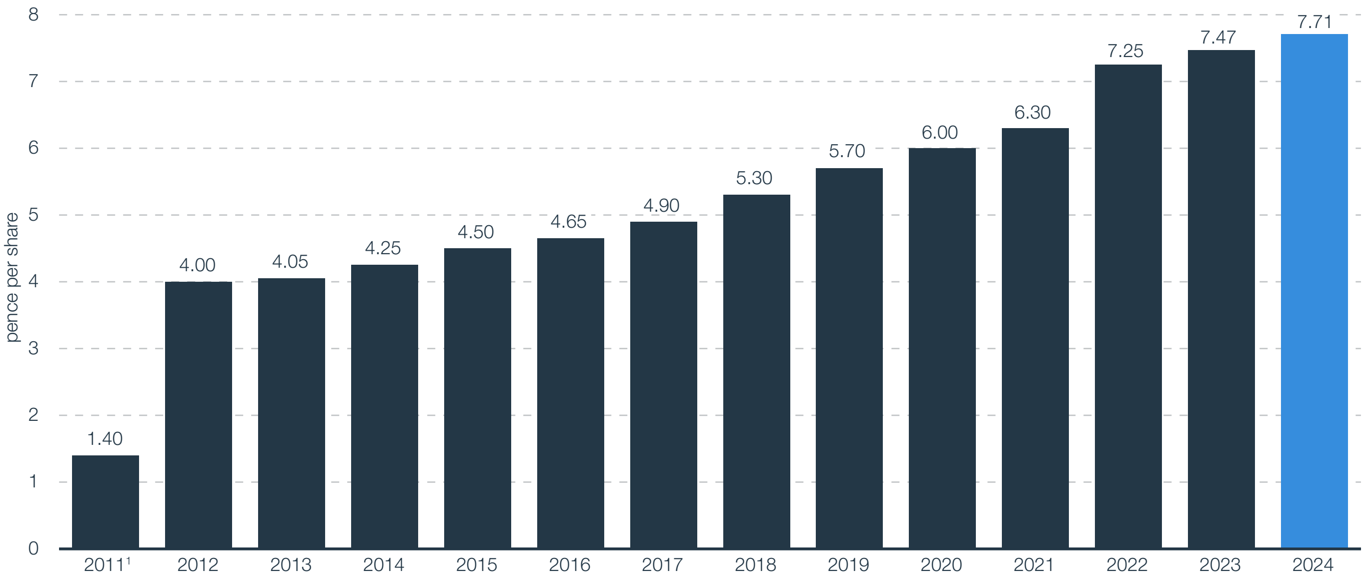
Ben Lofthouse
Fund Manager

Targeting growth income

Henderson International Income Trust plc ("HINT") has established a strong track record of delivering dividend growth and capital appreciation for investors since its launch in 2011. The investment team scours global markets for good investment opportunities, seeking industry leading companies that generate reliable and growing dividend income. The dividend is paid quarterly and the Company has delivered 5.6% cumulative annual dividend growth since launch.

In 2024 HINT was added to the Association of Investment Companies' **next generation of dividend heroes** list, marking at least 10 consecutive years of dividend increases.

Dividend growth since launch to 31 August 2024



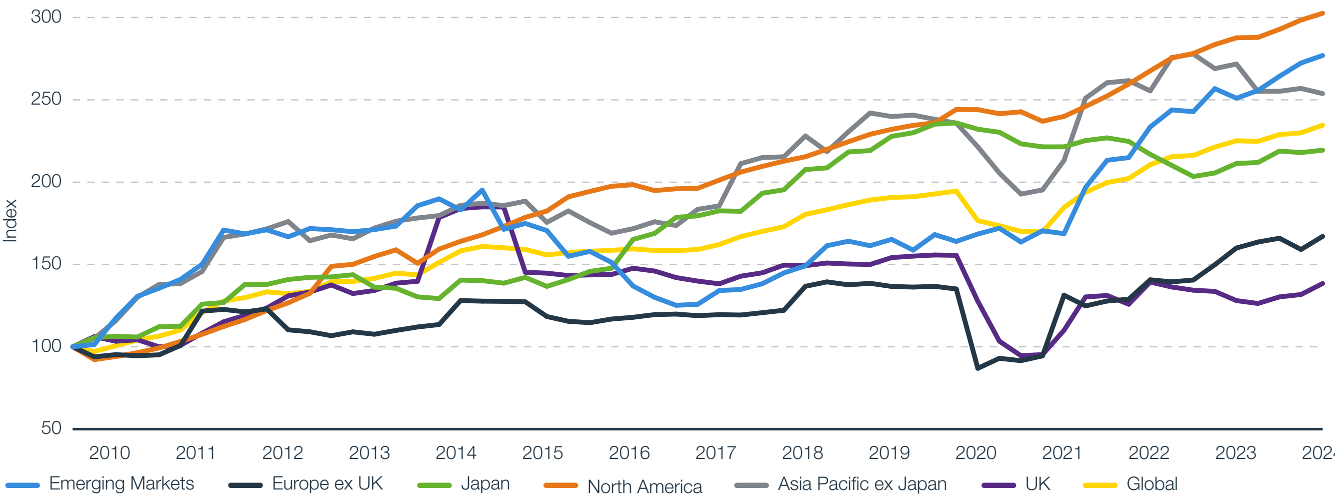
Source: Janus Henderson

Looking beyond the UK

HINT is designed to help diversify income seeking UK investors. It excludes UK holdings in favour of a globally diversified portfolio. Whilst the UK equity market has many dividend paying stocks, the dividends paid by UK companies are highly reliant on a small number of companies. For example, in 2023 59% of the dividends paid by the FTSE 100 Index companies came from just 15 stocks (source: Computershare UK Dividend Monitor). UK companies only contribute 5.2% of global dividends. There is a lot of income available overseas, and as the chart on the next page shows, it has grown faster than the UK over the last decade. A global universe supports diversification as different regions offer a wider range of investment opportunities. Global diversification helps also mitigate political and economic risks.

1 Four-month period from launch on 28 April 2011 to 31 August 2011

Janus Henderson global dividend index by region



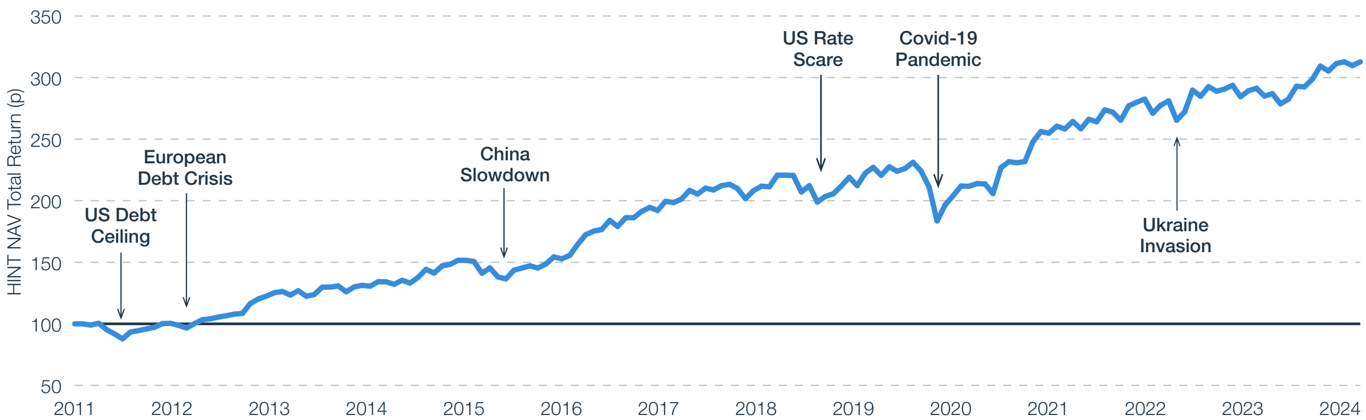
Source: Janus Henderson

Uncovering misunderstood market opportunities

HINT offers investors a distinctive approach to generating income from global equities, under the stewardship of Ben Lofthouse, Faizan Baig (see page 39 for details) and their experienced team. Their investment approach prioritises undervalued industry leaders worldwide, focusing on the ability to maintain competitive edges, profitability and cash flow through various market cycles. Such a strategy enables these companies to continue investing for growth while also returning value to shareholders through dividends and, in some instances, share buybacks. The investment team is backed by Janus Henderson's global team of over 340 investment professionals located around the world.

This experience and expertise have helped the investment team react to different market and economic conditions. As the world changes over time, it is important to be able to adapt. The flexibility of HINT's mandate is designed to allow the Company to adjust to the changing investment environment. This has enabled it to generate reliable returns over time since it was launched.

The Company's net asset value total return and key economic events since launch



Source: Janus Henderson, Morningstar Direct, as at 31 August 2024
Notes: NAV (debt at fair value) total return since inception, assuming the reinvestment of all dividends and excluding dealing expenses. Excludes 8,300,000 subscription shares in issue until 30 September 2014. Inception date 28 April 2011

Since its inception, HINT has demonstrated a track record of growing dividends and appreciation in capital, with dividends increasing annually at an average of 5.6% per annum, outpacing the average consumer price inflation rate of 2.8%, and significant growth in capital value from 100p at launch to 185.8p (NAV (debt at par)) or 188.0p (NAV (debt at fair value)) per share as at 31 August 2024.

Performance to/at 31 August

Dividend in respect of the year

2024[1]	2023
7.71p	7.47p

Dividend yield at the year end[2]

2024	2023
4.7%	4.6%

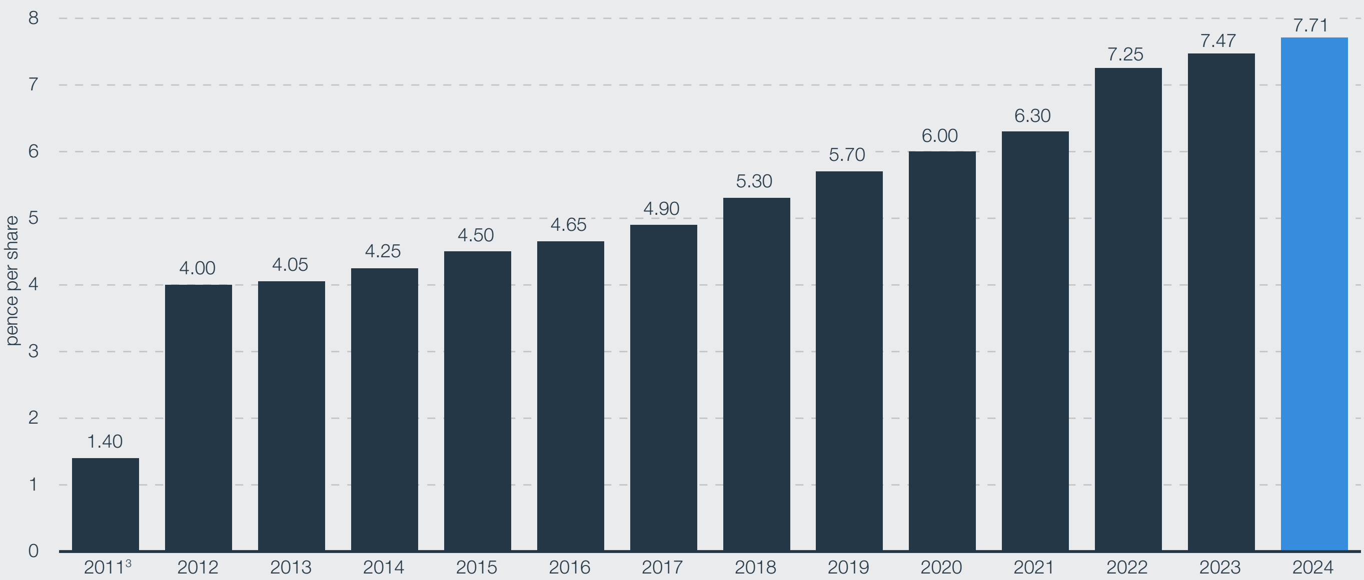
Dividend growth year-on-year

2024	2023
3.2%	3.0%

10-year compound dividend growth

2024	2023
5.5%	5.8%

Dividend growth since launch to 31 August 2024



Your Company has been recognised by the Association of Investment Companies as a "next generation dividend hero", reflecting its record of having consistently grown its dividend for at least 10 consecutive years.

Dividend yields at 31 August

	2024 %	2023 %
Ordinary shares[2]	4.7	4.6
Benchmark[4]	3.6	3.9
AIC Global Equity Income sector[5]	3.4	3.6

1 Includes the fourth interim dividend in respect of the year ended 31 August 2024 to be paid to shareholders on 29 November 2024
2 Calculated based on the closing share price at 31 August
3 Four-month period from launch on 28 April 2011 to 31 August 2011
4 MSCI ACWI (ex UK) High Dividend Yield Index (sterling adjusted)
5 Excludes British & American Investment Trust plc
A glossary of terms can be found on page 90

Performance to/at 31 August

Total return performance for year to 31 August

	2024 %	2023 %
NAV[1] (debt at par)	10.4	0.8
NAV[1] (debt at fair value)	9.8	1.4
Share price[2]	6.5	(1.9)
Benchmark[3]	14.2	2.3
AIC Global Equity Income sector (NAV)[4]	14.0	5.7

NAV per share at year end (debt at par)

2024	2023
185.8p	175.7p

Discount at year end (debt at par)[5]

2024	2023
(11.7)%	(8.1)%

NAV per share at year end (debt at fair value)[5, 6]

2024	2023
188.0p	178.6p

Discount at year end (debt at fair value)[5]

2024	2023
(12.8)%	(9.6)%

Share price at year end

2024	2023
164.0p	161.5p

NAV total return (debt at fair value)[1, 5]

2024	2023
9.8%	1.4%

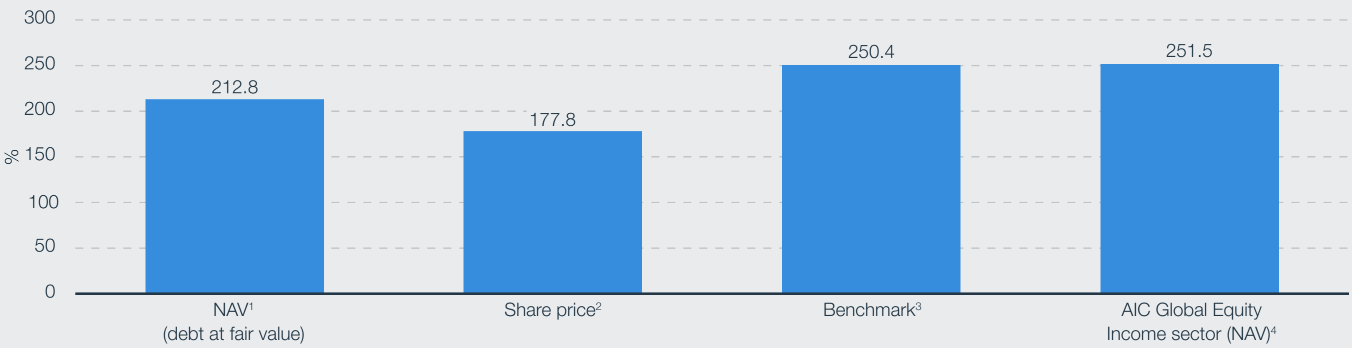
Ongoing charge for year[5, 7]

2024	2023
0.77%	0.72%

Gearing at year end[5]

2024	2023
4.7%	3.9%

Total return performance since launch



1 Net asset value ("NAV") total return (including dividends reinvested, net of fees). See note 17.4 for details of the fair value calculation
2 The Company's share price total return (assuming the reinvestment of all dividends excluding dealing expenses). Since inception share price return – launch price including discount (97.25p)
3 MSCI ACWI (ex UK) High Dividend Yield Index (sterling adjusted)
4 Excludes British & American Investment Trust plc
5 Alternative performance measure
6 See note 17.4 on page 84 for details of the fair value calculation
7 Calculated using the methodology prescribed by the Association of Investment Companies ("AIC")

A glossary of terms can be found on page 90. Alternative performance measures can be found on pages 88 and 89

Source: Morningstar Direct, Janus Henderson

Chairman's Statement

Richard Hills
Chairman

Summary:

- Dividends for the year increased by 3.2% to 7.71p per share. Your Company has been recognised as a "next generation dividend hero" by the AIC.
- The portfolio has delivered attractive absolute growth this year: NAV total return of 10.4% (debt at par) and 9.8% (debt at fair value). However, this underperformed the Company's performance comparator.
- Your Company benefits from an experienced investment team. The board is delighted to confirm the appointment of Faizan Baig, who has worked closely with Ben Lofthouse, as deputy fund manager.
- Following considerable consultation with shareholders, we continue to recognise the importance of progressive dividend income together with capital appreciation. This has been reflected in a more flexible investment approach, which will continue to support a growing annual dividend and, in addition, we expect to see better capital performance.

Chairman's Statement

After a few volatile years for global equity markets, I am happy to be able to report that equity markets appreciated over the year and delivered steady dividend growth. This gain has occurred despite ongoing conflicts in some parts of the world, numerous elections, and against a backdrop of high interest rates and inflation, although both are now on a declining trend.

It has been another year where there has been a significant variation between the performance of different regions and sectors which will be covered more fully in the fund manager's report. The USA has continued to lead the way in the developed world but there may be a degree of rotation now occurring following the decision of the Chinese Government to reflate its economy. Depending on the success of this change of policy, emerging markets may benefit too.

The objective of your Company is to provide shareholders with a growing total annual dividend, as well as capital appreciation through a diversified portfolio of global stocks outside of the UK. The Company has continued to deliver a growing annual dividend as highlighted below with a total net asset value ("NAV") return of 10.4% (with debt at par). Whilst attractive in absolute terms, this has lagged the Company's benchmark total return. In light of this, and given the prevailing discount at which the Company's shares have traded, the board has spent some time this year reviewing investment strategy and how this can be enhanced to provide a better balance between income and capital generation. The details of this review and its outcome are discussed later in this statement, in addition to the customary analysis of the earnings, dividends and performance of the Company.

Earnings and dividends

We are pleased to announce a total dividend increase from 7.47p to 7.71p per ordinary share for the year to 31 August 2024, a rise of 3.2%. The total dividend for the year consists of a first, second and third interim dividend of 1.92p per ordinary share, and a fourth interim dividend of 1.95p which will be paid on 29 November 2024 to shareholders on the register at 8 November 2024.

The Company's revenue returns were 7.5% lower year-on-year at £13.2m. This was due to a combination of lower special dividends, the appreciation of sterling over the period and a slightly lower dividend yield from the portfolio. This has resulted in £1.9m being drawn from revenue reserves to cover the dividend.

We continue to recognise the importance of progressive dividend income to our shareholders and we will employ the flexibility of the investment trust structure to utilise both our strong revenue and capital reserves to support dividend growth when necessary. The distributable reserves of the Company are £97.6m at the year end. This provides a significant cushion to support the continued growth of the dividend.

In line with our long-term objective to provide shareholders with a growing total annual dividend, we have increased the dividend each year since launch and we are very pleased this achievement has now been recognised by the Association of Investment Companies ("AIC"), naming us as a "next generation dividend hero". This positive growth trend is demonstrated in the graph on page 4.

Capital performance and markets

Our second objective is to provide long-term capital appreciation. The portfolio has delivered attractive absolute growth this year; the NAV total return per ordinary share rose by 10.4% (debt at par) and by 9.8% (debt at fair value). However, this underperformed the Company's performance comparator, the MSCI ACWI (ex UK) High Dividend Yield Index (sterling adjusted), which generated a 14.2% total return over the same period.

The total return on the ordinary share price was 6.5%, this figure includes total paid dividends of 7.68p per ordinary share, an increase of 3.7% on the previous year.

A more detailed analysis of performance, portfolio and positioning is provided in the fund manager's report on pages 13 to 19.

Investment strategy

Over the past few years, while the Company has consistently achieved its income objective, the total annual return has slowed when compared to earlier years, and has lagged the performance comparator and the wider global equity market. In recent years, there have been times when non-dividend paying stocks have significantly outperformed high dividend paying stocks. This outperformance is exemplified in the US market in general versus global markets in 2021 and 2023.

During the year the board carried out a review of the Company's investment strategy, in particular in its ability to meet its objectives and taking into consideration the desire of shareholders for both income and growth of capital. It concluded, after considerable consultation with shareholders, to make an enhancement to the Company's investment strategy. Dividends from the portfolio will remain the primary contributor to the Company's distributions, but when there are compelling opportunities in stocks, regions or sectors that would otherwise be excluded due to their yield, the board is willing to utilise distributable reserves to supplement dividends paid to investors. This will expand the potential universe of stocks in which the investment team can invest. It will also allow the manager to be more opportunistic and flexible through the cycle to deliver on the objectives of your Company.

Your Company benefits from an experienced investment team. The board is delighted to confirm the appointment of Faizan Baig, who has worked closely with Ben Lofthouse, as deputy fund manager.

Shareholders will see from the annual report that the fund manager has been managing the portfolio in line with the enhancements noted above. Further detail can be found in the fund manager's report.

Chairman's Statement (continued)

Gearing

Well-judged gearing can enhance returns to shareholders. The board's current policy permits the fund manager to gear up to 25% of net assets at the time of drawdown. The fund manager has maintained total gearing well within this limit, with gearing at the year end of 4.7% (31 August 2023: 3.9%). Borrowing limits for this purpose include implied gearing using derivatives. The Company's senior unsecured notes (€30m at 2.43% due 2044) provide low-cost debt financing and have helped to insulate shareholders from rising interest rates over the period.

Liquidity and discount management

The Company's share price has traded at a discount to NAV of between 6% to 14% over the period and was 11.7% (with debt at par) at 31 August 2024. The board continues to monitor the Company's premium/discount to NAV and will consider appropriate action if this moves and remains out of line with the Company's peer group.

The factors that usually influence the discount most are the performance of the Company and that of world stock markets. Both of these are covered fully, later on in the fund manager's review, and as noted above the board has taken action to further enhance the investment strategy to improve performance.

Two other factors have also been at work, but these are more technical. There have been concerns over current legislation that show the costs of managing an investment trust to be much higher in theory than in reality and these concerns have led the average discount of the UK investment trust sector to rise markedly over the past 12 months. The government is addressing this matter with recently published legislation, so we hope it should become less of an issue in due course. Secondly, with higher interest rates than in the recent past, bonds have become a more attractive alternative to higher yielding investment trusts where prices have weakened in response. When interest rates, in due course, start to decline we would expect discounts to start to narrow too.

As I wrote in my last report to shareholders, there is a distinct limit to the board's ability to influence and maintain the premium or discount of the Company's share price to NAV over the short term. Further, your board continues to believe that it is not in shareholders' interests to have a specific share buy-back or issuance policy, but that we should retain flexibility to consider share buy-backs and/or issuance where appropriate (and actively do so). We shall therefore continue with this policy but remain willing to take appropriate action subject to market conditions.

Ongoing charge

The ongoing charge for the year to 31 August 2024, as calculated in accordance with the AIC methodology, was 0.77% (2023: 0.72%). The slight rise in the ongoing charge largely reflects an increase in administration costs for the year. The spend on marketing and advertising was increased (see page 28 for details) and total directors' fees were also higher as there was a period last year when there were only four directors on the board.

Environmental, Social and Governance

The board pays close attention to the importance of Environmental, Social and Governance ("ESG") matters and, together with the investment team, is conscious that investors' interest in ESG matters will continue to grow. The fund manager carefully considers ESG related risks and opportunities when investing and managing the portfolio.

Board composition

Lucy Walker has indicated that, due to the increasing demands of her other business commitments, she will be retiring at the 2024 AGM and will not be standing for re-appointment. I would like to take this opportunity to thank her for the contribution she has made during her time on the board. On the retirement of Mrs Walker, Mrs Parfrey will become the senior independent director.

Two directors, myself and Aidan Lisser, will reach nine years of service in 2025. In order to provide an orderly succession, it is proposed that Mr Lisser will retire following publication of the Company's half year results. It is then my intention to retire at the conclusion of the 2025 AGM.

The board considers that a board of five directors remains the optimal number for the Company. The directors have commenced steps to recruit three new directors, with recruitment to be staggered over the next 12 to 18 months. This will allow the changing dynamics of the board to settle with each new appointment and provide time to consider the desired background and experience of the next director to ensure the board remains balanced, with an appropriate spread of skills and experience.

Annual general meeting

The thirteenth annual general meeting ("AGM") of the Company will be held at 2.30pm on Tuesday, 10 December 2024 at the offices of Janus Henderson Investors, 201 Bishopsgate, London EC2M 3AE. The notice of meeting and details of the resolutions to be proposed are set out in a separate document which accompanies the annual report. Ben Lofthouse, our fund manager, will give a presentation at the meeting.

As an alternative, I invite shareholders to join by Zoom webinar and details of how to register are set out in the notice of meeting. As is our normal practice, there will be live voting for those physically present at the AGM. However, due to technical restrictions, we cannot offer live voting by Zoom. We therefore request all shareholders, particularly those who cannot attend physically, to submit their votes by proxy to ensure that their votes are included.

Chairman's Statement (continued)

In addition to the routine business to be considered at this year's AGM, the Company is also proposing a resolution to shareholders to cancel the amount standing to the credit of the Company's share premium account which, subject to the confirmation of the Court, will be credited to a special distributable reserve. Cancelling the amount standing to the credit of the share premium account (which is a non-distributable reserve) is a routine procedure that is undertaken by many investment trusts and was last carried out by the Company in February 2013. The cancellation of this reserve (as explained in more detail in the notice of meeting) in order to create a distributable reserve is an administrative matter which will provide the board with flexibility to use such distributable reserve, should it wish to do so, in the future.

Outlook

It seems rather trite to say that there is a good deal of uncertainty in the world. This is always the case, but perhaps all the more so than even a few years ago. Elections, and currently wars in particular, often have a knock-on effect on the price of crude oil. Higher oil prices dampen demand and lower growth in consuming nations, which in turn impacts global investment markets. If the war in the Middle East escalates further this could therefore lead to a recession in the West.

On the other hand, inflation and interest rates are falling globally and positive noises from the US Federal Reserve are encouraging. The Chinese authorities have decided to stimulate their domestic economy, which should in due course be reflected in a stronger global economy.

If the world can avoid a full-scale war in the Middle East, which is more driven by political than economic considerations, then there seems to be a good chance that falling interest rates will win the day and global stock markets will continue to move ahead.

The implementation of the review of the investment strategy, together with a lower interest rate environment, should benefit the Company. Your Company remains in a strong position to continue to grow the annual dividend and with a more flexible investment approach we expect to see better capital performance too.

Richard Hills
Chairman
30 October 2024

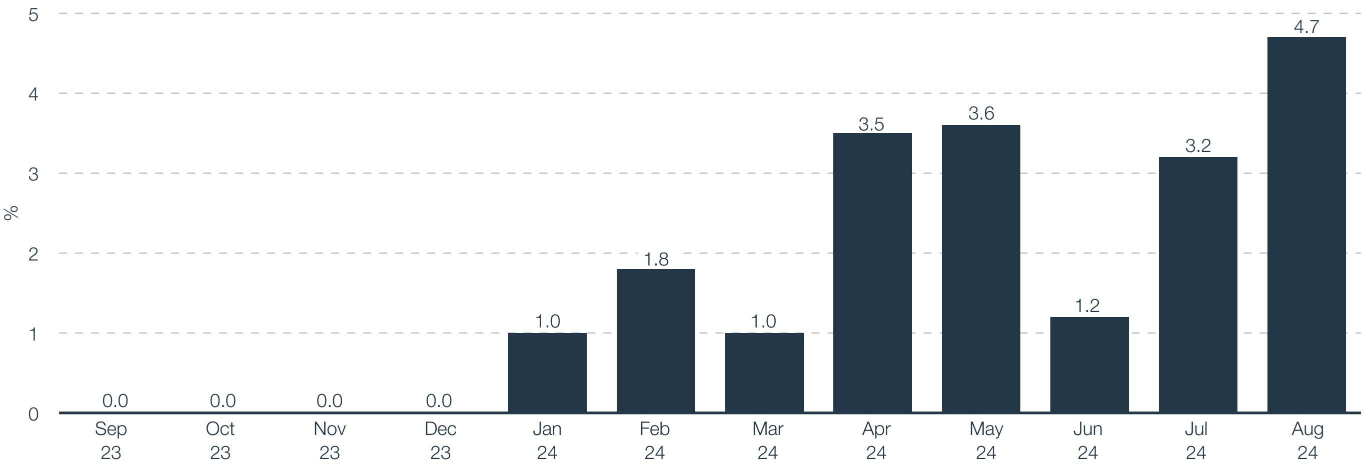
Portfolio Snapshot

Ten largest investments at 31 August 2024

Rank 2024	Rank 2023	Company	Country	Sector	Market value £'000	% of portfolio	Market value at time of investment £'000	Income £'000	Yield[1] %
1	2	**Microsoft**	**US**	Technology	14,820	3.9	1,356	117	0.8
2	1	**Sanofi**	**France**	Health care	13,785	3.6	11,269	521	3.8
3	10	**Coca-Cola**	**US**	Consumer staples	10,206	2.7	6,033	279	2.7
4	8	**Novartis**	**Switzerland**	Health care	9,315	2.5	5,799	339	3.6
5	6	**nVent Electric**	**US**	Industrials	9,040	2.4	4,555	112	1.2
6	14	**Amundi**	**France**	Financials	8,974	2.3	7,790	546	6.1
7	26	**Qualcomm**	**US**	Technology	8,864	2.3	6,260	116	1.3
8	29	**Sony**	**Japan**	Consumer discretionary	8,835	2.3	8,733	35	0.4
9	23	**Deutsche Telekom**	**Germany**	Telecommunications	8,744	2.3	6,245	266	3.0
10	–	**American Tower**	**US**	Real estate	8,639	2.3	8,497	–	2.9
Top 10					**101,222**	**26.6**	**66,538**	**2,331**	

1 Dividend yields as at 31 August 2024 are based upon historic dividends, including special dividends where known, and are not representative of future yield

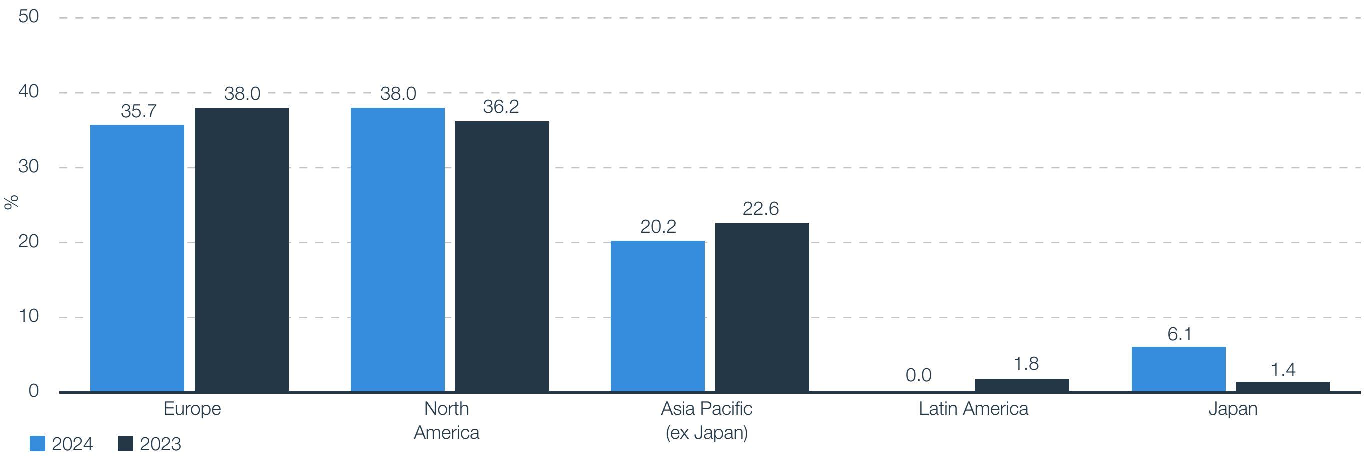
Gearing levels over the year to 31 August 2024[2]



2 Alternative performance measure. See pages 88 and 89

Regional asset allocation weighting of the portfolio at 31 August[3]

As a percentage value of the investment portfolio excluding cash

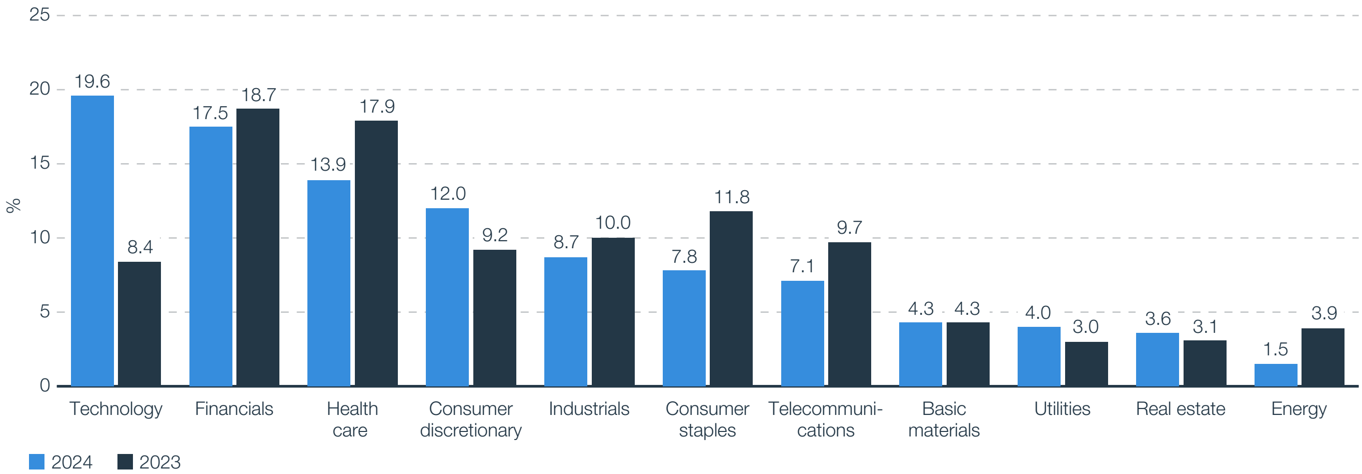


3 Based on MSCI regional data
Source: Janus Henderson, FactSet

Portfolio Snapshot (continued)

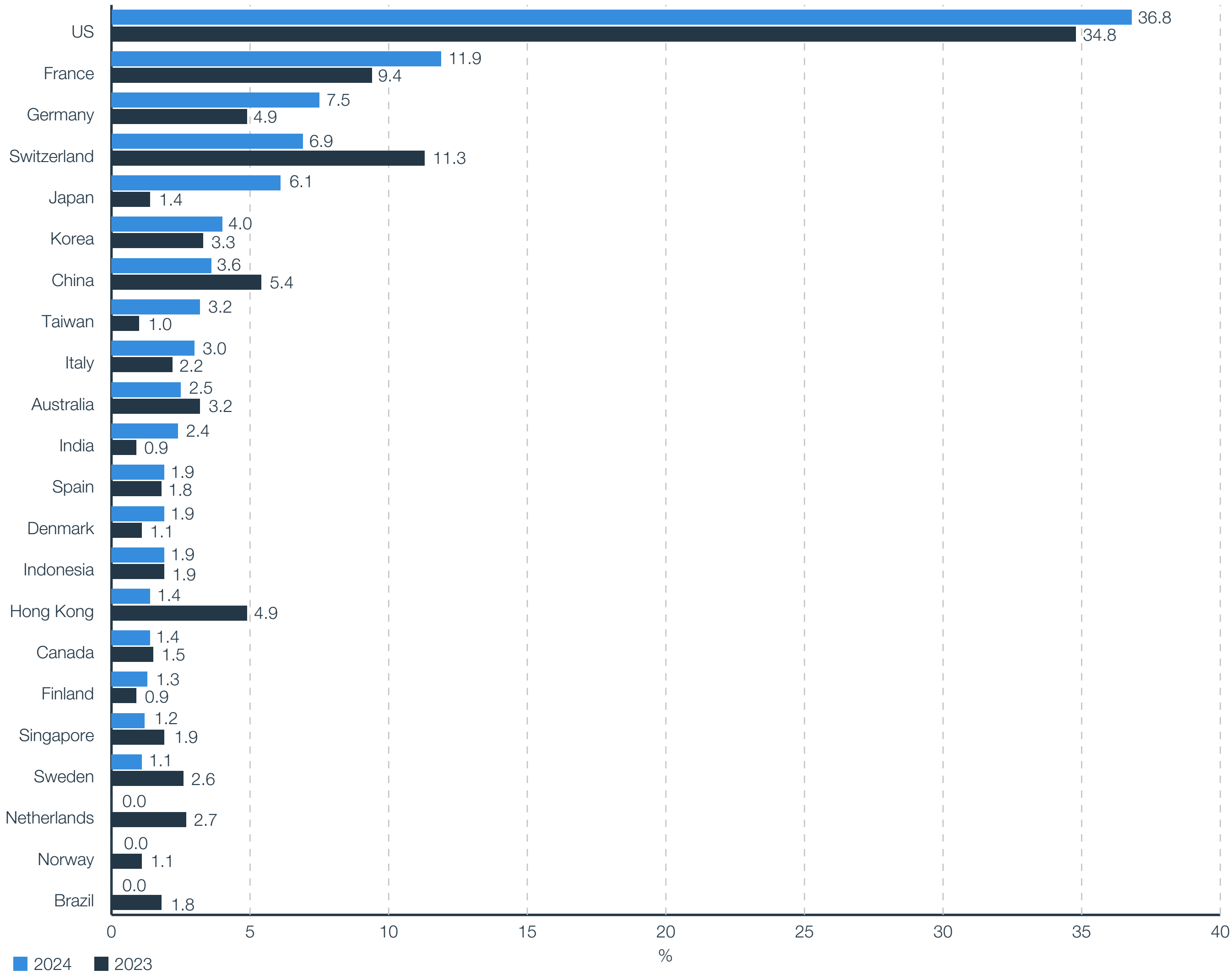
Sector exposure at 31 August

As a percentage of the investment portfolio excluding cash



Geographic exposure at 31 August

As a percentage of the investment portfolio excluding cash



Source: Janus Henderson

Portfolio Snapshot (continued)

Investment portfolio as at 31 August 2024

Company	Country	Market value £'000	% of portfolio
Basic materials			
Arkema	France	5,427	1.4
UPM-Kymmene	Finland	4,783	1.3
Air Products & Chemicals	US	4,256	1.1
Pilbara Minerals	Australia	1,841	0.5
		16,307	**4.3**
Consumer discretionary			
Sony	Japan	8,835	2.3
Home Depot	US	8,305	2.2
Compagnie Financière Richemont	Switzerland	6,041	1.6
Aptiv	US	5,400	1.4
Midea	China	4,517	1.2
Hyundai	Korea	4,280	1.1
Samsonite	Hong Kong	3,146	0.8
Anta Sports	China	2,600	0.7
Astra International	Indonesia	2,506	0.7
		45,630	**12.0**
Consumer staples			
Coca-Cola	US	10,206	2.7
Pepsico	US	7,201	1.9
Pernod-Ricard	France	7,116	1.8
Nestlé	Switzerland	5,374	1.4
		29,897	**7.8**
Energy			
TotalEnergies	France	5,603	1.5
		5,603	**1.5**
Financials			
Amundi	France	8,974	2.3
CME	US	7,132	1.9
Swiss Re	Switzerland	5,554	1.4
Travelers Companies	US	5,299	1.4
Dai-ichi Life	Japan	5,177	1.4
AXA	France	5,078	1.3
Macquarie	Australia	4,956	1.3
Bank Mandiri	Indonesia	4,620	1.2
OCBC Bank	Singapore	4,460	1.2
Resona	Japan	4,287	1.1
HDFC Bank	India	4,166	1.1
Samsung Fire & Marine Insurance	Korea	3,718	1.0
BFF Bank	Italy	3,454	0.9
		66,875	**17.5**

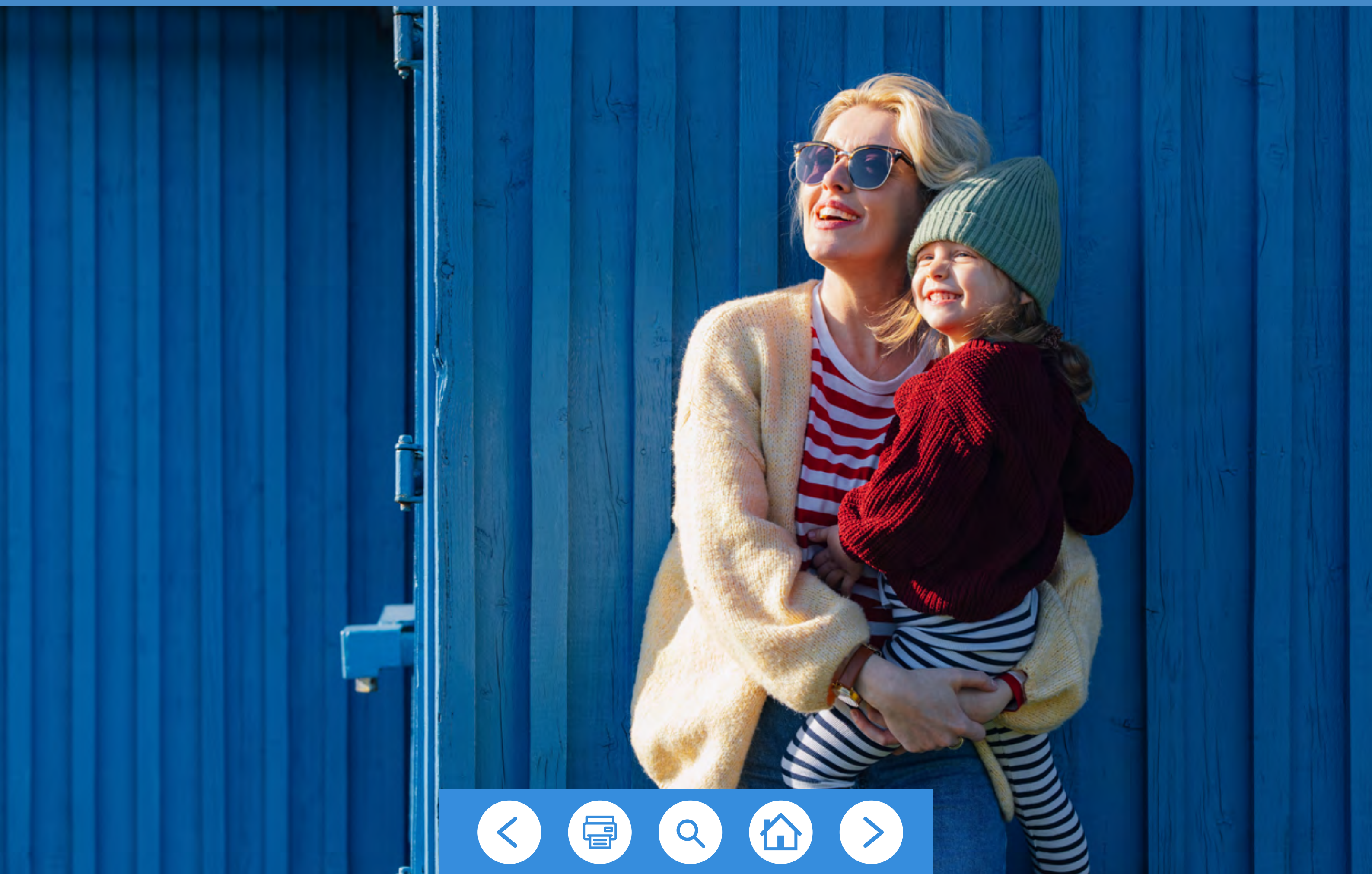
Company	Country	Market value £'000	% of portfolio
Health care			
Sanofi	France	13,785	3.6
Novartis	Switzerland	9,315	2.5
Novo Nordisk	Denmark	7,405	1.9
Merck & Co	US	7,020	1.8
Medtronic	US	6,149	1.6
Johnson & Johnson	US	4,902	1.3
Bristol-Myers Squibb	US	4,447	1.2
		53,023	**13.9**
Industrials			
nVent Electric	US	9,040	2.4
Honeywell International	US	7,165	1.9
Daimler Truck	Germany	7,049	1.8
Siemens	Germany	6,403	1.7
Nari Technology Co	China	3,386	0.9
		33,043	**8.7**
Real estate			
American Tower	US	8,639	2.3
Goodman	Australia	2,785	0.7
Swire Properties	Hong Kong	2,379	0.6
		13,803	**3.6**
Technology			
Microsoft	US	14,820	3.9
Qualcomm	US	8,864	2.3
Taiwan Semiconductor Manufacturing	Taiwan	8,531	2.2
Samsung	Korea	7,376	1.9
Oracle	US	6,693	1.8
Infineon Technologies	Germany	6,433	1.7
TE Connectivity	US	5,312	1.4
Tokyo Electron	Japan	5,011	1.3
Infosys Technologies	India	4,737	1.3
Hon Hai Precision	Taiwan	3,742	1.0
Lenovo	China	3,171	0.8
		74,690	**19.6**
Telecommunications			
Deutsche Telekom	Germany	8,744	2.3
Telus	Canada	5,340	1.4
Cisco Systems	US	4,533	1.2
Verizon Communications	US	4,324	1.1
Tele2	Sweden	4,155	1.1
		27,096	**7.1**
Utilities			
Enel	Italy	7,953	2.1
Iberdrola	Spain	7,248	1.9
		15,201	**4.0**
Total investments		**381,168**	**100.0**

Fund Manager's Report

Ben Lofthouse

Summary:

- Equity markets have performed well over the period. The global economy has generally weathered higher interest rates better than expected.
- The dividend growth of the portfolio has been good, reflecting the underlying earnings growth of our holdings.
- After the last few years of market volatility, it is good to see that all regions generated positive returns. The single largest change in the portfolio during the year was the increase in the technology sector exposure.
- We are confident that the companies held in the portfolio have the ability to benefit from the long-term structural trends and to navigate the current market conditions well.



Fund Manager's Report

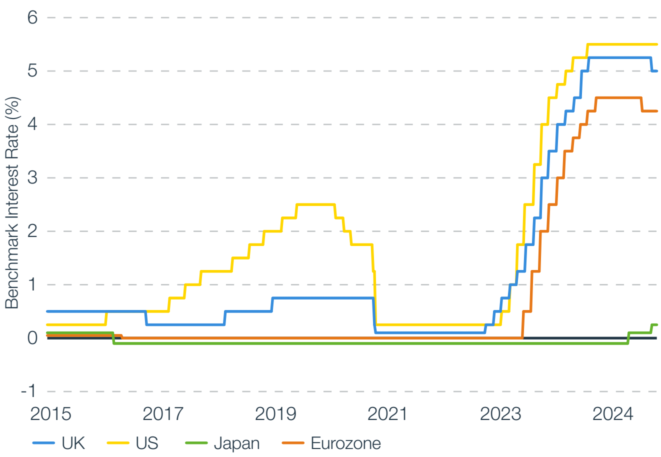
This report contains a summary of the trends in equity markets around the world and the drivers of their returns, the performance of the Company's portfolio over the period, and the positioning and outlook going forward. This year the investment team has also been working with the board on measures to improve the total return of the Company going forward. This report discusses the enhancements made to the investment process which have been designed to achieve this.

Market commentary

Equity markets have performed well over the period under review. At the start of the year, investors were concerned about inflation and the need for high interest rates to bring this under control. After a period of abnormally high inflation for much of 2022 and 2023, inflation has shown signs of moderating in recent months. As the year has progressed investors have become more confident that central banks do not need to raise rates but should be able to reduce them in the event of an economic slowdown. Early in the year equity markets started to rally in anticipation of a better economic environment because of the hoped-for cuts. During that period cyclical stocks outperformed defensive ones.

Interest rates have started to fall in some economies (for example, Switzerland, Canada, Sweden). However, as the chart below shows, they have hardly moved from their peaks in many other major developed economies. Both equity and bond markets remain very sensitive to inflation trends. Expectations for the number of potential interest rate cuts have varied significantly over the last few months, resulting in increased market volatility towards the end of the year. During this period more defensive sectors, such as utilities and telecommunications, outperformed while cyclical and technology stocks sold off.

Central bank interest rates

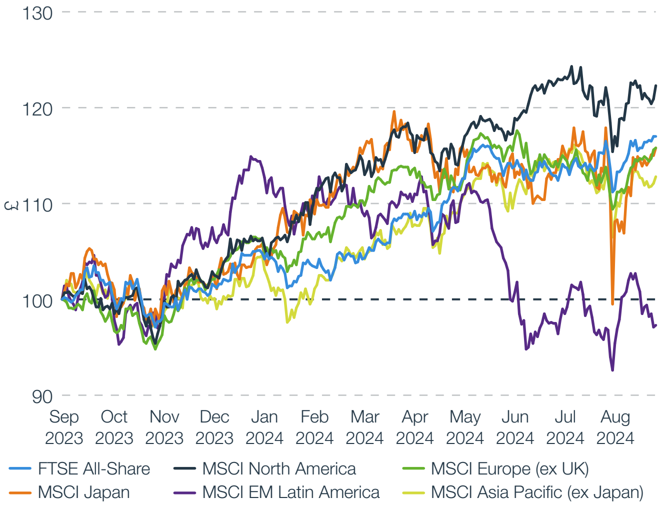


Source: Bloomberg, as at 31 August 2024

Despite the lack of immediate interest rate cuts, the global economy has generally weathered higher interest rates better than expected. Although one area of the world that has continued to struggle economically has been China.

The Chinese economy has continued to grow but ongoing concerns remain around the property market and weak consumer sentiment. These concerns have weighed on commodity and emerging markets as a result. As shown in the chart below, the US market has significantly outperformed this year, followed by the other developed markets, while the Asia Pacific region has lagged.

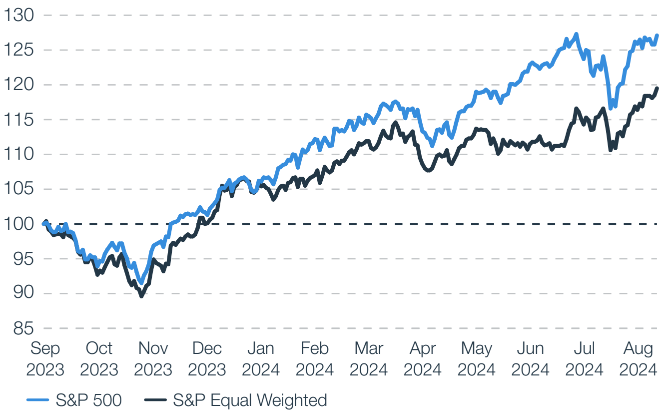
Regional equity market performance (£)



Source: Refinitiv Datastream as at 31 August 2024. Rebased to 100

Whilst the equity market rally has become more broadly based as the year has progressed, it has still been led by a relatively small number of low or zero yielding mega cap technology stocks at the forefront of generative Artificial Intelligence ("AI") innovation. These have become known as the 'Magnificent Seven' (Nvidia, Microsoft, Meta, Amazon, Alphabet, Apple and Tesla). The extent to which these companies are generating actual revenues from AI varies. Nvidia and Microsoft are already reporting revenues from AI, for the others the opportunities are more speculative. The chart below shows that these large companies have had a disproportionately large impact in driving the market upwards compared to the average company, as represented by the relative underperformance of an equal weighted S&P Index.

US market returns – the S&P Index vs the equal weighted S&P Index



Source: Bloomberg, as at 31 August 2024. Rebased to 100

Fund Manager's Report (continued)

Technology stocks and other companies associated with AI across all industries have been a significant contributor to the difference in returns. Value has continued to underperform growth as a factor, but over the year the market has started to show some signs of broadening out.

Performance review

The Company's portfolio has appreciated in value over the year. The portfolio produced a total return of 9.8% in NAV per ordinary share over the period (debt at fair value), and the dividend has been increased again. Whilst we are pleased to report the dividend growth and capital appreciation, the performance was behind that of the MSCI ACWI (ex UK) High Dividend Yield Index. Given the dual objectives of the Company of generating income growth and capital appreciation, we will discuss the two elements of returns separately below.

Income trends and performance

The Company's investment process focuses on companies with strong cash flow generation and the potential to grow. They are often leaders in their respective industries, with established competitive advantages. In a higher interest rate environment these characteristics are increasingly important because they allow companies to continue to invest in their businesses and pay dividends despite higher financing costs. The investment team also ensures that the portfolio is spread by sector and region to diversify risks.

The dividend growth of the portfolio has been good, reflecting the earnings growth of the underlying holdings. Local currency dividend growth from the top ten holdings averaged 6.5% during the period, while the weighted average of the portfolio was over 10%, coming from a wide range of sectors and regions. The technology sector is not well known for paying dividends but it is the sector that is seeing the fastest dividend growth and that is reflected in the portfolio's holdings. Microsoft has been a consistent dividend grower for many years and its 10% increase this year continued that trend. Other companies like Oracle and Taiwan Semiconductor Manufacturing also increased their dividends by over 10% reflecting their confidence in future earnings growth. A notable development this year has been the significant increase in dividend and buyback announcements coming from Korean and Japanese companies. The governments of these countries have implemented programmes to improve shareholder returns, which includes encouraging companies to pay out more in dividends. Portfolio holdings such as Hyundai, Samsung Fire & Marine Insurance, Dai-ichi Life and Sony all increased their dividends by over 10% during the year.

The underlying dividend growth from the portfolio's holdings has been good but the income return for the period is lower than last year (£14.9m in 2024 compared to £16.6m in 2023). One of the reasons for this is that there have been fewer special dividends from companies. In recent years the portfolio has benefited from approximately £1m of special dividends annually. These payments have come largely from companies that paused payments during the Covid period but have since paid catch up payments, in particular many financial services companies. These payments have not been repeated this year. The other reason for the fall in income is that more opportunities have presented themselves in some lower yielding areas of the market and the team is using the flexibility of the investment structure to hold some lower yielding stocks with more capital upside potential.

Currency has also had a slight negative impact on dividend income. Over the year, sterling appreciated 3.7% against the US dollar and 1.7% against the euro. In a global portfolio, currencies often move in different and uncorrelated directions thus cancelling each other out to a degree. Note 17.1.2 of the financial statements provides some analysis of the portfolio's foreign currency sensitivity.

Capital trends and performance

The Company produced a net asset value total return of 9.8% (debt at fair value), which was 4.4% behind the MSCI ACWI (ex UK) High Dividend Yield Index. An estimated attribution of the portfolio's performance between asset allocation and stock selection is given below, which also includes the impact of other factors to explain the movement of the NAV over the year.

Estimated performance attribution (relative to the MSCI ACWI (ex UK) High Dividend Yield Index)

	%
Stock selection	-3.2
Asset allocation	-0.1
Gearing	-0.3
Expenses	-0.8
Total	-4.4

Against the benchmark the main detractor was stock selection. Asset allocation was neutral, and the positive impact of gearing in a rising market was reduced by the fair value increase of the debt due to falling interest rate expectations. Each of these components of return are discussed below.

The average exposures and total returns for each region are detailed below.

Portfolio exposures and returns by region

	Average exposure %	Total return %
Europe (ex UK)	34.3	+13.9
North America	42.4	+7.1
Asia Pacific (ex Japan)	20.8	+13.9
Japan	2.6	+20.3

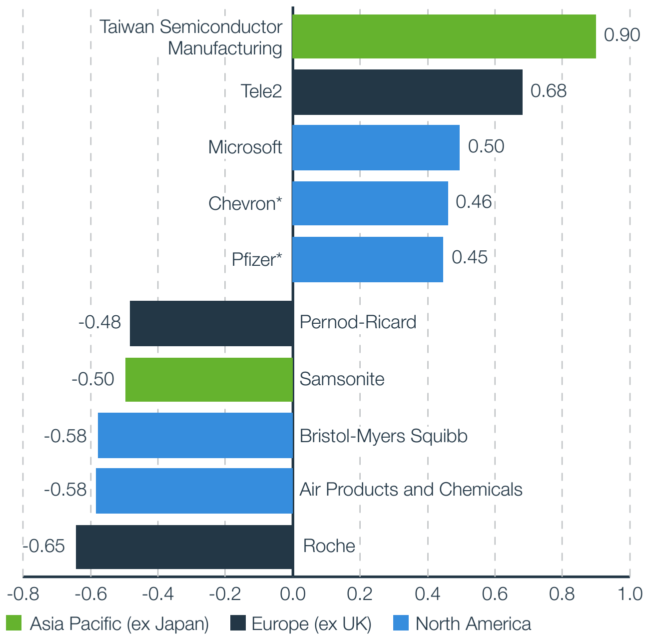
After the last few years of market volatility it is good to see that all regions generated positive returns. The turnaround in the performance of the Asia Pacific (ex Japan) portfolio has been notable since the exposure was changed early in the financial year to gain more exposure to structural growth and

Fund Manager's Report (continued)

reduce exposure to the domestic Chinese economy. The returns for the region improved from 3.3% at the half year to 13.9% at the year end. The European returns came from a broad range of stocks and sectors, ranging from financials to utilities. The return from the North American holdings, however, is disappointing. The portfolio returned 7.1% while the benchmark stocks in the region returned 14.8%. The portfolio was impacted by some of the market volatility late in the year when technology stocks sold off and defensive sectors such as tobacco and utilities rallied. There were some stock specific reasons for the underperformance (the largest stock contributors to performance are shown and discussed below) and the focus on higher yielding stocks has not aided performance over the period or the last few years. In response to the underperformance the investment team has made changes in the portfolio over the year to improve the balance between income delivery and capital growth by using the investment trust structure more fully. Details of these changes are set out in the investment strategy section of this report.

The table below highlights the most significant stock contributors and detractors to performance over the year measured by contribution to absolute return.

Most significant positive and negative contributors to performance (%)



Source: Janus Henderson. Based on Total Effect Relative to MSCI ACWI (ex UK) High Dividend Yield Index, as at 31 August 2024
*Not owned, but positive for performance by not owning

Technology, financial services and communications (telecoms) were the strongest performing sectors, all generating over 20% returns.

Technology stocks represent 19.6% of the portfolio and have provided the greatest absolute and relative performance over the period. Many of the holdings are lower yielding dividend growers, rather than high dividend payers. The exposure of the portfolio was increased throughout the year. The largest position, Microsoft, a longstanding holding, has emerged as one of the leaders in AI by virtue of its investment in OpenAI, the creator of ChatGPT, and its leading positions in cloud computing and business software. Semiconductor companies Qualcomm and Taiwan Semiconductor Manufacturing were also significant positive contributors to performance because of accelerating demand for semiconductors. AI activity is starting to broaden out from demand for semiconductor chips to computing infrastructure investment. A wide range of companies are starting to see customer orders increasing, from the likes of database provider Oracle to server manufacturer Hon Hai Precision and Indian IT services provider Infosys Technologies, which all performed strongly as a result. Not all technology stocks have participated in the rally yet. Portfolio companies Samsung, which is one of the world's largest computer memory design and manufacturers, Infineon Technology, a leading analogue semiconductor company, and Cisco Systems and Lenovo, computer hardware manufacturers, were negative contributors to performance. Whilst they are seeing some AI-related sales they are not yet significant enough to offset weakness elsewhere in their businesses. We believe this will change over time and that they are undervalued on that basis.

Technology stocks have not been the only good performers. The portfolio's second largest sector exposure is the financial sector (17.5% of the portfolio) and it was one of the best performers over the period. It is one of the higher yielding sectors and one that we have considered was significantly undervalued for some years. Many companies in the sector benefit from higher interest rates, and higher rates coupled with low credit losses are driving strong profit growth across much of the sector. Fund management company Amundi performed strongly due to the recovery in asset values. The portfolio's insurance companies benefited from rising insurance premiums and improving profitability. US insurer Travelers Companies was one of the top performers and the positions in AXA, Zurich and Swiss Re also performed well. Asian insurers Dai-ichi Life and Samsung Fire & Marine Insurance rose due to the previously mentioned focus on improving shareholder returns in Japan and South Korea.

The communications and utility sectors have ended up being great performers this year. This was driven partly by interest rates peaking and by a growing acknowledgement that the utility sector is likely to see a higher growth rate in the future due to the heavy investment needed to transform the way energy is generated and consumed globally.

Whilst there has been much to celebrate in the portfolio over the year, the underperformance of some stocks held it back. In general, the portfolio has been overly exposed across all the regions to companies with Chinese revenues. The country has not seen the recovery from the easing of Covid lockdown that the rest of the world experienced and which we had expected. As a result we repositioned the Asia Pacific portfolio significantly in the first half of the year. Insurer AIA and retailer Li-Ning were sold. Anta Sports, Pernod-Ricard and Samsonite were retained as we believed that their valuations did not reflect their longer-term growth potential. It is worth noting that

Fund Manager's Report (continued)

some of the Chinese holdings have performed well, such as Nari Technology and Midea, and the others have seen a recovery post year end on the stimulus announcements.

Another common theme that has detracted from returns over the period has been our investments in companies that are going through transformations and that are increasing investments to accelerate future earnings growth. Examples of this include US companies Air Products & Chemicals, pharmaceutical company Bristol-Myers Squibb and car parts supplier Aptiv. These companies have raised their investment budgets to invest in new technologies and maintain their competitive positions. They are attractively valued compared to their peers and in our view their improving earnings growth is not reflected in their share prices but the market has not yet been willing to give them credit for this improvement. Industrial gases company Air Products & Chemicals, for example, is investing heavily in low carbon hydrogen projects (known as green and blue hydrogen technologies) but the projects will not be ready for a few years and the market would like to see evidence of demand before rewarding the company for investment. It has signed some contracts for green hydrogen recently, which has seen some of the underperformance reversed. In these cases we have learned a lesson about being too early to invest.

The performance from the health care industry has been mixed in recent years. There is a great deal of innovation in the sector and in some cases cheap valuations, but the stocks are very sensitive to drug pipeline news. Novartis and Novo Nordisk have outperformed significantly due to positive drug trials, but Roche and Bristol-Myers Squibb have underperformed on the back of disappointing trial data. We have sold Roche and maintained the holding in Bristol-Myers Squibb.

Portfolio positioning

Stock selection is driven by a combination of the attractiveness of the company (leading competitive positioning, positive supply/demand outlook, good cash flow generation, long-term sustainability of business model) and the potential for total return gains to shareholders.

The single largest change in the portfolio during the year was the increase in the technology sector exposure from 8.4% to 19.6%. This was discussed earlier in the report and in the case study on technology innovation. This increase was funded from a range of stocks and sectors that have less upside potential. We have found that some companies in the portfolio that benefited from competitors' supply chain problems during Covid are starting to see their pricing power erode. Positions sold on this basis included stocks in the energy sector, where increased supply is meeting lower than expected demand, and stocks in the consumer staples sector, including the sales of Mondelez and Ambev.

The financial sector exposure was gradually reduced during the year. Initially, a large exposure had been held in the belief that the market was overly pessimistic on the outlook for companies' profits, and that it would benefit from higher interest rates. In some cases, such as ING, this has happened and the position has been sold.

The Asia portfolio was significantly changed to reduce the exposure to the domestic Chinese economy and to increase the exposure to companies that can benefit from structural global growth. These areas include technology innovation, infrastructure capital spending, and decarbonisation efforts. Positions purchased included Nari Technology, Midea and Infosys Technologies. These were funded via sales including SK Telekom, HKT Trust and HKT Ltd and China Yongda Automobiles.

Some economically sensitive stocks were sold in areas where we are not seeing demand recovering as expected, despite depressed activity levels. Notably, auto exposure has been reduced by selling Mercedes and BMW, and machine tool manufacturer Sandvik.

Case study

Accessing technological innovation

Some technologists describe technological innovation as happening in waves. The advent of generative AI has been described as the 4th wave of computing, coming after the 3rd wave which was 'Mobile Cloud'. Advancing semiconductor technology over the past three decades has enabled these breakthroughs. It fits with a general theme we have seen over the last five years, which is that the implementation of digital technology and cloud computing adoption has broadened out from what was initially consumer focused (digital streaming of TV, music, advertising) to be more industry focused. This digital implementation can take many different forms: higher levels of driver-aids in cars, perhaps ending in self-driving capabilities, digital 'twins' in industry where sensors monitor a machine and create a digital version of it for engineers to monitor in real time. To drive it all, enormous data centres are required with enhanced cooling systems, needing more electricity, connectors and equipment. These trends have been in place for a while, but the advent of generative AI has turbo-charged them.

The portfolio has invested in companies that will see higher growth rates because of the spending needed to create the infrastructure to facilitate this technological innovation. Microsoft needs no introduction as a brand, but it is one of the largest cloud operators in the world and is offering businesses an increasingly AI-driven range of software to enhance productivity. The investment team has taken advantage of the post Covid slump in some areas of technology spending to add to the companies that will help facilitate this 4th wave. Oracle, for example, is a world leader in databases and it is seeing increased demand because the first step to using AI effectively is to have easy access to a businesses' data. Siemens is an engineering company but it is also the leader in a number of the world's industrial software categories. nVent and TE Connectivity provide some of the crucial cabling, connectivity and cooling systems for datacentres, cars and industry. These are just some of the businesses in the portfolio that are gaining sales from the new wave of technical innovation.

Fund Manager's Report (continued)

The largest individual stock changes are shown below:

Purchases	% of portfolio
American Tower	+2.3
Home Depot	+2.2
Oracle	+1.8
Infineon Technologies	+1.7
Siemens	+1.7
Sales	
Roche	-3.0
Zurich Insurance	-2.6
Mondelez	-2.2
ING	-1.8
Ambev	-1.7

Impact of gearing

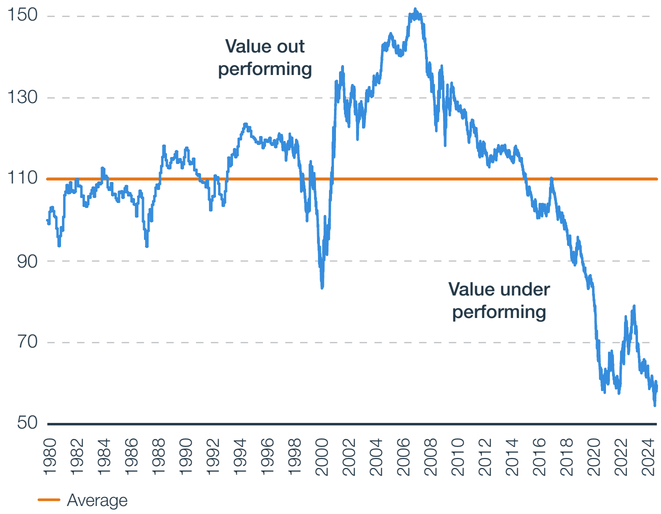
We have not used gearing much this year having been cautious that the sharp rise in interest rates could cause either an economic slow-down or problems for indebted companies and consumers. Such outcomes might give rise to opportunities to invest at more attractive prices. The fact that interest rates are higher also means that the Company earns interest on its cash, which offsets the cost of debt. We did see some market volatility towards the end of the financial year and have used that to add to existing holdings using gearing.

Since the Company has long-term debt, we provide both a fair value and par value return (see note 17.4 for details). The fair value of the debt reflects a theoretical market price which reflects interest rate expectations. The reduction in interest rate expectations during the period has increased the fair value of the debt by £1,076,000, reducing the fair value net asset value return of the Company by 0.6%. The par value of the debt is only changed by currency movements and has fallen by £424,000 over the year, as a result of sterling strengthening slightly against the euro.

Investment strategy

Since inception, the Company has offered investors a yield that was significantly higher than global equity markets and a dividend that has grown consistently over time. Higher income stocks are often value stocks (lower valuation than the market combined with higher dividend yields), and although value investing has worked for long periods in the past, this investment style has been out of favour in recent years, as illustrated by the chart below.

MSCI World Value/MSCI World Growth



Source: Refinitv Datastream, Janus Henderson, as at 31 August 2024. Monthly total return index data rebased to 100 at 31 January 1980

A focus on dividend and value has at times made it hard to gain exposure to exciting new growth areas, or be opportunistic in times of market dislocation. The investment team has a record of successfully identifying and investing in companies that have grown in value considerably. The top performers since launch have, for example, included Microsoft, Taiwan Semiconductor Manufacturing and obesity drug creator Novo Nordisk. The board and manager have reviewed the investment strategy and concluded that additional flexibility to invest in these types of opportunities when they are attractively priced can contribute to the overall total return. The Company will continue to offer investors the income they desire but when appropriate will use more of the flexibility provided by the investment trust structure to distribute dividends from distributable reserves to generate higher total returns for investors.

The investment team has started to implement this investment strategy. We restructured the existing exposure to the Asia Pacific holdings in October last year to focus more on structural growth beneficiaries. This has had a positive impact; the Asian portfolio return improved from 3.3% return in the first half of the year to 13.9% despite ongoing Chinese market weakness. In the US the increased flexibility has been used to continue to own some lower yielding stocks such as Microsoft, but also to add others like Oracle which has helped to improve performance.

Whilst the market rotation experienced recently has impacted short-term sentiment we feel confident that the increased flexibility now being employed will help improve total returns over time. Exposure to slower growing sectors that were primarily held for income, including telecommunications and energy, were reduced to fund these changes.

Fund Manager's Report (continued)

Outlook

Now that global inflation appears to be under control, central banks have proceeded to ease monetary policy around the world. This year real wage growth has been positive and while wages continue to rise, this should provide support to the consumer and aid the global economy in 2025. Since the end of the period under review the US Federal Reserve has cut interest rates by 0.5% (a larger cut than their normal 0.25%) and the Chinese government has announced a number of stimulus measures in an effort to contain the severe property market downturn and provide support to the broader economy. If China succeeds in turning around its domestic consumption growth, it could be an additional positive for equity markets.

Long-term structural trends such as technological innovation, decarbonisation and supply-chain security are driving an increase in capital spending across a range of industries. While risks persist, in the form of a weakening employment picture and geopolitical tensions, the health of the global economy at this stage looks better than it has over the past year.

We are confident that the companies held in the portfolio have the ability to benefit from the long-term structural trends and to navigate the current conditions well, aided by their strong balance sheets and cash generating abilities. Shareholder returns being announced in terms of both dividends and share buybacks remain positive which suggests that management teams share our confidence in the long-term outlooks for their companies.

Ben Lofthouse
Fund Manager
30 October 2024

ESG and company engagement

Integration of environmental, social and governance factors into investment decision making and ownership is detailed on pages 33 to 36. During the period under review, the investment team continued to actively engage with investee companies. Engagements during the period included discussions with companies about safeguarding measures regarding AI, and ongoing conversations with consumer staples companies about environmental considerations.

Historical Information

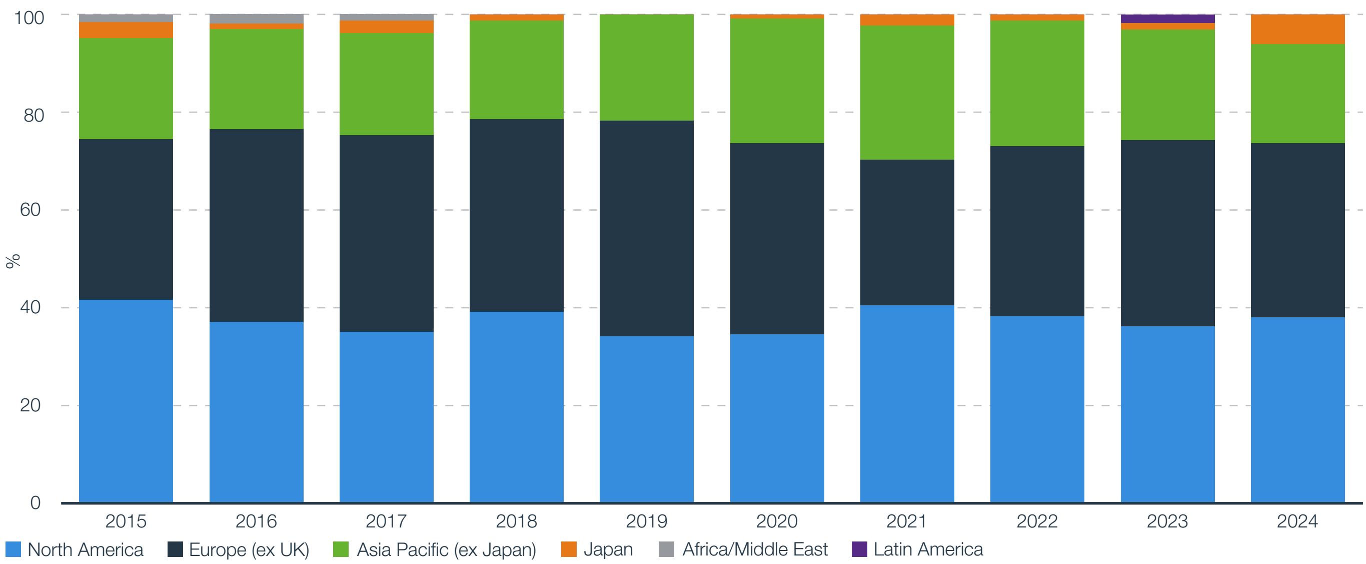
Total return performance to 31 August 2024[1]

	1 year %	3 years %	5 years %	10 years %	Since launch %
Diluted NAV[2] (debt at par)	10.4	15.6	37.1	128.4	209.1
Diluted NAV[2] (debt at fair value)	9.8	18.3	41.8	131.1	212.8
Share price[3]	6.5	12.7	26.6	118.7	177.8
MSCI ACWI (ex UK) High Dividend Yield Index (sterling adjusted)	14.2	24.5	44.5	156.8	250.4
AIC Global Equity Income sector (NAV)[4]	14.0	28.4	62.3	172.7	251.5

Financial information for the year to 31 August

Date	Net assets £'000	NAV (debt at par) pence	Share price[3] pence	Premium/ (discount) %	Net return for year £'000	Revenue return pence	Capital return pence	Total return pence	Dividends per ordinary share pence	Ongoing charge %
2015	91,594	115.6	118.8	2.8	1,668	5.14	(2.98)	2.16	4.50	1.11
2016	220,904	141.5	141.8	0.2	37,570	6.12	29.14	35.26	4.65	1.01
2017	283,972	163.0	163.8	0.5	42,836	5.76	21.36	27.12	4.90	0.88
2018	296,748	167.1	167.5	0.2	16,386	5.80	3.50	9.30	5.30	0.83
2019	309,176	164.8	159.5	(3.2)	5,951	6.29	(2.98)	3.31	5.70	0.84
2020	300,915	153.5	145.5	(5.2)	(10,353)	5.53	(10.91)	(5.38)	6.00	0.85
2021	356,152	181.7	166.0	(8.7)	66,997	5.99	28.20	34.19	6.30	0.83
2022	355,687	181.5	171.8	(5.3)	13,645	7.37	(0.41)	6.96	7.25	0.83
2023	344,370	175.7	161.5	(8.1)	3,186	7.27	(5.64)	1.63	7.47	0.72
2024	**364,180**	**185.8**	**164.0**	**(11.7)**	**34,861**	**6.72**	**11.07**	**17.79**	**7.71**	**0.77**

Regional asset allocation breakdown[5]



1 Including dividends reinvested, net of fees
2 Calculated using published daily NAVs including current year revenue
3 The Company's closing share price. Since inception share price return – launch price including discount (97.25p)
4 Excludes British & American Investment Trust plc
5 Based on MSCI regional data
Sources: Morningstar Direct, Janus Henderson and FactSet

Business Review

Number of investments in Asia Pacific (ex Japan): 19

% of portfolio invested in Asia Pacific (ex Japan): 20%

Business Model

Investment objective

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

Investment policy

The Company will invest in a focused and internationally diversified portfolio of 50-80 companies that are either listed in, registered in, or whose principal business is in countries that are outside the UK and will be made up of shares (equity securities) and fixed interest asset classes that are diversified by factors such as geography, industry and investment size. A maximum of 25% of gross assets may be invested in fixed interest securities. The Company does not hold investments in unlisted companies unless it is through subsequent delisting of an existing investment.

Investment in any single company (including any derivative instruments) will not, in gross terms, exceed 5% of net assets at the time of investment and no more than 15% of gross assets may be invested in other listed investment companies (including investment trusts) or collective investment schemes. No more than 10% of gross assets may be invested in companies that themselves invest more than 15% of their gross assets in UK listed investment companies or collective investment schemes.

The Company may use financial instruments known as derivatives for the purpose of efficient portfolio management, for investment purposes or to generate additional income while maintaining a level of risk consistent with the risk profile of the Company. The Company may hedge exposure to foreign currencies up to a maximum of 20% of gross assets and may generate up to a maximum of 20% of gross income through investment in traded options.

The Company can borrow to make additional investments with the aim of achieving a return that is greater than the cost of borrowing. The Company's articles of association allow borrowings up to 100% of net asset value. In normal circumstances, the manager may only utilise gearing up to 25% of net assets at the time of drawdown or investment (as appropriate) in accordance with the board's policy and for these purposes 'gearing' includes implied gearing through the use of derivatives.

Any material change to the investment policy would require the prior approval of both shareholders and the FCA.

Purpose

Your Company's purpose is to pursue its investment objective and policy to provide shareholders with a growing total annual dividend as well as capital appreciation on their investment in the Company. The investment policy is executed by an experienced investment team supported by the breadth and depth of experience from the Janus Henderson Group.

Status

Your Company is registered as a public limited company. It is an investment company as defined in section 833 of the Companies Act 2006 ("Act") and operates as an investment trust in accordance with section 1158/9 of the Corporation Tax Act 2010 as amended ("section 1158/9"). The directors are of the opinion that the Company has conducted its affairs in compliance with section 1158/9 since approval was granted and intends to continue to do so.

Your Company is listed on the Main Market of the London Stock Exchange and is subject to the UK Listing Rules, Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules published by the Financial Conduct Authority ("FCA"). The Company is a member of the Association of Investment Companies ("AIC").

Your Company and the board are governed by its articles of association, amendments to which must be approved by shareholders by way of a special resolution.

Structure

Your Company aims to achieve its investment objective by following a disciplined process of investment within an acknowledged risk framework, and by controlling costs and using borrowings to enhance returns. It operates as an investment company, with operational matters delegated to specialist third-party service providers. Their performance is monitored and challenged by an independent board of non-executive directors, which retains oversight of the Company's operations and is accountable to shareholders.

Benefits

Your Company's business model offers numerous advantages:

- it provides investors with access to a professionally and actively managed portfolio of assets;
- it offers investors exposure to an internationally diversified portfolio of companies outside the UK;
- it enables investors to spread the risks of investing;
- it enhances returns to investors by operating as an approved investment trust meaning no capital gains tax is paid on the realisation of investments;
- the closed end structure allows the fund manager to take a longer-term view on investments and remain fully invested;

Business Model (continued)

- the ability to draw on revenue and distributable capital reserves to support the payment of dividends;
- the ability to use gearing to increase returns for investors; and
- oversight by a board of non-executive directors wholly independent of the manager.

Investing

Your Company sets out to be an attractive and straightforward long-term investment vehicle for private investors. As well as investing directly, shares can be purchased through various dealing platforms and held in share plans, ISAs or pensions. Links to some of these dealing platforms can be found using the 'Ready to invest?' link on our website, **www.hendersoninternationalincometrust.com**.

Values and culture

The board is intent on ensuring high standards of governance, as this is integral to ensuring your Company's success. It aims to achieve this through a culture based upon openness, mutual respect, integrity and trust. The board seeks always to act in the best interests of shareholders and wider stakeholders, making the most effective use possible of the diversity of skills and experience of its members. The directors are independent-minded and act in an open, positive and collegiate manner. This culture of openness and constructive challenge extends to the board's interaction with the manager, being your Company's most important service provider. The board expects the manager and all of your Company's other service providers to hold values which align with the high standards promoted by the board.

The board has a number of policies and procedures in place to assist with maintaining a culture of good governance including those relating to directors' conflicts of interest, directors' dealings in the Company's shares, bribery (including the acceptance of gifts and hospitality) and tax evasion. The directors assess and monitor compliance with these policies regularly through board meetings and the annual evaluation process.

The board

It is the board's aim to have an appropriate level of diversity in the boardroom. The current directors have a diverse range of experience and skills, bringing knowledge of investment management, governance, financial and risk management, marketing and distribution to discussions on your Company's business. At the date of this report, the board comprises five directors, two male and three female and one director from an ethnic minority background.

The nominations and remuneration committee considers diversity in its broadest sense when making recommendations for appointments to the board. See page 54 for further details of the board's diversity policy and compliance with recommended diversity targets.

The board also takes an interest in the diversity initiatives in place at the manager. Janus Henderson fosters and maintains an environment that values the unique talents and contributions of every individual. The manager strives to cultivate and practice inclusiveness for the long-term success of the business and for the benefit of its employees, clients, investors and shareholders. The board notes and supports the manager's diversity training and initiatives to improve any imbalances. Details of the manager's diversity, equity and inclusion policies and activities can be found on their website at **www.janushenderson.com/en-gb/investor/who-we-are/diversity-equity-and-inclusion/**.

Arrangements with the manager

The Company is an Alternative Investment Fund ("AIF") in accordance with the Alternative Investment Fund Manager Directive ("AIFMD"). The board has appointed Janus Henderson Fund Management UK Limited ("JHFM") to act as its Alternative Investment Fund Manager. JHFM delegates investment management services to Janus Henderson Investors UK Limited. Both entities are authorised and regulated by the FCA, and form part of the Janus Henderson group of companies. References to "Janus Henderson" or the "manager" refer to the services provided to the Company by the manager's group. References to the "fund manager" and "deputy fund manager" are to Ben Lofthouse and Faizan Baig respectively.

The manager is engaged under the terms of an agreement effective from 25 June 2024. The previous agreement dated July 2014 has been amended and restated to reflect current regulation and industry standards, with no changes to terms affecting the relationship with the manager. The agreement is terminable by either party on six months' notice.

The management fee is 0.575% per annum of net assets. The aggregate amount of fees charged by Janus Henderson on any assets in the portfolio that are invested in in-house funds and connected investment trusts is deducted from any fees charged. The fees are payable quarterly in arrears. There is no performance fee arrangement in place.

Janus Henderson and its subsidiaries also provide accounting, marketing, company secretarial and general administrative services. Some of the administration and accounting services are carried out, on behalf of the manager, by BNP Paribas. Janus Henderson Secretarial Services UK Limited acts as the corporate secretary. Please refer to the corporate governance report on pages 44 and 45 for information about the independence of the corporate secretary and the management engagement committee report on page 55 for details about how the directors consider the continuing appointment of the manager.

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.

Business Model (continued)

Borrowings

Your Company's short-term gearing facility allows borrowing of up to £30m in sterling and other currencies by way of an overdraft facility with HSBC Bank plc. Under this facility the Company borrowed in both sterling and euros in the year under review. There were no amounts drawn down under this facility at 31 August 2024.

On 30 April 2019, your Company issued €30m fixed rate 25-year senior unsecured notes at an annualised coupon of 2.43%. This long-term fixed rate euro denominated financing was obtained at a price that the board considered attractive. The senior unsecured notes are expected to enhance long-term investment performance.

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 level of gearing at 31 August 2024 was 4.7% of net asset value (2023: 3.9%).

Approval

The strategic report has been approved by the board.

On behalf of the board

Richard Hills
Chairman
30 October 2024

Key Performance Indicators

In order to measure the success of your Company in meeting its objective and to evaluate the performance of the manager, the directors take into account the following key performance indicators ("KPIs"). The charts and data on pages 4, 5 and 20 show how your Company has performed against these KPIs and a glossary of terms and alternative performance measures is included on pages 88 to 90. The board reviews the appropriateness of the KPIs on a regular basis.

KPI	Action
Dividend sustainability and growth	At each board meeting, the board reviews the income generating ability of the Company's portfolio, including a dividend forecast, and monitors the dividend income received as the year progresses. The Company's dividend has been increased significantly over the last few years and although in the year under review the revenue return decreased (by 7.5% to £13.2m in the year to 31 August 2024), the dividend remains substantially covered. Whilst most companies held in the portfolio increased their dividends, the Company has received fewer special dividends from its holdings this year. This is discussed further in the chairman's statement and fund manager's report.
Performance measured against the benchmark	At each meeting, the board reviews and compares the performance of both the NAV per share and share price for your Company and its benchmark. During the year under review, the NAV (debt at par) and NAV (debt at fair value) underperformed the benchmark. Whilst the net asset value total returns for the year were 9.8% (debt at par) and 10.4% (debt at fair value) and all regions provided positive returns, the US stocks in the portfolio lagged the index. This is discussed further in the fund manager's report.
Performance against the Company's peer group	Your Company is included in the AIC Global Equity Income sector. In addition to comparing the Company against the stated benchmark, the board also considers at each meeting the performance of this AIC sector, as well as other investment trusts. Your Company has delivered its dividend objective over the year and provides a higher dividend yield compared to the peer group average. However, with lower yielding stocks outperforming higher yielding stocks, your Company has underperformed the peer group average NAV total return.
Discount/premium to NAV	At each board meeting, the board monitors the level at which your Company's shares are trading at a discount or premium to the NAV and reviews the average discount/premium for the AIC Global Equity Income sector. The Company publishes its NAV per share figure on a daily basis through the official newswire of the London Stock Exchange. This figure is calculated in accordance with the AIC formula, which includes current year revenue items. Over the year, the Company's shares have traded at an average discount to the NAV (debt at par) of 10%, in a range of 6% to 14%. This is slightly wider than the peer group average, but the average discount across the investment company industry has been in the range of 13% to 20%. As discussed in the chairman's statement and fund manager's report, the board has conducted a review of the Company's investment strategy.
Ongoing charge	The board regularly reviews the ongoing charge and monitors your Company's expenses. For the year ended 31 August 2024, the ongoing charge as a percentage of shareholders' funds was 0.77% (2023: 0.72%). The slight rise in the ongoing charge largely reflects an increase in administration costs for the year. The spend on marketing and advertising was increased to support a rebranding exercise and marketing campaign with the aim of increasing demand for the Company's shares (see page 28 for details) and total directors' fees were also higher as there was a period in the previous financial year when there were only four directors on the board.

Promoting the Company's Success

Section 172 statement

The board regards a well-governed business model as essential for the successful delivery of its investment proposition. The directors carry out their duties under section 172 of the Act to act in good faith to promote the success of your Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the likely consequences of any decisions in the long term, the need to foster your Company's relationship with its wider stakeholders, the impact of the Company's operations on the community and the environment and the desirability of your Company maintaining a reputation for high standards of business conduct.

Your Company has no employees, premises, assets other than financial assets or operations. Core activities are conducted through the manager (Janus Henderson), with whom the board maintains a close working relationship, and the board holds the manager to account for the smooth running of the Company's day-to-day business.

The board retains responsibility for decisions over corporate strategy, corporate governance, risk and internal control assessment, investment performance monitoring and setting marketing budgets. The board also determines the overall limits and restrictions for the portfolio, including gearing and asset allocation. In addition to the strategy discussions at board meetings, the board also has an annual strategy meeting to review these matters.

For more information about the responsibilities with which the board and its committees are charged, please refer to the corporate governance section (pages 40 to 58) in addition to the strategic report. The schedule of matters reserved for the board as well as the terms of reference for each of the committees of the board can be found on the Company's website.

Engagement with stakeholders

Shareholders' assets are managed taking account of the Company's stakeholders and their interests. The board has mapped who your Company's stakeholders are in order to support it in identifying and understanding them and fostering the appropriate level and form of interaction. As an externally managed investment company, the board considers that the Company's stakeholders include its shareholders and investors, the manager and other third-party service providers, the companies in which it invests and its lenders. Interaction is facilitated through meetings (both face-to-face and via video conferencing and other electronic means), seminars, presentations, publications and the Company's website. Set out below are examples of the way the board and the Company has interacted with stakeholders.

Stakeholders	Engagement	Outcome
Shareholders, investors (including through retail platforms) and potential investors	Shareholders rely on your Company to deliver sustainable and reliable returns on their investment. The board believes that its primary focus should be on providing an excellent service to its shareholders and it seeks to ensure that your Company is accessible and available. Regular updates on your Company and its activities are provided through: • the annual and half year reports; • the manager's monthly factsheets; • Company announcements, including daily NAV announcements; • the Company's website, which includes video interviews with the fund manager, regular market commentary and investment insights and other relevant information to enhance investors' understanding of the Company and its portfolio and prospects; • investor webinars by the fund manager and use of social media channels (see page 93); and • research notes (paid for by your Company and available to all investors).	Clear communication of your Company's strategy and performance against its objective helps shareholders to make informed decisions about their investments. During the year, the board approved an increased spend on marketing to support a rebranding and targeted marketing campaign. Close interaction with shareholders enables the board to run the Company in line with shareholders' interests as a whole and for the Company's long-term success. The board is committed to maintaining open channels of communication with shareholders. Shareholders are able to contact the directors directly by writing to the chairman or the senior independent director at the registered office (see page 93) or by email to ITSecretariat@janushenderson.com. The senior independent director is also available to shareholders if they have concerns that have not been addressed through the normal channels. Correspondence from shareholders is shared with the chairman immediately and with the board at the next meeting.

Promoting the Company's Success (continued)

Stakeholders	Engagement	Outcome
Shareholders, investors (including through retail platforms) and potential investors (continued)	The chairman, senior independent director and other members of the board are available to meet with shareholders where they wish to do so. Shareholders are able to meet with the fund manager throughout the year. The manager's sales and marketing team, the broker and external marketing research provider also meet with shareholders and analysts. Feedback from all meetings is shared with the board. Shareholders are encouraged to attend and vote at the Company's general meetings, including the annual general meeting, where they have the opportunity to address questions directly to the directors and the fund manager. Shareholders who cannot attend the AGM in person are invited to attend and raise questions online. The fund manager promotes your Company with the support of the manager's dedicated investment trust sales team and the board makes additional spend available to support marketing activities aimed at raising the profile of your Company.	During the year, the chairman and the senior independent director met with a number of the major shareholders to seek their views about the Company, its investment strategy and performance. The board is pleased to invite all shareholders to attend the 2024 AGM. Further details are in the chairman's statement and in the notice of meeting.
Manager • Fund management • Sales and marketing • Company secretarial • Financial reporting • Internal control functions • Investment accounting and administration (outsourced by Janus Henderson to BNP Paribas) • Oversight of third-party service providers	The board sets and oversees the parameters for the manager's activities, including asset allocation, gearing and risk management. The board seeks to engage with the manager in a collaborative and collegiate manner, encouraging open and constructive discussion and debate, whilst also ensuring appropriate and regular challenge. The board receives presentations from the fund manager at each board meeting and receives timely and accurate information from the manager. There is continuous engagement and dialogue with the fund manager and corporate secretary between meetings as well as with other representatives of the manager as and when it is deemed necessary. The board also meets with other key representatives of the manager throughout the year to develop strategy and assess internal controls and risk management and also sales and marketing activities, to promote the success of the Company and raise its profile. The board, with the assistance of the management engagement committee, formally reviews the performance and terms of appointment of the manager at least annually (see page 55 for further details).	Successful management of your Company's portfolio is essential for the Company to meet its strategic objectives and enable its long-term sustainable success. The effective provision of the ancillary services ensures the efficient running of your Company's day-to-day affairs. The board and the manager operate in a supportive, co-operative and open environment, resulting in an effective working relationship. The board places great value on the expertise and experience of the fund manager to execute the investment objective and deliver returns for shareholders, and on the manager's internal controls and risk management. The board approved the appointment of Faizan Baig as deputy fund manager. The portfolio activities undertaken by the manager and the impact of decisions are set out in the fund manager's report on pages 13 to 19.
Third-party service providers • Depositary and custodian • Broker • Registrar • Auditor	The board is conscious of the need to foster effective business relationships with its suppliers. As an investment company, all services are outsourced to third-party service providers. The manager maintains the overall day-to-day relationship with the service providers and reports back to the board on performance. Each service provider has an established track record and has in place suitable policies and procedures to ensure it maintains high standards of business conduct. The board regularly reviews the support provided by the service providers including quality of service, succession planning and any potential interruption of service or other risks. The board evaluates the terms of engagement and the control environments in place at each service provider and, through the management engagement committee, formally assesses their appointment annually.	The board meets with the depositary/custodian at least annually and with other service providers as and when considered necessary. This regular interaction provides an environment where day-to-day matters, issues and business development needs can be dealt with efficiently and effectively. The board is confident that Janus Henderson has developed and maintains good working relationships with all of your Company's third-party suppliers.

Promoting the Company's Success (continued)

Stakeholders	Engagement	Outcome
Investee companies (listed on page 12)	The board sets the investment objective and discusses stock selection and asset allocation with the fund manager regularly. On behalf of your Company, the manager engages with the investee companies, exercising good stewardship practices with an approach agreed with the board (see pages 33 to 36 for further details).	The fund management team regularly conducts face-to-face and/or virtual meetings with portfolio companies' management teams to enable them to understand current trading and prospects for these businesses. The manager is a responsible investor and has a dedicated Governance and Responsible Investment Team that the fund manager can utilise when making investment decisions and voting.
Lenders	On behalf of your board, the manager maintains a constructive working relationship with the loan note holders and the provider of the Company's overdraft facility, ensuring compliance with covenants and providing regular covenant compliance confirmations and other information as required.	Your Company maintains a good relationship with its lenders which supports its financing arrangements and allows it to operate effectively as an investment trust.
Communities and the environment	The board mandates the manager, supported by its governance function, to engage with investee companies, when and where appropriate, on ESG matters in line with good stewardship practices, and with an approach agreed with the board. The board is also conscious of the importance of providing an investment product which meets the needs of its investors.	An investment approach that meets the needs of investors provides a service valuable to the communities in which your Company operates. The board is also conscious of the need to take appropriate account of broader ESG concerns and for your Company to act as a good corporate citizen. Details of how ESG matters are integrated into investment decisions are set out on pages 33 to 36.

Examples of stakeholder consideration

The board is always mindful of the need to act in the best interests of shareholders as a whole and to have regard to other applicable section 172 factors. The board takes into consideration your Company's purpose, investment objective and investment policy as well as the interests of the Company's stakeholders in all material discussions and decisions. Examples of this can be seen in the year under review as follows:

Dividends paid to shareholders

Your Company's investment objective is to provide shareholders with a growing total annual dividend, as well as capital appreciation. At each meeting, the board carefully reviews the level of revenue income received and forecast as well as the available distributable reserves. For the year under review, dividends amounting to 7.71p have been declared, compared to 7.47p in 2023, an increase of 3.2%. The dividends declared in respect of the year have been substantially covered by revenue earned in the year, with a £1.9m drawdown from the revenue reserve. As a result, the Company has been able to maintain its record of having grown its dividend every year since launch. See the chairman's statement for more details.

Review of investment strategy

The board holds regular strategy meetings to review your Company's objectives and to ensure they remain appropriate for shareholders and that the strategy for achieving them is working. The board has reviewed the appropriateness of the investment strategy over the long term with regard to meeting shareholders' expectations for both income and capital appreciation. As part of the review, the chairman and senior independent director engaged with a significant proportion of the Company's shareholder register to gauge their views on the Company's investment strategy and performance. As a result of the review the board has decided to enhance the Company's investment strategy by further increasing the proportion of the dividend that can be paid out of the Company's extensive distributable reserves. This will give the manager more investment flexibility and is accompanied by an expectation of enhanced capital performance through the economic cycle. See the chairman's statement and fund manager's report for more details.

Marketing and promotion

The board approved an increase in the Company's marketing budget in order to promote the Company to a wider audience, primarily through targeted digital advertising, and this was initiated in February 2024. The Company's website has also been redesigned. These initiatives are intended to increase understanding of the Company among its stakeholders as well as raising awareness of the Company among potential new investors.

Promoting the Company's Success (continued)

Appointment of deputy fund manager

The board has approved the appointment of Faizan Baig as deputy fund manager. Mr Baig works closely with Ben Lofthouse, who remains the lead fund manager.

Shareholder information

Shareholders and potential investors require information in order to make decisions about their investments. Through the approval and publication of your Company's results in the half-year update and annual report as well as the daily NAV announcements, all of which are made available to stakeholders on the Company's website, the Company enables shareholders and potential investors to make informed decisions about their investment in the Company.

Managing Risks

Principal risks and uncertainties

The board, with the assistance of Janus Henderson, has carried out a robust assessment of the principal risks and uncertainties, including emerging risks, facing the Company, including those that would threaten its business model, future performance, solvency or liquidity and reputation.

The board regularly considers the principal and emerging risks facing your Company and has drawn up a matrix of risks. The board has also put in place a schedule of investment limits and restrictions appropriate to your Company's investment objective and policy. The principal risks which have been identified and the steps taken by the board to mitigate these are set out in the table below. The principal financial risks are detailed in note 17 to the financial statements.

The risk register has been updated during the year to reflect increasing risk arising from the continued consolidation of the investment trust sector, together with reflecting the lower interest rate and inflationary environment. The risk arising from artificial intelligence ("AI") has been added as an emerging risk.

Risk	Trend	Mitigation
Geopolitical risks Geopolitical risks, including ongoing political uncertainty, are causing economic volatility. Supply chains, energy supply and consequential price increases are among the risks. These could affect the valuation of your Company's portfolio and dividend income.	↑	The fund manager monitors political and economic issues and is active in the review of geographic and sector allocations. At each board meeting, the allocation of the assets across the geographic markets and the sector relative weightings are discussed with the fund manager, with a focus on the current market context. The risk is spread through holding a diverse portfolio.
Investment activity and performance risks An inappropriate investment strategy (for example, in terms of asset allocation or the level of gearing) may result in underperformance against your Company's benchmark index and the companies in its peer group. Interest rates remaining higher for longer than expected could materially affect the performance of stocks with high levels of gearing. This could impact their cashflows and ability to pay dividends, and thus affect the performance of the Company's portfolio.	↔	The board monitors investment performance at each board meeting, including performance relative to the benchmark. It also regularly reviews the extent of its borrowings, when in use. The fund manager actively monitors the level of gearing in the stocks across the portfolio and adjusts exposure where necessary. This is discussed on a regular basis with the board.
Portfolio and market price risks Although your Company invests almost entirely in securities that are listed on recognised markets, share prices may move rapidly. The companies in which investments are made may underperform or fail entirely with a potential impact on their share price and/or dividend yield. A fall in the market value of your Company's portfolio would have an adverse effect on shareholders' funds. Most of your Company's assets, liabilities, income and expenses are denominated in currencies other than sterling (the Company's functional currency and presentational currency). As a result, movements in exchange rates may affect the sterling value of those items.	↔	The manager seeks to maintain a diversified portfolio to mitigate against this risk. The board regularly reviews the portfolio, activities and performance. The fund manager monitors your Company's exposure to foreign currencies daily and reports to the board at each meeting. The fund manager measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and total return of a movement in the exchange rates to which your Company's assets, liabilities, income and expenses are exposed. The board has set an investment limit on currency hedging to a maximum of 20% of gross assets to mitigate against this risk.
Tax and regulatory risks A breach of section 1158/9 could lead to a loss of investment trust status, resulting in capital gains realised within the portfolio being subject to corporation tax. A breach of the UK Listing Rules could result in suspension of your Company's shares, while a breach of the Companies Act could lead to criminal proceedings, or financial or reputational damage.	↔	The manager has been contracted to provide investment, company secretarial, administration and accounting services through suitably qualified professionals. The board receives internal control reports produced by Janus Henderson on a quarterly basis, which confirm legal and regulatory compliance.

Managing Risks (continued)

Risk	Trend	Mitigation
Operational and cyber risks Disruption to, or failure of, Janus Henderson's accounting, dealing or payment systems or the custodian's records could prevent the accurate reporting and monitoring of the Company's financial position. Your Company is also exposed to the operational and/or cyber risk that one or more of its service providers may not provide the required level of service in the event of a cyber attack.	↑	The board monitors the services provided by the manager and its other third-party suppliers and receives reports on the key elements in place to provide effective internal controls. The board also receives assurances from the manager's chief information security officer that the manager maintains robust cyber and information security policies, processes and procedures. The manager maintains a robust firewall to mitigate any such attacks. The board also monitors the principal business risks faced by your Company which are recorded in a risk map which is reviewed regularly. Systems are in operation to safeguard the Company's assets and shareholders' investments, to maintain proper accounting records and to ensure that financial information used within the business, or published, is reliable.
Consolidation of the wealth management industry Continued consolidation of the wealth management industry may result in a narrower customer base and the increasing importance of being on the 'buy list'.	↑	A key focus is on performance and to ensure that your Company meets buy list requirements of institutional investors. The manager makes use of PR and marketing in order to reach individual buyers. The board is enhancing your Company's marketing strategy to ensure the growing needs of individual self-directed investors are met to help stimulate ongoing demand for your Company's shares.
Consolidation of the investment trust sector Consolidation of the investment trust sector leading to a greater average size of investment trusts becoming the norm.	↑	The board regularly reviews the market to identify and participate in consolidation opportunities and looks to the manager to provide performance to improve the Company's chances for growth.

Emerging risks

In addition to the principal risks facing your Company, the board also regularly considers potential emerging risks, which are defined as potential trends, sudden events or changing risks which are characterised by a high degree of uncertainty in terms of the probability of them happening and the possible effects on the Company. Should an emerging risk become sufficiently clear, it may be moved to a significant risk.

The board has identified the following as potential emerging risks:

Emerging risk	Mitigation
Unfavourable regulatory changes, including tax changes and the possible imposition of a wealth tax.	The board and the manager monitor potential changes on an ongoing basis.
The development of artificial intelligence may result in a change to operational models for portfolio companies, which may impact the valuation of the portfolio.	The board and fund manager keep abreast of developments that could affect the portfolio. The portfolio is diversified by both geography and sector. The fund manager actively reviews this allocation and the underlying companies, making changes as necessary.

Viability and Going Concern

The AIC Code of Corporate Governance includes a requirement for the board to assess the future prospects for your Company, and to report on the assessment within the annual report. The board considers that certain characteristics of your Company's business model and strategy are relevant to this assessment:

- the board looks to ensure that your Company seeks to deliver long-term performance;
- the Company's investment objective, strategy and policy, which are subject to regular board monitoring, mean that your Company is invested mainly in readily realisable listed securities and that the level of borrowings is restricted;
- your Company is a closed-end investment company and therefore does not suffer from the liquidity issues arising from unexpected redemptions; and
- the Company has an ongoing charge of 0.77% (2023: 0.72%).

Also relevant were a number of aspects of your Company's operational agreements:

- your Company retains title to all assets held by the custodian under the terms of the formal agreement with the depositary;
- long-term borrowing is in place, being the 2.43% senior unsecured notes 2044, which are also subject to a formal agreement, including financial covenants with which your Company has complied in full during the period since issuance. The value of long-term borrowing is relatively small in comparison to the value of net assets, being 6.9% at 31 August 2024 (2023: 7.4%);
- revenue and expenditure forecasts are reviewed by the directors at each board meeting; and
- cash is held with an approved bank.

In addition, the directors carried out a robust assessment of the principal risks and uncertainties which could threaten your Company's business model, including future performance, liquidity or solvency and reputation and considered emerging risks that could have a future impact on your Company.

The principal risks identified as relevant to the viability assessment were those relating to investment activity and performance, portfolio and market price risks. The board took into account the liquidity of your Company's portfolio, the existence of the long-term fixed rate borrowings, the effects of any significant future falls in investment values and income receipts on the ability to repay and re-negotiate borrowings, grow dividend payments and retain investors and the potential need for share buy-backs in order to maintain a narrow share price discount.

The directors assess viability over three-year rolling periods, taking account of foreseeable severe but plausible scenarios. The scenarios considered by the directors in coming to this conclusion included the heightened macroeconomic uncertainties, the potential impact on income and your Company's ability to meet its investment objective, and the impact on loan covenants. The directors do not believe that they will have a long-term impact on the viability of your Company and its ability to continue in operation, notwithstanding the short-term uncertainty that these events have caused in the markets and specific short-term issues, such as to energy, supply chain disruption, inflation, interest rate rises and labour shortages.

The directors believe that a rolling three-year period for assessment best balances your Company's long-term objective, its financial flexibility and scope with the difficulty in forecasting economic conditions affecting your Company and its shareholders.

The directors recognise that there is a continuation vote that is due to take place at the 2026 AGM. The directors currently believe that your Company will continue to exist for the foreseeable future and at least for the period of assessment.

Based on their assessment and in the context of your Company's business model, strategy and operational arrangements set out above, the directors have a reasonable expectation that your Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period to 31 August 2027.

The directors consider your Company has adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements and that it is appropriate to adopt the going concern basis of accounting in preparing the financial statements (see page 71 for further details).

ESG

How we integrate environmental, social and governance considerations in our investment decisions

The board believes that integrating environmental, social and governance factors or "ESG" into investment decision-making and ownership practices is an important factor for delivering the investment outcomes our shareholders seek. ESG considerations are an embedded component of the investment process employed by the fund manager, and the wider Janus Henderson investment teams. The Company integrates ESG but does not pursue a sustainable investment objective or otherwise take ESG factors into account in a binding manner. ESG integration is the practice of incorporating material environmental/social and governance information or insights in a non-binding manner alongside traditional measures into the investment decision process to improve long-term financial outcomes of portfolios. ESG related research is one of many factors considered within the investment process.

Janus Henderson's ESG approach

ESG considerations are a component of the investment process employed by the fund manager. The precise approach to and depth of ESG integration is down to the discretion and judgement of the investment team, who apply their differentiated perspectives, insight and experience to identify business practices that can generate long-term value for investors. While the evaluation of Janus Henderson's implementation of ESG criteria is carried out at the strategy level, their central Responsibility team supports the investment team in their ESG integration with data, tools, stewardship, and ESG research. Integrating financially material ESG factors is instrumental to fulfilling the firm's fiduciary duty. By integrating these financially material ESG considerations into our investment decisions and stewardship processes it allows the investment team to better manage these risks to achieve the best outcomes for our investors.

In addition to monitoring and analysing ESG factors, the investment team actively engages with portfolio companies to encourage them to take steps where appropriate to enhance their corporate practices regarding ESG considerations. Examples of these engagements are detailed in the Engagement and Stewardship section below.

Janus Henderson enables the analysts and portfolio managers to better identify and manage ESG risks and opportunities by:

- enhancing data and analytics on ESG and climate risks and opportunities at security and portfolio levels;
- supporting investment teams with expert resources and training;
- partnering with investment teams on proprietary ESG research, engagements, and insights; and
- the development of the ESG Explore reporting system. This tool is embedded in the investment systems and used by Janus Henderson's investment teams as well as other departments including risk, compliance and client reporting. It features modules on ESG ratings and climate metrics.

Industry initiatives

As a founding member of the UN-supported Principles for Responsible Investment ("UN PRI"), Janus Henderson has long been active in the responsible investing industry. Janus Henderson has a strong heritage of involvement with sustainability-related organisations and initiatives. In 2023, they successfully remained a signatory to the Financial Conduct Authority's UK Stewardship Code, regarded as a benchmark in investment stewardship. A full list is available in the 2023 Janus Henderson Responsibility Report.

ESG factors' impact on investment decisions

When employing fundamental security analysis, the Company's investment team takes a long-term view, seeking to identify companies differentiated by their competitive advantage, strong earnings potential and shareholder friendly management teams. Resilience of business models is crucial to your Company's investment strategy. As such, a considerable amount of time is spent by the fund managers identifying fundamental factors, including financial material ESG factors, which may impact profits, cash flow and dividends and ensuring that investee companies have robust policies and processes in place to manage these. Janus Henderson leverages its deep history with fundamental research to approach integration in a thoughtful, practical, research-driven and forward-looking manner. The primary aim of this analysis is to improve the risk adjusted returns of the portfolio. It is worth noting that the portfolio is global in its nature and as a result the level of disclosure and attitudes to environmental and social factors can vary depending on the sector and the region in which a company operates. Nonetheless, each material ESG factor, in addition to the quantitative and qualitative assessments, is an important consideration when evaluating the opportunity and the portfolio's investments.

The analysis of ESG factors before investments are made can lead to certain stocks or sectors being excluded or not invested in. For example, the investment team continues to avoid several companies in the chemicals sector due to their exposure to a class of harmful chemicals known as PFAS. This is an emerging environmental and social issue and the potential financial impact on the companies involved is difficult to forecast. Material ESG factors can also lead to the disposal of positions where the investment team believes that the risks have increased.

The investment team seeks to understand how investee companies are managing material ESG risks and opportunities through their policies and processes, and where their investments are targeted to evolve their business models to remain resilient over the long term.

Janus Henderson engages actively with companies and their management teams and uses a variety of sources to help identify and monitor material ESG risks and opportunities, including research from their fund managers, analysts, and input from the manager's responsible investment and governance team and third-party data providers. The manager is also able to benefit from Janus Henderson's new

ESG (continued)

ESG data tool, ESG Explore. This is a tool embedded in the investment systems featuring modules on ESG ratings and climate metrics. In addition, the fund manager is able to engage MSCI, a leading firm researching and rating ESG factors globally, to support their investment research.

Companies with weaker ESG risk profiles are not automatically excluded from the portfolio provided they are making progress in mitigating these risks. These companies can be good investments if they can address the ESG issues they face, and often low ESG ratings can relate to historic issues that have been remedied. The team does avoid or disinvest from companies where the ESG risk is material and where the company is not willing or able to mitigate these risks, and hence remains on a deteriorating trajectory.

Engagement and stewardship

Stewardship is a fundamental part of the investment team's long-term, active approach to investment management. Strong ownership practices, including engagement with management and boards, can help protect and enhance long-term shareholder value. Janus Henderson supports the UK Stewardship Code. Additionally, Janus Henderson is a supporter of a number of broader ESG initiatives such as the Access to Medicine Index which aims to improve availability of health care in developed and emerging markets and Climate Action 100+, an investor-led initiative to engage with heavily emitting companies to reduce their greenhouse gas emissions.

As a part of the research process portfolio managers and analysts meet frequently with company management, senior executives and boards, with Janus Henderson conducting thousands of meetings per year. These meetings typically occur prior to initiating a position and throughout the holding period. The portfolio managers naturally develop long-term relationships with the management of firms in which they invest. Should concerns arise over a firm's practices or performance, they would seek to leverage these constructive relationships by engaging with company management or express their views through voting on management or shareholder proposals. Escalation of engagement activities depends upon a company's individual circumstances. Janus Henderson also asks teams to proactively engage on the following core sustainability themes: climate change, diversity, equity and inclusion, and corporate governance. They recorded more than 1,000 company engagements in 2023 in which ESG topics were part of the discussion. Further details regarding Janus Henderson's approach, including examples of engagement, can be found in the firm's 2023 UK Stewardship Code report.

Strategic areas of focus of engagement with portfolio companies have included:

Human rights within supply chain – the manager has engaged with companies to understand their exposure to potential human rights violations, with the focus on understanding how companies are auditing their supply chain and addressing potential violations. This is especially relevant for companies which require commodities sourced from regions at a higher risk of human rights violations. The manager also engaged with a technology company on its sourcing of cobalt which is used in many electronic devices and is frequently sourced from the Democratic Republic of the Congo – a country where monitoring of the supply chain can be highly challenging and risks of human rights violations are high.

Water scarcity – water risk has been an area of thematic engagement with a particular focus on companies that are large users of water in their businesses, such as alcoholic beverage, mining and technology companies. The manager has engaged with a wide range of companies in these sectors to understand how they are managing both the risk of supply disruption to their operations, and the impact their water usage has on local communities.

Biodiversity/deforestation – the manager conducted research to identify the companies with the most significant exposures to the new EU Deforestation regulation and engaged with companies to understand how they are managing this risk including their levels of traceability and policies around deforestation. It has been encouraging to learn that some companies are being proactive via partnering with local Non-Governmental Organisations to help with monitoring of forestry sites and to recommend actions to minimise deforestation.

Health care – the manager continues to engage with companies as a part of the Access to Medicine Index, while also discussing access strategies within broader conversations with management of health care and pharmaceutical

Engagement example: Responsible AI

As businesses increase the use of AI tools in their operations, responsible AI practices are becoming increasingly important. While companies are still in the early stages of the development of responsible AI policies and frameworks, Janus Henderson is proactively engaging with portfolio companies to understand and monitor their ethical and responsible development and deployment of AI technologies.

The manager assesses AI-related risks and opportunities and has initiated targeted dialogues with portfolio companies where AI is a material factor. In the fourth quarter of 2023, a set of engagements focusing on responsible AI across 12 technology companies was launched. These engagements focus on understanding their AI governance frameworks, risk mitigation strategies and ethical considerations. This includes how companies consider transparency around their AI practices, the risks of misinformation being spread, and the high level of energy required for AI. Janus Henderson also collaborates with portfolio companies to share best practices and industry insights on responsible AI, whilst encouraging collaboration among peers to foster a broader understanding of AI's implications. Where appropriate, the manager exercises proxy voting rights to support shareholder resolutions that promote responsible AI practices and encourage transparency.

ESG (continued)

companies. As part of this initiative, over the last year, the manager has been given the responsibility of engaging with Merck. Discussions have covered how the company uses the information from the Access to Medicine Index to inform its processes and how the company is increasing access to medicines within its development pipeline.

Voting

The board believes that voting at general meetings is an important aspect of corporate stewardship, and a means of signalling shareholder views on board policy, practices and performance. Responsibility for voting the rights attached to the shares held in your Company's portfolio has been delegated to the manager, who actively votes at shareholder meeting and engages with companies as part of the voting process.

Key voting decisions are made by the portfolio managers, with support provided by in-house corporate governance specialists. Janus Henderson has a Proxy Voting Committee, which is responsible for establishing positions on major voting issues and creating guidelines to oversee the voting process. The Committee is comprised of representatives with experience in investment portfolio management, corporate governance, accounting, legal, and compliance. Public links to the voting records are available on company websites in applicable jurisdictions. Janus Henderson's Proxy Voting Policy is available on the manager's website.

To retain oversight of the process, the directors regularly receive reports on how the manager has voted the shares held in the Company's portfolio, and they review the ESG Investment Principles at least annually.

As an active manager, Janus Henderson's preference is to engage with management and boards to resolve issues of concern rather than to vote against shareholder meeting proposals. In their experience, this approach is more likely to be effective in influencing company behaviour. They therefore actively seek to engage with companies throughout the year and in the build up to the annual shareholder meeting to discuss any potentially controversial agenda items. However, where they believe proposals are not in shareholders' interests or where engagement proves unsuccessful, they will vote against.

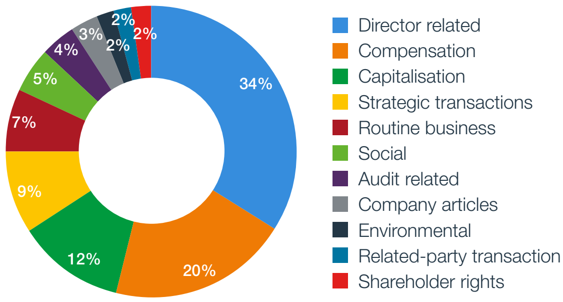
Voting record

In the period under review, your Company voted at 70 general meetings. The level of governance in leading global companies is generally of a high standard in terms of best practice, which meant support in favour of the resolutions proposed by management was warranted. However, in respect of 56 resolutions (5.1% of the resolutions proposed), support was not warranted.

'Director-related' are proposals regarding the membership of the company's board. Compensation votes against management include instances where pay awards are either poorly explained or could be deemed in excess of remuneration policies.

Votes against directors are warranted where there are concerns that the proposed director is not suitable, for example they are not qualified for the role or are not sufficiently independent. Capitalisation proposals relate to the issuance of bonds or equity and votes against management are required where there are insufficient disclosures or excessive levels of issuance.

The breakdown by area of resolutions not supported is shown below. Areas of focus during the period included votes on board directors, executive remuneration and shareholder proposals.



Source: Janus Henderson using Institutional Shareholder Services ("ISS") categories
Note: Some meetings had more than one vote against management.
This is for the one-year period to 31 August 2024

The environment

As an investment company, your Company's own direct environmental impact is minimal. Your Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. For the same reasons, your Company considers itself to be a low energy user under the Streamlined Energy & Carbon Reporting regulations and therefore is not required to disclose energy and carbon information.

The manager recognises the importance of managing its operational activities in a sustainable way and minimising any adverse impact on the environment. In 2021, Janus Henderson reached its three-year target to reduce its carbon footprint by 15% per full-time employee ("FTE") from 2018 levels. In 2022, using guidance from the Science-Based Target Initiative, Janus Henderson set new five-year reduction targets versus a 2019 baseline and per FTE to reduce Scope 1 (fuel) and Scope 2 (electricity) emissions by 29.4%, and to reduce Scope 3 (business travel, hotel stays, freight, paper consumption, water, waste) operational emissions by 17.5%.

In addition to this, Janus Henderson has maintained a CarbonNeutral® certification since 2007 and offsets all its operational Scope 1, Scope 2 and Scope 3 emissions each year. Through this process, Janus Henderson has invested in a variety of offset projects around the world, delivering

ESG (continued)

financial support to essential renewable energy, forestry and resource conservation projects that support reductions in greenhouse gas emissions. All projects Janus Henderson supports have been classified as ‘additional’ by an independent third party, meaning that they would not happen without the sale of carbon credits.

Janus Henderson discloses its carbon emissions annually through regulatory and voluntary reporting frameworks, including Carbon Disclosure Project (“CDP”), as well as in its 2023 Responsibility Report, which provides more information.

Janus Henderson produces product-level Task Force on Climate-Related Financial Disclosures (“TCFD”) reports. These reports include an overview of the climate-related governance, strategy, risk management, and metrics and targets of Janus Henderson and its portfolios. Product-level metrics include absolute carbon emissions, carbon footprint, weighted average carbon intensity, implied temperature rise and climate scenario analysis (Climate Value at Risk). Janus Henderson’s TCFD Report specific to Henderson International Income Trust is available on the Company’s website at **www.hendersoninternationalincometrust.com**.

Business ethics

As your Company’s operations are delegated to third-party service providers, the board seeks assurances, at least annually, from its suppliers that they comply with the provisions of the UK Modern Slavery Act 2015 and maintain adequate safeguards in keeping with the provisions of the Bribery Act 2010, Criminal Finances Act 2017 and the sanctions element of the Economic Crime Act (Transparency and Enforcement) 2022.

Governance

Number of investments in North America: 21

% of portfolio invested in North America: 38%

Directors

All directors are independent of Janus Henderson and are members of the audit committee, management engagement committee, nominations and remuneration committee and insider committee. The directors appointed to the board at the date of this report are:

Richard Hills

Position: Chairman

Date of appointment: 25 April 2016 (Chairman from 7 December 2022)

Richard has spent his entire career in the investment management industry where he has held senior executive positions at two major asset management companies. More recently he has been a non-executive director of a number of investment companies, both listed and private, including Henderson Global Trust plc. He is currently a director of EQT Services (UK) Limited and was formerly chairman of Strategic Equity Capital plc.

Jo Parfrey

Position: Director and chair of the audit committee

Date of appointment: 1 January 2021

Jo is a chartered accountant with strong investment and financial, analytical and risk management skills. She is an experienced non-executive director and is currently a non-executive director of Octopus AIM VCT plc and Worldwide Healthcare Trust plc, non-executive chair of Babraham Research Campus Limited and a non-executive director and chair of the audit committees of Start Codon Ltd and Ieso Digital Health Limited.

Lucy Walker

Position: Senior independent director

Date of appointment: 1 September 2020

Lucy is chair of Aurora Investment Trust plc, independent member of the audit & risk committee for SportsAid and director of Changing Digital. In 2020 she founded AM Insights, a next generation fund data platform for the asset and wealth management industry. Lucy spent over a decade in investment management, most recently as fund manager and Head of Third Party Funds at Sarasin & Partners, leading the team responsible for researching over £1.2 billion of assets under management, and before that worked at HSBC Global Asset Management.

Lucy will be retiring from the board at the conclusion of the AGM.

Mai Fenton

Position: Director

Date of appointment: 1 June 2023

Mai has spent her career in marketing, dedicated to corporate enterprises and high-growth businesses. She has 25 years' experience across consumer goods, retail, ecommerce, lifestyle, digital marketplace and technology, most recently as Chief Marketing Officer at Superscript – an SME insurance provider – where she has been responsible for all aspects of their brand, digital and partnerships marketing activity. She is a non-executive director of Scottish Friendly Assurance Society Limited and is also on the Board of Trustees and chair of the remuneration, nomination and HR committees of Dallaglio RugbyWorks, a national charity supporting vulnerable young people.

Aidan Lisser

Position: Director

Date of appointment: 25 April 2016

Aidan is chair of JPMorgan Emerging Markets Investment Trust plc, and senior independent director of The Edinburgh Investment Trust plc. He was previously a non-executive director of Henderson Global Trust plc. He is a board member of Chapter Zero (UK) and was previously a marketing ambassador for the Association of Investment Companies. From 2010 until 2020 he worked for Investec Wealth & Investment as chief marketing officer and subsequently as head of strategy. Before this he held senior marketing roles at Allianz Global Investors, Standard Chartered Bank plc and Unilever plc.

Manager

Janus Henderson is a global asset manager headquartered in London and publicly-listed on the New York Stock Exchange. The firm has been helping investors achieve their goals since 1934 and manages over $361bn. With over 2,000 employees, including more than 340 investment professionals, we provide access to some of the industry's most talented and innovative thinkers.

90 YEARS SINCE 1934

Our global teams span equities, fixed income, multi-asset and alternatives, blending proprietary insights with rigorous analysis, structured processes and robust risk management.

>340 investment professionals

which includes:

125 portfolio managers

124 research analysts

30 trading professionals

23 client portfolio managers

located in:

16 investment offices worldwide

41% North America

46% EMEA

13% Asia Pacific

Fund Managers

Ben Lofthouse, CFA

Position: Fund Manager and Head of Global Equity Income

Ben Lofthouse is Head of Global Equity Income at Janus Henderson Investors, a position he has held since 2018. Ben has been part of the Global Equity Income Team since joining Henderson in 2004 and has managed several equity income mandates since 2008. Prior to Henderson, Ben worked as an accountant at PricewaterhouseCoopers, where he started his career in 1998.

Ben graduated with a BA degree (Hons) in business economics from Exeter University. He is an associate of the Institute of Chartered Accountants in England and Wales ("CA") and holds the Chartered Financial Analyst designation. He has 25 years of financial industry experience.

Faizan Baig, CFA

Position: Deputy Fund Manager

Faizan Baig is a portfolio manager on the Global Equity Income Team at Janus Henderson Investors, a position he has held since 2020. Before that, he was a research analyst at the firm. Prior to joining Henderson in 2015, Faizan was a senior global long/short equity analyst at RWC Partners working on the firm's global hedge fund. Before that, he worked for Morgan Stanley Wealth Management, where he began his career as a global equity analyst and later became a junior portfolio manager performing fundamental bottom-up analysis of companies across all sectors. In addition to generalist stock picking, he was responsible for the technology sector and advised on construction of global equity portfolios.

Faizan holds a BEng degree in electrical and electronic engineering from University College London. He holds the Chartered Financial Analyst designation and has 17 years of financial industry experience.

Directors' Report

The directors present their report and the audited financial statements for the year ended 31 August 2024.

The corporate governance statement, audit committee report, nominations and remuneration committee report and management engagement committee report (pages 42 to 55) form part of the directors' report.

Results and dividends

The results for the year are set out in the financial statements. Three interim dividends of 1.92p each and a further interim dividend of 1.95p, totalling 7.71p per share, have been declared and/or paid in respect of the year to 31 August 2024. See note 10 on page 76 for more information. No final dividend is being proposed.

A review of the year and the outlook for the forthcoming year can be found in the chairman's statement on pages 6 to 9 and fund manager's report on pages 13 to 19.

Directors

The directors of the Company are listed on page 38. All served throughout the period under review.

Lucy Walker will be retiring from the board at the forthcoming AGM. In accordance with the recommendations of the AIC Code of Corporate Governance, the remaining directors will offer themselves for re-appointment.

The beneficial interests of the directors and their connected persons in the securities of the Company as at 31 August 2024 are set out in the directors' remuneration report on page 58. Details of directors' insurance and indemnification are set out on page 46.

Share capital

There are no restrictions on the transfer of the Company's share capital and there are no shares or stock which carry specific rights with regards to control of the Company. The Company is not aware of any agreements or arrangements between holders of securities which would result in restrictions on the transfer of securities or voting rights.

The Company's share capital comprises ordinary shares of 1p nominal value. The voting rights of the shares on a poll are one vote for every share held.

No shares were issued or bought back during the year, and at 31 August 2024, the number of ordinary shares in issue (with voting rights) was 195,978,716.

There has been no change to the issued share capital between 1 September 2024 and up to the date of this report.

Shareholder authorities

The directors seek annual authority from the shareholders to allot new ordinary shares, to dis-apply the pre-emption rights of existing shareholders, and to buy back, for cancellation or to be held in treasury, the Company's ordinary shares.

At the AGM held on 12 December 2023, the directors were granted authority to allot up to 19,597,800 ordinary shares (with an aggregate nominal amount of £195,978 and representing 10% of issued share capital) for cash and to repurchase 29,377,209 ordinary shares (with a nominal value of £293,772 and representing 14.99% of issued share capital) for cancellation or to be held in treasury.

The directors will once again be seeking to renew the authorities to allot and repurchase the ordinary shares at the upcoming AGM, when the existing authorities will expire.

Holdings in the Company's shares

Declarations of interests in the voting rights of the Company as at 31 August 2024 in accordance with the FCA Disclosure Guidance and Transparency Rules were as follows:

	% of voting rights
Rathbone Investment Management Ltd	8.1
Evelyn Partners Limited	7.3

No changes have been notified in the period 1 September 2024 to 29 October 2024.

Fund manager's interests

At 31 August 2024, Ben Lofthouse, the fund manager, had a beneficial interest in 220,500 shares.

Duration of the Company

The Company's articles of association require that at every third annual general meeting of the Company an ordinary resolution be put to shareholders asking them to approve the continuation of the Company. A resolution for the continuation of the Company as an investment trust for a further three years was approved by shareholders at the 2023 AGM. The next such resolution will be proposed at the AGM in 2026.

Related party transactions

The Company's transactions with related parties in the year were with the directors and the manager. There have been no material transactions between the Company and its directors during the year. The only amounts paid to directors were in respect of expenses and remuneration for which there were no outstanding amounts payable at the year end.

Directors' Report (continued)

In relation to the provision of services by the manager (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 the manager affecting the financial position or performance of the Company during the year under review. More details on transactions with the manager, including amounts outstanding at the year end, are given in note 22 on page 86.

Financial risk management

The principal risks and uncertainties facing the Company are set out on pages 30 and 31. The principal financial risks and the Company's policies and procedures for managing these risks are set out in note 17 to the financial statements on pages 79 to 84.

Greenhouse gas emissions

The Company's environmental statements are set out in the strategic report on pages 35 and 36.

Annual general meeting

The AGM will be held on Tuesday, 10 December 2024 at 2.30pm at 201 Bishopsgate, London EC2M 3AE, or alternatively, shareholders can join the meeting via Zoom webinar. The notice of meeting and details of the resolutions to be put at the AGM are contained in the separate document being sent to shareholders with this report.

UK Listing Rule 6.6.4

UK Listing Rule 6.6.4 requires the Company to include certain information in a single identifiable section of the annual report or a cross reference table indicating where the information is set out. The directors confirm that there are no disclosures to be made in this regard.

Directors' statement as to disclosure of information to auditors

Each of the directors who were members of the board at the date of approval of this report confirms that to the best of their knowledge and belief, there is no information relevant to the preparation of the annual report of which the Company's auditors are unaware and they have taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

Re-appointment of auditors

BDO LLP have indicated their willingness to continue in office as auditors to the Company and a resolution proposing their re-appointment and authorising the directors to determine their remuneration for the ensuing year will be put to shareholders at the forthcoming AGM. Further information in relation to their re-appointment can be found in the audit committee report on pages 49 to 52.

Approval

The directors' report has been approved by the board.

By order of the board

Janus Henderson Secretarial Services UK Limited
Corporate Secretary
30 October 2024

Corporate Governance Report

Governance structure

The board is accountable to shareholders for the governance of the Company's day-to-day affairs and is pleased to report to shareholders on the Company's governance arrangements and how the principles of the applicable codes have been applied during the year under review.

How the Board operates

The Companies Act 2006 empowers the directors to exercise all the powers of the Company, subject to the articles of association.

The board establishes the matters which specifically require its approval in the schedule of matters reserved for its decision.

The board delegates authority to a number of committees to assist it in fulfilling its duties.

The board maintains oversight by approving each committee's terms of reference and receiving a verbal update from the committee chair after each meeting.

The board appoints third-party service providers to carry out the Company's day-to-day operations and approves each engagement agreement prior to execution. The board maintains oversight of the service providers through their regular reporting to the board or its committees.

The management engagement committee carries out a formal evaluation of service providers annually. The fund manager and corporate secretary evaluate the service providers on a day-to-day basis.

Board of Directors

Comprises independent non-executive directors

Responsible for providing leadership, setting the investment objective and policy of the Company, establishing an appropriately robust framework of internal control and risk management, and appointing and monitoring the performance of the Company's third-party service providers.

Chairman: Richard Hills

Audit committee

Purpose: Ensure the integrity of the financial reporting, evaluate the effectiveness of the systems of internal control and risk management, and oversee the relationship with the external auditors.

Chair: Jo Parfrey

See pages 49 to 52 for the committee report.

Nominations and remuneration committee

Purpose: Ensure the board has a balance of skills, experience and diversity, oversee performance evaluations of the board and its committees and maintain an effective framework for succession planning, with a formal approach to the appointment of directors. It also has responsibility for setting the remuneration policy and remuneration levels for non-executive directors.

Chairman: Richard Hills

See pages 53 and 54 for the committee report.

Management engagement committee

Purpose: Formally evaluate the overall performance of the manager and other third-party service providers engaged by the Company and consider whether their continuing appointment is in the interests of shareholders and their terms of engagement are appropriate.

Chairman: Richard Hills

See page 55 for the committee report.

Third-party service providers appointed by the board

Janus Henderson Investors

Fund Management: Global equity income team with Ben Lofthouse as the Company's appointed fund manager and Faizan Baig as the deputy fund manager

Sales, Marketing, Corporate Secretary

Alternative Investment Fund Manager: Janus Henderson Fund Management UK Limited

HSBC Bank plc

Depositary and custodian

Ensure safe custody of the Company's assets, verification of ownership and valuation

Computershare Investor Services plc

Registrar

Maintain the register of members and assist shareholders with queries in respect of their shareholdings

Panmure Liberum Limited

Corporate broker

Conduit between the stock market and the Company, keeping the board updated on market conditions and shareholder views

The Company has also constituted an insider committee to assist the board in meeting its obligations under the Market Abuse Regulations.

Corporate Governance Report (continued)

Applicable corporate governance codes

By virtue of the Company's listing on the London Stock Exchange, the board is required to report on how the principles of the 2018 UK Corporate Governance Code ("UK Code") have been applied. Being an investment company a number of the provisions of the UK Code are not applicable as the Company has no executive directors or internal operations and all day-to-day activities are outsourced to external service providers. The board has therefore considered the principles and provisions of the Code of Corporate Governance published by the Association of Investment Companies in February 2019 ("AIC Code"). The AIC Code addresses the principles set out in the UK Code as well as additional principles and provisions on issues that are of specific relevance to investment companies. The Financial Reporting Council ("FRC") has endorsed the AIC Code and confirmed that, by following it, the boards of investment companies should fully meet their obligations in relation to the UK Code and paragraph 6.6.6 of the UK Listing Rules. The board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to the Company's shareholders in terms of its governance arrangements. A new UK Code was published in January 2024, with an updated AIC Code published in August 2024. The new Codes will be applicable to financial years beginning on or after 1 January 2025.

The AIC Code and the UK Code can be found on the respective organisations' websites: www.theaic.co.uk and www.frc.org.uk. The AIC Code includes an explanation of how it adapts the principles and provisions set out in the UK Code to make them relevant for investment companies.

Statement of compliance

The Company has complied with the principles and provisions of the 2019 AIC Code throughout the year to 31 August 2024 except as set out below.

Given the entirely non-executive nature of the board of directors of investment companies, the AIC Code includes a deviation from the UK Corporate Governance Code permitting the chairman of the board to be a member of the audit committee. The Company has taken advantage of this provision. The AIC Code also permits the tenure of the chairman of the board to exceed nine years. See page 45 for details of the Company's tenure policy.

The chairman of the board is also the chairman of the nominations and remuneration committee, but he would not chair the meeting when discussing his own performance or remuneration.

As the Company is an investment company, it has no chief executive or other executive directors and therefore has no need to consider the remuneration of executive directors. In addition, the Company does not have any internal operations and therefore does not maintain an internal audit function. However, the audit committee considers the need for such a function at least annually (see page 47 for further information).

Board leadership and purpose

The board has overall responsibility for the Company's affairs and for promoting the long-term success of the Company. The board is collectively responsible for providing leadership, setting the investment objective and policy, appointing the Company's third-party service providers, establishing a robust internal control and risk management system and monitoring the performance delivered by service providers within the established control framework. It is also responsible for setting the Company's standards and values and for ensuring that its obligations to its shareholders and other stakeholders are understood and met. Information relating to the Company's purpose and values can be found on pages 22 and 23 and to the board's engagement with stakeholders on pages 26 to 29.

Division of Responsibilities

Role	Primary responsibilities
Shareholders/investors	• Approving material changes to the Company's investment policy. • Making decisions regarding changes to the Company's constitution. • Appointing and re-appointing directors to the board, or removing them from office if deemed appropriate. • Determining the overall limit for directors' remuneration.
Chairman	• Leading and managing board business and ensuring the timely flow of information from service providers to the board. He facilitates open, honest and constructive debate among directors. • Leading the nominations and remuneration committee in developing succession planning and the identification of potential candidates for appointment to the board (except when considering their own succession). • Leading the board in determining its governance framework, culture and values. • Leading the board's relationship and engagement with shareholders and other stakeholders. • Managing the relationship with the manager. The role description for the chairman is available on the Company's website.

Corporate Governance Report (continued)

Role	Primary responsibilities
Senior independent director	• Fulfilling the role of a sounding board for the chairman and intermediary for the other directors as necessary. • Leading the performance evaluation of the chairman. • Acting as a channel of communication for shareholders in the event that contact through the chairman is inappropriate. The role description of the senior independent director is available on the Company's website.
Independent non-executive directors	• Providing constructive and effective challenge, especially to the decisions of the manager. • Scrutinising and holding to account the performance of the: – Fund manager in meeting the investment objective. – Manager in the promotion of the Company and day-to-day smooth operations of the Company's business. • Providing strategic guidance and offering specialist advice.
Committee chairs	• The leadership and governance of their committee. • Maintaining the relationships with specialist service providers delivering services within the remit of their committee. • Reporting on the activities of their committee to the board. • Seeking approval from the board for the responsibilities set out in their respective terms of reference. The terms of reference for the board committees are kept under regular review and are available on the Company's website.
Manager (AIFM)	• Promoting the Company's investment proposition to professional and retail investors. • Making the necessary reporting to the FCA regarding the Company's status as an AIF. • Providing accounting, company secretarial and other administrative services to the Company ensuring compliance with the applicable statutory and regulatory provisions. • Coordinating the delivery of services provided by the Company's other third-party service providers.
Fund manager	• Selecting the stocks held within the portfolio. • Diversification and risk management through stock selection and size of investment. • Determining the volume and timing of acquisitions and disposals. • Determining the frequency and level of gearing within the overall limits set by the board.

Operation of the board

The board meets formally at least five times a year, with additional board or committee meetings arranged when required. The directors have regular contact with the fund manager, corporate secretary and other employees of the manager between scheduled meetings.

The board has a formal schedule of matters reserved for its decision which includes setting strategy and providing oversight of performance against agreed measures. All matters that are not delegated to the manager under the management agreement are reserved for the board's decision. A copy of the schedule of matters reserved is available on the Company's website. The board has adopted a procedure for directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company.

At each meeting the board reviews the Company's investment performance and compliance with the approved investment policy. It also considers financial analyses and other reports of an operational nature. The board monitors compliance with the Company's objective and is responsible for setting asset allocation, investment and gearing limits within which the manager has discretion to act. The manager takes decisions as to the purchase and sale of individual investments, although the board has responsibility for the approval of any investments in in-house funds managed or advised by the manager (of which there are currently none).

The manager and corporate secretary ensure that all directors receive, in a timely manner, all relevant management, regulatory and financial information. Representatives of the manager attend each board meeting, enabling the directors to probe further on matters of concern. In addition, the chairman is able to attend meetings of all the chairmen of the investment trust companies managed by Janus Henderson which provide a forum to discuss industry matters which would then be reported to the board.

The directors have access to the advice and services of the corporate secretary through its appointed representative who is responsible to the board for ensuring that board and

Corporate Governance Report (continued)

committee procedures are followed and that applicable rules and regulations are complied with. The proceedings at all board and committee meetings are fully minuted, in a process that allows any director's concerns to be recorded in the minutes.

The corporate secretary, Janus Henderson Secretarial Services UK Limited, is a subsidiary of Janus Henderson with its own reporting lines and audited internal controls. There are processes and controls in place to ensure that there is a clear distinction between the two entities, particularly when dealing with any conflicts or issues between the Company and Janus Henderson.

Janus Henderson and BNP Paribas, which acts for Janus Henderson, have arrangements in place by which their staff may, in confidence, raise concerns about possible improprieties in relation to financial reporting or other matters.

The board, the manager and the corporate secretary operate in a supportive, co-operative and open environment.

The board

Board composition

Under the Company's articles of association, the total number of directors shall be not less than two, but there is no maximum set; the board currently consists of five non-executive directors. The biographies of the directors holding office at the date of this report, which are set out on page 38, demonstrate the breadth of investment, financial and other professional experience relevant to their positions as directors.

The chairman was independent on appointment in accordance with the criteria set out in the AIC Code and has no relationships that may create a conflict of interest between his interests and those of shareholders. Details of his other significant commitments can be found on page 38. Following review by the nominations and remuneration committee as part of the performance evaluation, the board is satisfied that Richard Hills has sufficient time to devote to the Company.

The independence of the directors is determined with reference to the AIC Code. The nominations and remuneration committee considers the independence of each director at least annually by reviewing their other appointments and commitments, as well as their tenure of service and any connection they may have with the manager. All directors are considered by the board to be independent of the manager and free of any relationship which could materially interfere with the exercise of their independent judgement.

There were no contracts subsisting during or at the end of the year in which any director is or was materially interested and which is or was significant in relation to the Company's business. No director has a contract of service with the Company and there are no agreements between the Company and its directors concerning compensation for loss of office.

Appointment and retirement

The board may appoint directors to the board and any director so appointed must stand for election by the shareholders at the annual general meeting following appointment, in accordance with the articles of association. Each director receives a letter of appointment that sets out, amongst other matters, what is expected of them in terms of time commitment.

In keeping with the provisions of the AIC Code, the board has adopted a policy for all directors to retire and stand for re-appointment annually at each annual general meeting. Under the articles of association, shareholders may remove a director before the end of their term by passing an ordinary resolution at a general meeting.

The board considers a potential candidate's other commitments on appointment and then annually through the performance evaluation process to ensure that directors have sufficient time to commit to the Company. A schedule of directors' other commitments is reviewed at each board meeting and directors are required to seek the chairman's approval prior to accepting further appointments.

Tenure

A progressive approach to refreshment of the board is taken. This allows time for new directors to familiarise themselves with the Company whilst retaining the right balance of knowledge, skills, experience and corporate knowledge on the board. Whilst there is no fixed period of tenure for directors or the chairman, the UK Code guidance refers to a nine-year tenure for the chairman. The board considers the length of appointment on a case-by-case basis taking into consideration the guidance, together with the performance of the individual director and what would be in the best interests of the Company. The board believes that directors with more than nine year's service can still form part of an independent majority and in particular their experience is beneficial to investment company boards.

In advance of each annual general meeting, the nominations and remuneration committee will consider and make recommendations to the board about whether it is appropriate for eligible directors to be recommended for re-appointment, taking into account the results of the annual performance evaluation and the ongoing requirements of the AIC Code. Further details are set out in the nominations and remuneration committee report on pages 53 and 54.

Professional development

An induction process is in place for new appointees which covers the legal and regulatory framework for investment companies and the operations of the manager, including the compliance and risk management frameworks, accounting,

Corporate Governance Report (continued)

sales and marketing and other administration services provided by the manager.

Directors are also provided on a regular basis with key information on the Company's policies, regulatory and statutory requirements and internal controls. Changes affecting directors' responsibilities are advised to the board as they arise. Directors also regularly participate in relevant training and industry seminars and may do so at the expense of the Company.

Directors' individual training requirements are considered as part of the annual evaluation process which is led by the chairman of the board.

Conflicts of interest

The Company's articles of association permit the board to consider and, if it sees fit, to authorise situations where a director has an interest that conflicts, or may possibly conflict, with the interests of the Company ("situational conflicts"). The board has a formal system in place for directors to declare situational conflicts to be considered for authorisation by those directors who have no interest in the matter being considered. In deciding whether to authorise a situational conflict, the non-conflicted directors must act honestly and in good faith with a view to the best interests of the Company and they may impose limits or conditions when giving the authorisation, or subsequently, if they think this is appropriate. Any situational conflicts considered, and any authorisations given, are recorded in the relevant meetings' minutes. The board believes that the systems it has in place for reporting and considering situational conflicts continue to operate effectively.

Insurance and indemnification

Directors' and officers' liability insurance cover is in place in respect of the directors. Under the Company's articles of association and subject to the provisions of UK legislation, a qualifying third-party provision indemnity may be provided to directors in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their positions as directors, in which they are acquitted or judgment is given in their favour by the Court. The Company has granted such an indemnity to directors to the extent permitted by law in respect of liabilities that may attach to them in their capacity as directors of the Company.

Meeting attendance

The following table sets out the number of scheduled board and committee meetings held during the year under review and the number of meetings attended by each director. The number in brackets denotes the number of meetings each director was entitled to attend. Two strategy meetings were also held in the year. All directors attended the 2023 AGM.

	Board	AC	MEC	NRC
Scheduled meetings	5	2	1	1
Richard Hills	5 (5)	2 (2)	1 (1)	1 (1)
Mai Fenton	5 (5)	2 (2)	1 (1)	1 (1)
Aidan Lisser	5 (5)	2 (2)	1 (1)	1 (1)
Jo Parfrey	5 (5)	2 (2)	1 (1)	1 (1)
Lucy Walker	5 (5)	2 (2)	1 (1)	1 (1)

AC: audit committee
MEC: management engagement committee
NRC: nominations and remuneration committee

Additional meetings of the board and the nominations and remuneration committee were held in the year, attended by all members, in relation to marketing and strategy, board evaluation and succession planning. The insider committee did not meet during the year.

Communication with shareholders

See pages 26 and 27 for information about how the Company communicates with shareholders.

Internal control and risk management

The board has overall responsibility for the Company's system of internal control and for reviewing its effectiveness, as set out in the chart on page 48. The audit committee supports the board in the continuous monitoring of the internal control and risk management framework. Details of the principal risks facing the Company, including emerging risks and how these are mitigated are set out on pages 30 and 31.

The board has established an ongoing process for identifying, evaluating and managing the principal risks faced by the Company. The process accords with the FRC's guidance on Risk Management, Internal Control and Related Business and Financial Reporting published in September 2014. The system was in operation throughout the period and up to the date of this report. The system is designed to meet the specific risks faced by the Company and takes account of the nature of the Company's reliance on its service providers and their internal controls. The system therefore manages rather than eliminates the risk of failure to achieve the Company's business objectives and provides reasonable, but not absolute assurance against material misstatement or loss.

The key components of the internal control framework include:

- clearly defined investment criteria which specify levels of authority and exposure limits. The board reviews reports on compliance with the criteria at each meeting;
- regular reporting which allows the board to assess the Company's financial position. The management accounts and forecasts are reviewed by the board at each meeting;

Corporate Governance Report (continued)

- contractual agreements with the manager and other third-party service providers. The board reviews performance levels and adherence to relevant provisions of the agreements on a regular basis through reporting to the board and the management engagement committee conducts a formal evaluation of the overall level of service provided at least annually (see management engagement committee report on page 55);
- the review of controls (including financial, operational and compliance) at the manager and other third-party service providers. The board receives quarterly reporting from the manager and depositary and reviews annual assurance reports on the effectiveness of the control environments at the Company's key service providers; and
- a review of additional reporting is provided by:
  - the manager's operational risk team on the control environment in operation at the manager and their view of the control environments in place at the third-party service providers used by the Company; and
  - the manager's internal audit team on operations which are relevant to the Company.

The board has carried out a review of the effectiveness of the Company's system of internal controls for the year ended 31 August 2024. During the course of its review the board has not identified or been advised of any failings or weaknesses relating to the Company that have been determined as significant.

Internal audit function

Systems are in operation to safeguard the Company's assets and shareholders' investments, to maintain proper accounting records and to ensure that financial information used within the business, or published, is reliable.

The Company is an investment company, has no employees and delegates all executive activities to third-party service providers, principally among them, the manager, Janus Henderson. The board places reliance on the Company's framework of internal control and the audit committee's view on reporting received from specific second and third line of defence teams at the manager. The manager's operational risk team supports the audit committee in considering the independently audited reports on the effectiveness of internal controls in place at the Company's third-party service providers. The manager's internal audit department provides regular reporting to the board on the operations at the manager and presents at least annually to the audit committee. The board has therefore concluded that it is not necessary at the present time for the Company to have its own internal audit function.

System of internal controls

How the system of internal control operates

The board delegates contractually to third-party service providers for all of the Company's operational requirements. It maintains oversight of these providers throughout the year by receiving regular reporting on their activities. All are considered key stakeholders.

The management engagement committee formally evaluates the performance and service delivery of all third-party service providers at least annually.

The audit committee evaluates the performance of the auditors on completion of each audit cycle and monitors the effectiveness of the control environment of the Company and its third-party service providers.

Corporate Governance Report (continued)

System of internal controls

BDO LLP
(independent auditors)

Board of Directors
(comprised entirely of independent non-executive directors)

Principal third-party service providers

- receive regular reporting at meetings;
- review the annual assurance report produced by each organisation;
- receive additional reporting on the control environment from the manager's operational risk team;
- receive reporting from the manager's internal audit team on areas relevant to investment trusts; and
- formally evaluate performance on an annual basis.

Janus Henderson
(Investment management, company secretarial, sales, marketing, PR and administration)

Reporting
- Investment performance update (at each meeting)
- Compliance with investment limits and restrictions (monthly)
- Internal controls report (quarterly)
- Effectiveness of control environment (annually)

HSBC
(Depositary & custodian)

Reporting
- Depositary report (quarterly)
- Presentation from the depositary and custodian (annually)
- Effectiveness of control environment (annually)

BNP Paribas
(Accounting services (engaged by the manager))

Reporting
- Balance sheet
- Liquidity and gearing
- Revenue forecasts
- Portfolio valuation
- Portfolio transactions
- Effectiveness of control environment (annually)

Other third-party service providers

- receive regular reporting on their activities at meetings; and
- formally evaluate performance on an annual basis.

Computershare
(Registrar)

Panmure Liberum
(Corporate broker)

Audit Committee Report

The audit committee is responsible for ensuring the integrity of the Company's financial reporting, evaluating the effectiveness of the systems of internal control and risk management and monitoring the effectiveness and objectivity of the external auditors.

Membership

All directors are members of the committee, including the chairman of the board. Taking account of the size of the board as a whole, the absence of any executive directors and the collaborative manner in which the board and its committees work, it is not considered practical or constructive to exclude the chairman of the board from the membership of the committee. The chairman of the board was determined to be independent at the time of his appointment. The committee is chaired by Jo Parfrey, a chartered accountant who is considered by the board to have recent and relevant financial experience. The committee as a whole has competence relevant to the sector in which the Company operates and to the Company as an investment trust.

Meetings

The committee meets at least twice a year to review the half-year results, the annual results and to review the Company's internal controls.

The Company's auditors, the fund manager and the manager's financial reporting senior manager for investment trusts are invited to attend meetings of the committee on a regular basis. Other representatives of the manager and BNP Paribas may also be invited to attend if deemed necessary by the committee.

Role and responsibilities

The audit committee provides an independent oversight of the annual corporate reporting process.

The primary responsibilities of the audit committee are:

- to ensure the integrity of the Company's financial reporting, including the preparation and audit of the financial statements;
- to monitor and review the effectiveness of the systems of internal control and risk management at the manager and the Company's key third party service providers;
- to make recommendations to the board regarding the appointment, re-appointment and terms of engagement, including remuneration, of the external auditor;
- to review and monitor the external Auditor's independence and objectivity. It is also tasked with monitoring and reviewing the quality and effectiveness of the external audit and the process;
- to consider the need for an internal audit function; and
- to assess the going concern and viability of the Company, including the assumptions used.

The audit committee reports to the board. The committee's responsibilities are set out in formal terms of reference which are reviewed at least annually.

Activities during the year

In discharging its duties over the course of the year, the committee considered the following matters:

Half year results and the annual report

- The appropriateness of the Company's accounting policies and the quality and effectiveness of the accounting records and management information maintained on behalf of the Company, relying on meetings with and reports from the manager.
- The disclosures made in relation to internal controls and risk management, viability, going concern and related parties and consideration of whether the report was fair, balanced and understandable and provided the information necessary for shareholders to assess the Company's position and performance, business model and strategy in order to make recommendations to the board. Each director reviewed the disclosures made, applying their respective knowledge and expertise.

Internal controls and risk management

- Monitoring the principal risks facing the Company, the risk management systems in place and reviewing and updating the Company's risk map.
- The internal controls in place at Janus Henderson and BNP Paribas as administrator, as described on page 48, including compliance with section 1158/9 and the manager's policies in relation to cyber risk and business continuity.

  The committee met with representatives of the manager's operational risk team to discuss internal controls and risk management. The discussion included a detailed overview of the manager's internal controls report and a summary of the HSBC, BNP Paribas and Computershare Investor Services (the Company's other main third-party service providers) internal controls reports that had also been reviewed by the manager's operational risk team. The assurance report for one of the Company's service providers was qualified by the respective service auditor. The Committee reviewed the instances giving rise to the qualification and received confirmation that appropriate action to address the issues identified in the report was being taken. The committee is monitoring the action and performance accordingly. The exceptions identified had no impact on the Company.
- Compliance with the terms of the senior unsecured notes.
- The need for the Company to have its own internal audit function.

  The committee met with a representative of the manager's internal audit team to discuss the manager's internal audit plan, including an overview of those audits which had a direct or indirect relevance to the Janus Henderson managed investment trusts. The committee recommended to the board that it was appropriate to rely on the manager's internal audit function (see page 47).

Audit Committee Report (continued)

- The manager's cyber security arrangements, meeting with the Janus Henderson Chief Information Security Officer.
- The manager's whistleblowing policy and the arrangements that Janus Henderson has put in place for its staff to raise concerns, in confidence, about possible improprieties, including in relation to the Company. The committee was satisfied that the policy included the necessary arrangements for independent investigation and follow up action.
- The Company's third-party suppliers' confirmations that they had appropriate policies and procedures in place in relation to whistleblowing, anti-bribery and corruption and anti-tax evasion. The committee was satisfied that they were in compliance.
- The Company's anti-bribery policy and review of the Company's gifts and hospitality register. The committee was satisfied that the Company was in compliance throughout the year under review and up to the date of this report.
- The annual confirmation from the Company's depositary in respect of the safe-keeping of the Company's assets.

Dividend
- The appropriate level of dividend to be paid by the Company, including review of the revenue forecasts in support of the Company's dividend.

External auditors
- The appointment of the external auditors and their performance and terms of engagement, including remuneration (see below).
- The nature and scope of the external audit, including agreeing with the external auditors the level of materiality (see page 63), and the findings therefrom.
- The external auditors' independence and objectivity and the reporting of the external auditors. The committee also considered its policy on non-audit services (as explained further below).
- The FRC's audit quality inspection report on BDO LLP ("BDO").

Appointment and tenure of the auditors

Regulations currently in force require the Company to rotate audit firms after a period of 10 years, which may be extended where audit tenders are carried out or where more than one audit firm is appointed to carry out the audit, subject to a maximum appointment of 20 years.

BDO were appointed as auditors following an audit tender in 2020, and their appointment was confirmed by shareholders at the 2020 annual general meeting. The financial statements for the year ended 31 August 2024 are the fourth to be audited by BDO and the fourth year for the audit partner, Peter Smith.

Auditors' independence

The committee monitors the auditors' independence through three aspects of its work: the approval of a policy regulating the non-audit services that may be provided by the auditors to the Company; assessing the appropriateness of the fees paid to the auditors for all work undertaken by them; and by reviewing the information and assurances provided by the auditors on their compliance with the relevant ethical standards.

BDO confirmed that all of its partners and staff involved with the audit were independent of any links to the Company, and that these individuals had complied with their ethics and independence policies and procedures which are fully consistent with the FRC's ethical standards. Having considered the above-mentioned aspects, the performance and behaviour of the auditors during the audit process and the assurances received from BDO, the committee is satisfied that auditor independence and objectivity are safeguarded.

Audit fees

The fees payable to the auditors for audit services were £45,000 (plus VAT) (2023: £43,000 (plus VAT)).

Policy on non-audit services

The committee has approved, and keeps under regular review, the policy on the provision of non-audit services by the auditors. The policy sets out that the Company's auditors will not be considered for non-audit work where this is prohibited by the current regulations and where it appears to affect their independence and objectivity.

In addition, the provision of any non-audit services by the auditors is not permitted to exceed 70% of the average annual statutory audit fee for the three consecutive financial periods proceeding the financial period to which the cap applies. Non-audit services require approval in advance by the audit committee, or the chair of the audit committee, following due consideration of the proposed services.

There were no fees paid or payable to the auditors for non-audit services in the year under review (2023: £nil).

Annual report for the year ended 31 August 2024

The committee is satisfied that the annual report for the year ended 31 August 2024, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Audit Committee Report (continued)

In relation to the annual report for the year ended 31 August 2024, the following significant issues were considered by the committee and discussed in depth with the external auditors:

Significant issue	How the issue was addressed
Valuation and ownership of the Company's investments	The directors have appointed the manager to perform the valuation of the assets of the Company in accordance with its responsibilities under the Alternative Investment Fund Managers Directive ("AIFMD") rules. As required under the AIFMD rules, Janus Henderson has adopted a written valuation policy, which may be modified from time to time. Actively traded investments are valued using stock exchange prices provided by third-party pricing vendors. Ownership of listed investments is verified by reconciliation to the custodian's records and the directors receive quarterly reports from the depositary, who has responsibility for overseeing the Company's operations, including verification of ownership and valuation.
Recognition of income	Income received is accounted for in line with the Company's accounting policy (as set out in note 1e) on page 72) and is reviewed by the committee at each meeting. Special dividends, and their treatment as either revenue or capital, is considered as part of this exercise.
Accounting treatment for senior unsecured notes	The committee reviewed the accounting treatment and disclosures for the senior unsecured notes in line with relevant accounting standards and industry practice, including fair value calculation models presented by the manager for the fair value disclosures and the fair value NAV.
Maintaining internal controls	Information about the internal control and risk management framework adopted by the Company is set out in the corporate governance report on pages 46 to 48.
Maintenance of investment trust status	The committee regularly considers the controls in place to ensure that the regulations for ensuring investment trust status are observed at all times, receiving supporting documentation from Janus Henderson and BNP Paribas.

The audit committee discussed in detail the methodology employed by the auditor in the audit. The chair of the committee had met with BDO as part of the planning process and reviewed the audit plan, together with assessing the BDO team. The auditors also reported to the committee on the Company's compliance with the requirements for maintaining investment trust status. The committee did not consider it necessary to request the auditors to look at any specific areas in relation to the audit for the year ended 31 August 2024.

Activities during the year

The directors:

- have reviewed the KPIs used to monitor the Company's performance to ensure that these remain relevant;
- sought additional information about the effectiveness of internal controls at the service provider who had received a qualified control report. The committee made enquiries both through the manager about the reasons for the qualification to satisfy itself and the directors that these had had no material impact on the Company and were being addressed;
- review the accounting treatment of the senior unsecured notes on a six-monthly basis to ensure that this remains appropriate, and this treatment was also reviewed and confirmed by the auditors;
- challenged management on the appropriate recognition of the dividend income;
- are provided with regular reports from the manager on special dividends received and the rationale for whether these should be treated as income or capital is discussed;
- have reviewed and discussed with management the scenarios regarding the dividend income stream from the portfolio, specifically the level of dividend cover and the potential use of reserves. It was concluded that, in the current year the dividend would be substantially covered by income received in the year with a £1.9m draw down from the revenue reserve; and
- met with management to discuss the approach to ESG and how this is embedded within the investment process.

Effectiveness of the external audit

The auditors attended two audit committee meetings in the year, when the committee considered the audit plan and the annual results. This included a review of BDO's policies and procedures, including an assessment of their quality assurance procedures and independence, which the committee concluded were satisfactory. The committee chair also met with the auditors to review the audit results prior to these being presented to the audit committee.

Audit Committee Report (continued)

The committee evaluates the effectiveness of the external audit. This comprises assessing the auditors' performance during the course of the year together with a post-audit assessment, which is carried out and led by the committee chair.

In assessing the effectiveness of the audit process, the committee chair invites views from the directors, fund manager and other members of the manager's staff, including Janus Henderson's financial reporting senior manager for investment trusts and the corporate secretary. Consideration is given to:

- the quality of the audit team and their understanding of the Company;
- the performance and conduct of the audit team;
- assessing the robustness of the audit and the level of challenge offered by the audit team;
- the timeliness of delivering the tasks required for the audit; and
- the clarity of the reporting to the committee and the nature of any recommendations.

The committee also met privately with the audit partner to discuss how the audit operated from his perspective. Matters considered included an assessment of the manager and the management information, together with the internal control environment.

Consideration is also given to the findings of the FRC's audit quality inspection report, which monitors the audit quality across the major audit firms in the UK. The auditors presented and discussed the findings of the latest audit quality inspection report and reported on the progress made by the firm in terms of addressing the areas identified for improvement in the prior year's report. The committee challenged the auditors on the findings of this report and will continue to monitor progress.

The committee, based on the reporting from the manager and the auditors, considers that BDO conducted a diligent audit, requiring detailed evidence and explanation to support a robust assessment and evaluation of the financial information contained in the annual report. The auditors also assessed the control environment.

Based on their performance to date, the reviews undertaken and the feedback received, the committee concluded that there was no reason to doubt the effectiveness of the audit provided by BDO to the Company and recommended their continuing appointment to the board.

Jo Parfrey
Chair of the audit committee
30 October 2024

Nominations and Remuneration Committee Report

The nominations and remuneration committee advises the board on the composition of the board and its committees, in making appointments to the board and ensuring suitable succession plans are in place for the directors. It also has responsibility for setting the remuneration policy for the non-executive directors.

Membership

All directors are members of the committee. The chairman of the board is the chairman of the committee but would not chair meetings when the committee is considering the chairman's remuneration and would not be in attendance when the committee is considering appointments for his successor.

Meetings

The committee met four times during the year, which included three additional meetings held in relation to board evaluation and succession planning.

Role and responsibilities

The principal responsibilities of the committee include reviewing the structure, size and composition of the board and its committees and leading the search for suitable candidates to fill roles as required, taking into consideration the balance of skills, knowledge, experience and diversity on the board; ensuring annual performance evaluations are carried out, discussing the outcomes from those evaluations and making recommendations to the board; considering the proposed appointment and re-appointment of directors ahead of each annual general meeting; and setting the remuneration policy and levels of remuneration for board members, including the chairman of the board, the chair of the audit committee and the senior independent director.

Activities in the year

In discharging its duties over the course of the year, the committee considered the following matters:

- the composition of the board and each of its committees, taking account of the skills, experience and knowledge of each director and whether the diversity of these continued to contribute to the success of the Company;
- succession planning for appointments to the board taking account of the provisions of the articles regarding the retirement and rotation of directors, as well as the tenure of the current directors;
- the outcomes of the board performance evaluation with a view as to whether adjustments should be made to the number of directors or knowledge and skills represented on the board;
- the tenure of each of the directors, giving consideration as to whether the board retained a sufficient balance of length of service without becoming complacent;
- the independence of the directors taking account of the guidelines established by the AIC Code as well as the directors' other appointments;
- the time commitment of the directors and whether this had been sufficient over the course of the year;
- the performance and contribution of all directors standing for re-appointment at the 2024 annual general meeting; and
- the level of directors' fees.

Succession planning

When considering succession planning, the committee bears in mind the balance of skills, knowledge, experience and diversity existing on the board. The committee also acknowledges the need for refreshment of the board to be made on a staggered basis in order to maintain continuity and corporate knowledge. Once a decision is made to recruit an additional director, a formal job description is drawn up and an external recruitment agency is engaged to facilitate the search. The committee assesses candidates against objective criteria and with due regard for the benefits of diversity on the board (including gender, social and ethnic backgrounds, as well as cognitive and personal strengths), taking care that any candidates recommended for appointment will be able to allocate sufficient time to the Company to discharge their responsibilities fully and effectively.

As part of the annual performance evaluation process, the committee considered the tenure of the board. The directors have been on the board for between 1 and 8 years.

The committee also reviews and recommends to the board the directors seeking re-appointment. Recommendation is not automatic and will follow a process of evaluation of each director's performance and consideration of the director's independence. The committee also takes into account the mix of skills and experience of the current board members.

Board composition

Mrs Walker has indicated that, due to the increasing demands of her other business commitments, she will be retiring at the 2024 AGM and will not be standing for re-appointment. On the retirement of Mrs Walker, Mrs Parfrey will become the senior independent director.

Two directors, Mr Hills and Mr Lisser, will each reach nine years of service in 2025. In order to provide an orderly succession, it is proposed that Mr Lisser will retire following publication of the Company's half year results. It is then the intention that Mr Hills will retire at the conclusion of the 2025 AGM.

The committee considers that a board of five directors remains the optimal number for the Company. The directors have commenced steps to recruit three new directors, with recruitment to be staggered over the next 12 to 18 months. This will allow the changing dynamics of the board to settle with each new appointment and provide time to consider the desired background and experience of the next director to ensure the board remains balanced, with the right spread of skills and experience.

A recruitment firm is being engaged to assist with the first appointment.

Nominations and Remuneration Committee Report (continued)

Performance evaluation

Each year, the committee assesses the composition of the board and its performance, including that of individual directors, with the appraisal of the chairman being led by the senior independent director. This year, Stogdale St James ("Stogdale") was appointed to conduct a review of the board's performance and effectiveness, together with that of its committees, the chairman and individual directors. Stogdale has no connection to the Company or any of the directors.

The review was conducted through the completion of an online questionnaire and individual interviews with each of the directors and also the fund manager, the Janus Henderson head of investment trusts and the corporate broker. The areas considered included board composition, expertise and dynamics, the operating processes of the board, the leadership and performance of the board committees, succession planning, investment strategy and performance, risk management and external relations, including the quality of the board's understanding of shareholders' views. The results were collated by Stogdale and presented to committee. The committee has also reviewed the independence of each director and their time commitment.

The conclusion of the review was that it was a diligent board with a good balance of skills and experience and a clear understanding of the risks facing the Company, and that each director continued to commit sufficient time to fulfilling their duties. Stogdale made some useful recommendations to support future board succession plans and enhance the cohesion of the board.

Taking account of the performance of individual directors, the committee recommended to the board that it should support the resolution for each director standing for re-appointment at the 2024 annual general meeting.

Diversity policy

All board appointments are subject to a formal, rigorous and transparent procedure. The Company seeks to ensure that any board vacancies are filled by the most qualified candidates based on objective criteria and merit and in the context of the skills, knowledge and experience that are needed for the board to be effective.

Whilst the board does not feel that it would be appropriate to use specific diversity targets, given its small size, the directors acknowledge that diversity is important to ensure that the Company can draw on a broad range of backgrounds, skills, knowledge, experience and perspectives to achieve effective stewardship of the Company. An integral part of the appointment process includes the consideration of diversity in its broadest sense and the committee ensures that lists of potential non-executive directors include diverse candidates of appropriate experience and merit.

In all of the committee's activities, there will be no (and there has not been any) discrimination on the grounds of gender, race, ethnicity, religion, sexual orientation, age or physical ability.

Board diversity at 31 August 2024

As at 31 August 2024, three out of the five directors (60%) are women, one of whom holds a senior position as defined under the UK Listing Rules, being the senior independent director ("SID"). The board is also meeting the recommendation that at least one director is from a minority ethnic background.

In accordance with the UK Listing Rules and using the AIC's guidance, the board provides the following information about its diversity:

Gender identity

	Number of board members	% of the board	Number of senior positions on the board (CEO, CFO, SID and chair)
Men	2	40%	1
Women	3	60%	1*

Ethnic diversity

	Number of board members	% of the board	Number of senior positions on the board (CEO, CFO, SID and chair)
White British or other White (including minority-white groups)	4	80%	2*
Asian/Asian British	1	20%	–

* As an investment trust company with solely independent, non-executive directors and no employees, the Company only has two of the senior roles specified by the UK Listing Rules, that is the position of chair and SID. One of these roles is occupied by a man and one by a woman. However, the Company considers that chairing the permanent sub-committees of the board are senior roles in an investment company context. The position of chair of the audit committee is held by a woman

The information in the tables was provided by individual directors in response to a request from the Company. There have been no changes to the board or the roles of directors between 31 August 2024 and the date of this report.

Remuneration

Details of the committee's activities in relation to directors' remuneration are set out in the directors' remuneration report on pages 56 to 58, together with information on the fees paid to directors during the year under review.

Richard Hills
Chairman of the nominations and remuneration committee
30 October 2024

Management Engagement Committee Report

The committee is responsible for formally evaluating the overall performance of the manager and other third-party service providers engaged by the Company, to consider whether their continuing appointment is in the interests of shareholders as a whole.

Membership

All directors are members of the committee. The chairman of the board is the chairman of the committee.

Meetings

The committee met once during the year. The committee has not engaged any service providers to provide advice to the Company during the period.

Role and responsibilities

The primary role of the committee is to review the management agreement and monitor the performance of the manager for the investment, company secretarial, financial reporting, administration, sales, marketing and support services that it provides under that agreement. Its review of the terms of the agreement include the level and structure of fees payable, the length of notice period and best practice provisions generally. The fees paid to the manager should be aligned with the Company's purpose and values and the successful delivery of its long-term strategy. The committee is also responsible for formally evaluating the overall performance of third-party service providers engaged by the Company. The committee reports to the board and its responsibilities are set out in formal terms of reference which are reviewed at least annually.

Activities in the year

In discharging its duties over the course of the year, the committee considered the following matters:

- the investment performance of the Company, taking account of the benchmark and performance of competitors in its AIC peer group, the share price, level of premium/discount and gearing;
- the quality and experience of the team involved in managing all aspects of the Company's business;
- the fee structures of competitors in its AIC peer group and other, similar sized investment companies;
- the key clauses of the investment management agreement, how the manager had fulfilled these and whether these continued to be appropriate;
- the annual update from representatives of the depositary and custodian;
- the performance and fees of the Company's other third-party service providers, including the brokers, depositary, registrar, marketing and research providers, legal counsel and the Company's accountants;
- the Company's service providers in their role as stakeholders and whether there is an appropriate level of engagement with them; and
- any points of conflict which may arise between the providers of services to the Company.

Continued appointment of the manager

The board monitors investment performance at each meeting and receives updates in respect of professional sales and marketing activities carried out by the manager for the Company twice annually. The committee makes a formal recommendation to the board in respect of the continued appropriateness of the terms of the management agreement at least annually.

The committee's evaluation of the manager included consideration of the quality of the team involved in all aspects of servicing the Company, including company secretarial, administration, sales and marketing, the manager's use of gearing and management of the portfolio's risk profile, the stability of the management group and the priorities for change.

Following completion of the review, the committee recommended to the board that the continued appointment of the manager on the terms agreed is in the interests of the Company's shareholders as a whole and its long-term success.

Performance of third-party service providers

Each year, the committee carries out an evaluation of the Company's key third-party service providers and their respective terms of engagement. Following this review, the committee recommended the continuation of the appointment of the key third-party service providers.

Richard Hills
Chairman of the management engagement committee
30 October 2024

Directors' Remuneration Report

Remuneration policy

The remuneration policy ("policy") sets out the principles applied in the remuneration of the Company's directors. The policy was last approved by shareholders at the AGM on 12 December 2023 and it will continue in force until the AGM in 2026.

The nominations and remuneration committee is responsible for matters relating to directors' remuneration. Individual directors do not participate in discussions relating to their own remuneration. The appropriateness and relevance of the remuneration policy is reviewed at least annually, particularly in terms of whether the policy supports the Company's long-term success. In determining the policy, the board takes into account all factors which it deems necessary, including relevant legal and regulatory requirements, the provisions and recommendations of the UK Code and the AIC Code and fees paid to comparable investment trusts.

The objective of the policy is to attract, retain and motivate non-executive directors of the quality required to manage the Company successfully. The Company's approach is that directors' fees should:

- reflect the time spent on the Company's affairs;
- reflect the responsibilities borne by the directors; and
- be sufficient to promote the long-term success of the Company.

Directors are remunerated in the form of fees payable, to the director personally, quarterly in arrears. Fees are pro-rated where a change takes place during a financial year. The total annual aggregate fees payable to directors shall not exceed £500,000, as set out in the Company's articles of association. Any change to this limit would require the approval of shareholders by way of an ordinary resolution.

The chairman of the board is paid a higher fee in recognition of his additional responsibilities, as is the chair of the audit committee and the senior independent director. The directors may be reimbursed for all reasonable and properly documented expenses incurred in the performance of their duties. The level of fees paid to each director is reviewed annually, although such a review may not necessarily result in any change to the rates. The level of fees paid to the directors of other investment companies of a similar size and nature is taken into account when carrying out the review. The board may amend the level of remuneration paid to individual directors within the parameters of the policy.

No director is eligible to receive bonuses, pension benefits, share options or other benefits and no long-term incentive schemes are in place.

The policy, irrespective of any changes, will be put to shareholders at intervals of not more than three years with the next approval due to be sought at the AGM in 2026.

Letters of appointment

All directors are non-executive and are appointed under a letter of appointment. No director has a service contract with the Company. There are no set notice periods. A director may resign by giving notice in writing to the board at any time and no compensation is payable for loss of office.

Recruitment principles

All directors, including any new appointments to the board, are paid at the same rate. The chairman of the board, senior independent director and chair of the audit committee are paid higher fees in recognition of their additional responsibilities.

Views of shareholders

Any views expressed by shareholders on the fees being paid to directors would be taken into consideration by the board when reviewing levels of remuneration.

Annual report on remuneration

This report is submitted in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended ("regulations"). The report also meets the relevant requirements of the Companies Act 2006 ("Act") and the UK Listing Rules of the Financial Conduct Authority and describes how the board has applied the principles relating to directors' remuneration.

As required by the Act, an ordinary resolution to approve the directors' remuneration report will be proposed at the forthcoming AGM.

The Company's auditors are required to report on certain information contained within this report; where information set out below has been audited, it is indicated as such.

All directors are non-executive and the Company has no chief executive officer or employees; as such some of the reporting requirements contained in the regulations are not applicable and have not been reported on, including the requirement for a future policy table and an illustrative representation of the level of remuneration that could be received by each individual director. It is believed that all relevant information is disclosed within this report in an appropriate format.

The board has not been provided with advice or services by any person in respect of its consideration of the directors' remuneration.

Statement from the chairman

The board has established a nominations and remuneration committee, which is responsible for reviewing directors' remuneration. All directors are members of this committee.

The committee has carried out its annual review of the fees being paid to directors and as part of this it looked at the fees paid to other investment companies in its AIC peer group (the AIC Global Equity Income sector) and the fees paid to the other Janus Henderson managed investment trusts. The committee also considered the changes in the retail prices index and the consumer prices index since the last fee increase in September 2023, as well as the increasing responsibilities and time commitment required of directors. Following consideration, it was agreed the fees of the

Directors' Remuneration Report (continued)

chairman and chair of the audit committee be increased by 3.2%. The committee noted that the fees for the senior independent director and the non-executive directors were lagging those of other investment trusts in the peer group, and slightly larger increases of 6.3% and 4.5% respectively were therefore agreed to bring them more into line with the market rate. The new rates are set out in the table below. The increases were to ensure that the directors are properly remunerated for their services to the Company and so that the Company can remain competitive when seeking new directors. The board is satisfied that the changes to the remuneration of the directors are compliant with the directors' remuneration policy approved by shareholders at the 2023 AGM. There will be no significant change in the way that the remuneration policy will be implemented in the course of the next financial year.

There have been no other major decisions on directors' remuneration or any other changes to the remuneration paid to each individual director in the year under review.

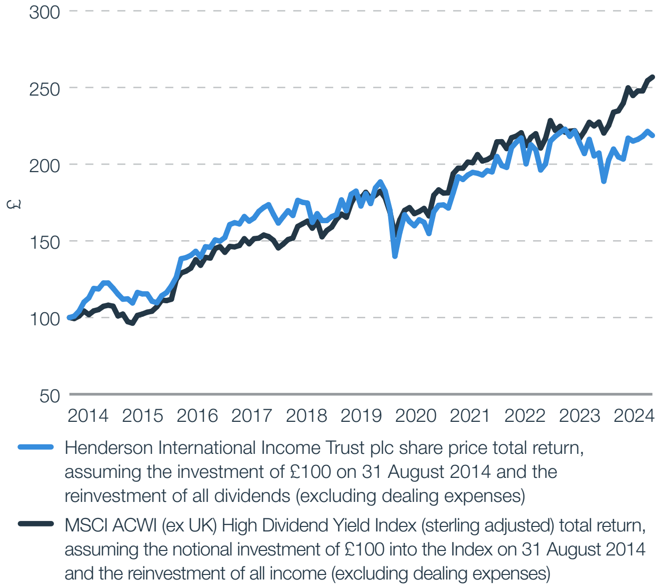
Table of directors' annual fees

The current fees for specific responsibilities are set out in the table below. Other than the chair of the audit committee, no fees are payable for membership of the board committees.

Role	**Rate from 1 September 2024**	Rate at 31 August 2023
Chairman of the board	48,500	47,000
Chair of the audit committee	38,500	37,300
Senior independent director	33,500	31,500
Other non-executive directors	30,500	29,200

Performance

The Directors' Remuneration Report Regulations require the Company to measure its performance against a "broad equity market index" on a total return basis. In this report the MSCI ACWI (ex UK) High Dividend Yield Index (sterling adjusted) has been selected as this is the performance comparator benchmark used by the board when reviewing the Company's performance.



Directors' fees and expenses (audited)

The fees and expenses paid to the directors who served during the years ended 31 August 2024 and 31 August 2023 were as follows:

	Year ended 31 August 2024 Total salary and fees £	Year ended 31 August 2023 Total salary and fees £	**Year ended 31 August 2024 Expenses and taxable benefits* £**	Year ended 31 August 2023 Expenses and taxable benefits* £	**Year ended 31 August 2024 Total £**	Year ended 31 August 2023 Total £
Richard Hills[1]	47,000	40,870	1,947	2,911	48,974	43,781
Simon Jeffreys[2]	–	12,008	–	237	–	12,245
Jo Parfrey[3]	37,300	35,500	–	–	37,300	35,500
Mai Fenton[4]	29,200	6,950	–	–	29,200	6,950
Aidan Lisser	29,200	27,800	275	567	29,475	28,367
Lucy Walker[5]	31,500	29,414	–	–	31,500	29,414
Total	**174,200**	**152,542**	**2,222**	**3,715**	**176,422**	**156,257**

The amounts paid by the Company to the directors were for services as non-executive directors. The table above omits other columns in the relevant regulations because no payments of other types such as variable pay, performance related pay, vested performance related pay and remuneration related benefits were made.

1 Chairman of the board, management engagement and nominations and remuneration committees with effect from 7 December 2022 (previously senior independent director)
2 Former chairman of the board. Retired from the board on 7 December 2022
3 Chair of the audit committee
4 Appointed to the board on 1 June 2023
5 Senior independent director with effect from 7 December 2022
*Reimbursement of travel expenses to attend board meetings

No other remuneration or compensation was paid or payable by the Company during the year to any of the current or former directors or third parties.

Directors' Remuneration Report (continued)

Annual percentage change in directors' remuneration

The table below sets out the annual percentage change in directors' fees (excluding expenses paid) for the directors for the last five years in respect of each director who has served for a minimum of two financial years.

	Year to 31 August 2024 %	Year to 31 August 2023 %	Year to 31 August 2022 %	Year to 31 August 2021 %	Year to 31 August 2020 %
Richard Hills[1]	15.0	42.9	6.1	5.7	6.3
Jo Parfrey[2]	5.1	5.0	n/a	n/a	n/a
Mai Fenton[3]	n/a	n/a	n/a	n/a	n/a
Aidan Lisser	5.0	4.9	3.9	–	6.3
Lucy Walker[4]	7.1	11.0	3.9	n/a	n/a

1 Appointed as senior independent director with effect from 8 December 2020 and then as chairman with effect from 7 December 2022. The increases in Mr Hills' remuneration reflect the changes in his roles on the board and the different remuneration associated with each role. The large differential for 2023 and 2024 is a direct result of his appointment as chairman part way through the 2023 financial year
2 Appointed to the board and as audit committee chair on 1 January 2021
3 Appointed to the board on 1 June 2023
4 Appointed to the board on 1 September 2020. Appointed as senior independent director with effect from 7 December 2022. The large increase in her fees for 2023 reflects her change in role part way through the year and the additional remuneration associated with the new role

Relative importance of spend on pay

In order to show the relative importance of spend on pay, the table below sets out the total level of remuneration compared to the distributions to shareholders by way of dividends. Part of the increase in total remuneration in 2024 reflects that Ms Fenton had been a director for the full year, compared to only three months of 2023 and there had been a period in 2023 when there had been only four directors. There were no share buy-backs or other significant distributions, payments or other uses of the Company's profit or cash flow deemed to assist in the understanding of the relative importance of spend on pay.

	2024 £	2023 £	Change £	Change %
Total remuneration	176,422	156,257	20,165	12.9
Ordinary dividends paid	15,051,165	14,502,425	548,740	3.8

Directors' interests in shares (audited)

	Ordinary shares of 1p	
	31 August 2024	31 August 2023
Richard Hills	39,604	39,604
Jo Parfrey	37,500	37,500
Mai Fenton	6,262	–
Aidan Lisser	26,148	26,148
Lucy Walker	12,307	12,307

The interests of the directors and persons closely associated with them in the ordinary shares of the Company at the beginning and end of the financial year are shown in the preceding table. There have been no changes to any of the directors' interests in the period 1 September 2024 to the date of this report.

In accordance with the Company's articles of association, no director is required to hold shares of the Company by way of qualification.

Statement of voting at annual general meeting

At the Company's AGM held on 12 December 2023, shareholders approved the directors' remuneration policy and the directors' remuneration report in respect of the year ended 31 August 2023. The following proxy votes were received on the resolutions:

Resolution	% of votes for (including discretionary)[1]	% of votes against[1]	Withheld
Remuneration policy	99.4	0.6	740,811
Remuneration report	99.3	0.7	690,014

1 Excluding votes withheld

Approval of the Annual Report on Remuneration

The Annual Report on Remuneration was approved by the board on 30 October 2024.

Richard Hills
Chairman of the nominations and remuneration committee
30 October 2024

Statement of Directors' Responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Company's financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the net return or loss of the Company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a directors' report, a strategic report and directors' remuneration report which comply with the requirements of the Companies Act 2006.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the directors' remuneration report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors consider that the annual report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Directors' responsibility statement

Each of the directors, who are listed on page 38, confirms that, to the best of their knowledge:

- the Company's financial statements, which have been prepared in accordance with UK Accounting Standards, give a true and fair view of the assets, liabilities, financial position and return of the Company; and
- the annual report and financial statements include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the board

Richard Hills
Chairman
30 October 2024

The financial statements are published on www.hendersoninternationalincometrust.com which is a website maintained by the manager.

The maintenance and integrity of the website is the responsibility of the manager; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the annual report since it was initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial Statements

Number of investments in Financials: 13

% of portfolio invested in Financials: 18%

Independent Auditor's Report to the Members of Henderson International Income Trust plc

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Henderson International Income Trust plc (the "Company") for the year ended 31 August 2024 which comprise the Income Statement, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the audit committee, we were appointed by the board of directors on 8 December 2020 to audit the financial statements for the year ended 31 August 2021 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is four years, covering the years ended 31 August 2021 to 31 August 2024. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- evaluating the appropriateness of the directors' method of assessing going concern in light of market volatility by reviewing the information used by the directors in completing their assessment;
- assessing the liquidity of the investment portfolio, which underpins the ability to meet the future obligations and operating expenses for a period of 12 months from the date of approval of these financial statements; and
- reviewing the loan agreements to identify relevant covenants and assessing the likelihood of them being breached based on the directors' forecast and sensitivity analysis.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent Auditor's Report to the Members of Henderson International Income Trust plc

(continued)

Overview

Key audit matters		2024	2023
	Valuation and ownership of quoted investments	✓	✓
	Revenue recognition	✓	✓
Materiality	Company financial statements as a whole £3.64m (2023: £3.44m) based on 1% (2023: 1%) of net assets		

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter	How the scope of our audit addressed the key audit matter
Valuation and ownership of quoted investments **(Note 11 on Page 77)** The investment portfolio at the year end comprised of equity investments held at fair value through profit or loss. There is a risk that the prices used for the listed investments held by the Company are not reflective of fair value and the risk that errors made in the recording of investment holdings result in the incorrect reflection of investments owned by the Company. Therefore, we considered the valuation and ownership of quoted investments to be the most significant audit area as the quoted investments also represent the most significant balance in the financial statements and underpin the principal activity of the Company.	We have responded to this matter by testing the valuation and ownership of 100% of the portfolio of investments. We performed the following procedures on valuation: • confirmed the year-end bid price was used by agreeing to externally quoted prices: • assessed if there were contra indicators, such as liquidity considerations, to suggest bid price was not the most appropriate indication of fair value by considering the theoretical realisation period for individual holdings; • obtained direct confirmation of the number of shares held per equity investment from the custodian regarding all investments held at the statement of financial position date; • recalculated the valuation by multiplying the number of shares held per the statement obtained from the custodian by the valuation per share; and • we also considered the completeness, accuracy and clarity of investment-related disclosures against the requirements of the relevant accounting standard. **Key observations** Based on our procedures performed we found that the valuation and ownership of quoted investments is considered to be appropriate.

Independent Auditor's Report to the Members of Henderson International Income Trust plc
(continued)

Key audit matter	How the scope of our audit addressed the key audit matter
Revenue recognition (Note 1(e) page 72 and Note 3 page 74 to the financial statements) Income arises from dividends and interest and can be volatile but is often a key factor in demonstrating the performance of the portfolio. As such there may be an incentive to recognise income as revenue where it is more appropriately of a capital nature. Additionally, judgement is required by management in determining the allocation of dividend income to revenue or capital for certain corporate actions or special dividends. For this reason we considered revenue recognition to be a key audit matter.	We derived our own expectation of income for the whole portfolio during the year using data analytics based on the investment holding and distributions from independent sources. We cross checked the portfolio against corporate actions and special dividends to determine whether dividends had been correctly classified as revenue or capital. We also challenged whether dividends have been appropriately accounted for as revenue or capital where the dividend received exceeded a pre-determined dividend yield threshold. We traced a sample of dividend income receipts to bank. **Key observations** Based on our procedures performed we found the judgements made by management in determining the allocation of income to revenue or capital to be appropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Company financial statements	
	2024	**2023**
Materiality	£3.64m	£3.44m
Basis for determining materiality	1% of net assets	1% of net assets
Rationale for the benchmark applied	As an investment trust, the net asset value is the key measure of performance for users of the financial statements	
Performance materiality	£2.70m	£2.58m
Basis for determining performance materiality	75% of materiality	
Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year	

Independent Auditor's Report to the Members of Henderson International Income Trust plc

(continued)

Specific materiality

We also determined that for items impacting revenue return, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users. As a result, we determined materiality for these items based on £717,000 (2023: £813,000) based on 5% (2023: 5%) of revenue return before tax. We further applied a performance materiality level of 75% (2023: 75%) of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

Reporting threshold

We agreed with the audit committee that we would report to them all individual audit differences in excess of £180,000 (2023: £172,000) for the financial statements as a whole. For items impacting revenue return, we agreed that we will report any audit differences above £36,000 (2023: £41,000). We also agreed to report differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The UK Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	• The directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 71; and • The directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 32.
Other Code provisions	• The directors' statement on fair, balanced and understandable set out on page 59; • The board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 30; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 48; and • The section describing the work of the audit committee set out on pages 49 to 52.

Independent Auditor's Report to the Members of Henderson International Income Trust plc
(continued)

Other Companies Act 2006 reporting
Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the strategic report and the directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.
Directors' remuneration	In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or • the financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations
We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. We considered the significant laws and regulations to be the Companies Act 2006, the FCA UK Listing and DTR rules, the principles of the AIC Code of Corporate Governance, industry practice represented by the AIC SORP, the applicable accounting framework, and the Company's qualification as an investment trust under UK tax legislation as any non-compliance of this would lead to the Company losing various deductions and exemptions from corporation tax.

Independent Auditor's Report to the Members of Henderson International Income Trust plc

(continued)

We focused on laws and regulations that could give rise to a material misstatement in the Company financial statements. Our tests included:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management and those charged with governance relating to any instances of non-compliance with laws and regulations;
- review of minutes of board meetings throughout the period for instances of non-compliance with laws and regulations; and
- reviewing the calculation in relation to the Company's investment trust compliance to check that the Company was meeting its requirements to retain its investment trust status.

Fraud

We assessed the susceptibility of the financial statements to material misstatement including fraud and considered the fraud risk areas to be management override of controls and the classification of dividend income between revenue and capital.

Our tests included:

- the procedures set out in the key audit matters section above;
- testing journals posted in the preparation of the financial statements by agreeing to supporting documentation; and
- evaluating whether there was evidence of bias by the manager and directors that represented a risk of material misstatement due to fraud.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Smith (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London

30 October 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Income Statement

Notes		Year ended 31 August 2024 Revenue return £'000	Capital return £'000	Total £'000	Year ended 31 August 2023 Revenue return £'000	Capital return £'000	Total £'000
2	Gains/(losses) from investments held at fair value through profit or loss	–	23,078	23,078	–	(8,984)	(8,984)
3	Income from investments held at fair value through profit or loss	14,942	–	14,942	16,641	–	16,641
	Gain/(loss) on foreign exchange	–	621	621	–	(84)	(84)
4	Other income	836	23	859	894	–	894
	Gross revenue and capital gains/(losses)	**15,778**	**23,722**	**39,500**	**17,535**	**(9,068)**	**8,467**
5	Management fee	(520)	(1,558)	(2,078)	(500)	(1,502)	(2,002)
6	Other administrative expenses	(744)	–	(744)	(609)	–	(609)
	Net return before finance costs and taxation	**14,514**	**22,164**	**36,678**	**16,426**	**(10,570)**	**5,856**
7	Finance costs	(158)	(475)	(633)	(162)	(488)	(650)
	Net return before taxation	**14,356**	**21,689**	**36,045**	**16,264**	**(11,058)**	**5,206**
8	Taxation on net return	(1,184)	–	(1,184)	(2,020)	–	(2,020)
	Net return after taxation	**13,172**	**21,689**	**34,861**	**14,244**	**(11,058)**	**3,186**
9	**Return per ordinary share**	**6.72p**	**11.07p**	**17.79p**	**7.27p**	**(5.64p)**	**1.63p**

The total column of this statement represents the Income Statement of the Company. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All revenue and capital items derive from continuing operations. The Company had no recognised gains or losses other than those disclosed in the Income Statement.

The notes on pages 71 to 86 form part of these financial statements

Statement of Changes in Equity

Notes	**Year ended 31 August 2024**	**Called up share capital £'000**	**Share premium account £'000**	**Special reserve £'000**	**Other capital reserves £'000**	**Revenue reserve £'000**	**Total £'000**
	At 31 August 2023	1,960	194,550	45,732	94,919	7,209	344,370
	Net return for the year	–	–	–	21,689	13,172	34,861
10	Dividends paid	–	–	–	–	(15,051)	(15,051)
	At 31 August 2024	**1,960**	**194,550**	**45,732**	**116,608**	**5,330**	**364,180**

Notes	Year ended 31 August 2023	Called up share capital £'000	Share premium account £'000	Special reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
	At 31 August 2022	1,960	194,550	45,732	105,977	7,468	355,687
	Net return for the year	–	–	–	(11,058)	14,244	3,186
10	Dividends paid	–	–	–	–	(14,503)	(14,503)
	At 31 August 2023	**1,960**	**194,550**	**45,732**	**94,919**	**7,209**	**344,370**

The notes on pages 71 to 86 form part of these financial statements

Statement of Financial Position

Notes		At 31 August 2024 £'000	At 31 August 2023 £'000
11	**Fixed asset investments held at fair value through profit or loss**	381,168	357,671
	Current assets		
12	Investment held at fair value through profit or loss	10,011	–
13	Debtors	3,570	3,588
	Cash at bank and in hand	9,708	18,028
		23,289	**21,616**
14	Creditors: amounts falling due within one year	(15,159)	(9,375)
	Net current assets	**8,130**	**12,241**
	Total assets less current liabilities	**389,298**	**369,912**
15	Creditors: amounts falling due after more than one year	(25,118)	(25,542)
	Total net assets	**364,180**	**344,370**
	Capital and reserves		
18	Called up share capital	1,960	1,960
19	Share premium account	194,550	194,550
20	Special reserve	45,732	45,732
20	Other capital reserves	116,608	94,919
20	Revenue reserve	5,330	7,209
	Total shareholders' funds	**364,180**	**344,370**
16	**Net asset value per ordinary share**	**185.8p**	**175.7p**

The financial statements on pages 67 to 86 were approved and authorised for issue by the board of directors on 30 October 2024 and signed on their behalf by:

Richard Hills
Chairman

Registered number: 7549407

The notes on pages 71 to 86 form part of these financial statements

Statement of Cash Flows

	Year ended 31 August 2024 £'000	Year ended 31 August 2023 £'000
Cash flows from operating activities		
Net return before taxation	36,045	5,206
Add back: finance costs	633	650
(Gains)/losses on investments held at fair value through profit or loss	(23,078)	8,984
(Gains)/losses on foreign exchange	(621)	84
Withholding tax on dividends deducted at source	(1,575)	(2,432)
Taxation recovered	92	56
Decrease/(increase) in debtors	313	(189)
Decrease in creditors	(468)	(104)
Net cash inflow from operating activities	**11,341**	**12,255**
Cash flows from investing activities		
Purchase of investments	(156,275)	(105,273)
Sale of investments	162,106	119,914
Purchase of current asset investments	(10,011)	–
Proceeds from capital dividends	9	2
Net cash inflow from investing activities	**(4,171)**	**14,643**
Cash flows from financing activities		
Equity dividends paid (net of refund of unclaimed distributions and reclaimed distributions)	(15,051)	(14,503)
Interest paid	(631)	(644)
Net cash outflow from financing activities	**(15,682)**	**(15,147)**
Net (decrease)/increase in cash and cash equivalents	**(8,512)**	**11,751**
Cash at bank and in hand at start of year	18,028	6,590
Effect of foreign exchange rates	192	(313)
Cash at bank and in hand at end of year	**9,708**	**18,028**
Comprising:		
Cash at bank and in hand	9,708	18,028
	9,708	**18,028**

The notes on pages 71 to 86 form part of these financial statements

Notes to the Financial Statements

1 Accounting policies

a) Basis of accounting

The Company is a registered investment company as defined in section 833 of the Companies Act 2006 and is incorporated in the United Kingdom. It operates in the United Kingdom and is registered at the address on page 93.

The financial statements have been prepared in accordance with the Companies Act 2006, FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts (the "SORP") issued in July 2022 by the Association of Investment Companies.

The principal accounting policies applied in the presentation of these financial statements are set out below.

Following the issue of the senior unsecured notes on 30 April 2019 it was determined that the Company would adopt the recognition and measurement provisions of IFRS 9 (Financial Instruments), as permitted by sections 11 and 12 of FRS 102. This was determined to better reflect the directors' assessment of the carrying value of the senior unsecured notes and has no impact on the carrying value of the Company's financial assets.

The financial statements are prepared under the historical cost basis except for the measurement at fair value of investments.

The preparation of the Company's financial statements on occasion requires the directors to make judgements, estimates and assumptions that affect the reported amounts in the primary financial statements and the accompanying disclosures. These assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in current and future periods, depending on circumstances. The directors have considered the accounting treatment of the senior unsecured notes as set out in accounting policy 1 i) to be an area of judgement, in particular with reference to clauses that would be enacted should the notes be prepaid before maturity and concluded the adoption of IFRS 9 described above is the most appropriate and complies with accounting standards. The decision to allocate special dividends as income or capital is a judgement but not deemed to be material.

The Directors do not believe that any accounting judgements or estimates have been applied to this set of financial statements that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year.

b) Going concern

The Company's articles of association require that at every third annual general meeting of the Company an ordinary resolution be put to shareholders asking them to approve the continuation of the Company. An ordinary resolution to this effect was passed by the shareholders at the annual general meeting held on 12 December 2023. The assets of the Company consist of securities that are readily realisable and, accordingly, 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. Having assessed these factors, the principal risks, as well as considering the heightened macroeconomic uncertainties, and other matters discussed in connection with the viability statement, the board has determined that it is appropriate for the financial statements to be prepared on a going concern basis.

c) Fixed asset investments held at fair value through profit or loss

Under IFRS 9, the classification and measurement criteria determine if financial instruments are measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss. Investment assets are classified based on both the business model, and the contractual cash flow characteristics of the financial instruments. This approach determined that all investments are classified and measured at fair value through profit or loss, which is based on their quoted bid price at the Statement of Financial Position date, without deduction of the estimated future selling costs.

Assets are de-recognised at the trade date of the disposal. Proceeds are measured at fair value, which are regarded as the proceeds of sale less any transaction costs.

Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Income Statement as 'Gains/(losses) from investments held at fair value through profit or loss'. Transaction costs in relation to the purchase or sale of investments are also expensed within this line. All purchases and sales are accounted for on a trade date basis.

d) Capital gains and losses

Capital gains and losses arising on investments sold and investments held, together with exchange differences arising on the translation of foreign currency assets and liabilities, are dealt with in capital reserves.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

e) Income

Dividends receivable (including overseas withholding taxes) from equity shares are taken to the revenue return on an ex-dividend basis except where, in the opinion of the directors, the dividend is capital in nature, in which case it is taken to the capital return. When a dividend received is capital in nature, the associated proportion of the investment's underlying book cost relating to the capital reduction of the investment is allocated to the dividend and the book cost adjusted accordingly. This results in the realised profits from the capital dividend being the value of the dividend received less the underlying book cost allocated to that dividend. Bank deposit interest is taken to revenue on an accruals basis.

Income from fixed interest securities is recognised so as to reflect the effective interest rate on these securities.

Option premium income is recognised as revenue over the life of the contract and included in the revenue column of the Income Statement unless the option has been written for the maintenance and enhancement of the Company's investment portfolio and represents an incidental part of a larger capital transaction, in which case any premiums arising are allocated to the capital column of the Income Statement.

f) Derivative financial instruments

Derivative transactions which the Company may enter into comprise forward exchange contracts (the purpose of which is to hedge foreign currency exposure). The Company may also write options on shares represented in the portfolio where such options are priced attractively relative to Janus Henderson's expectations for the relevant share prices and to generate additional return for shareholders. The Company does not use derivative financial instruments for speculative purposes. The use of financial derivatives is governed by the Company's policies as approved by the board.

Derivatives are measured at fair value based on market practice or at valuations based on market prices.

Changes in the fair value of derivative financial instruments are recognised in the Income Statement as they arise. If capital in nature, the associated change in value is presented as a capital item in the Income Statement.

Where options are written for the purpose of generating revenue, applicable premiums are recognised evenly over the life of the option and shown in the revenue return, with the appropriate amount shown as capital return such that the total return reflects the overall change in the fair value of the option. At 31 August 2024 there were no open option positions (2023: same).

g) Expenses and finance costs

All expenses are accounted for on an accruals basis. Finance costs, including any premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Income Statement using the effective interest rate method. On the basis of the board's expected long-term split of returns in the form of capital gains and income of 75% and 25% respectively, the Company charges 75% of its finance costs and management fee to the capital return. The overdraft arrangement fee which is included in finance costs is charged 100% to the revenue return. All other expenses are charged to revenue return. All of these amounts are stated inclusive of any related irrecoverable value added tax.

h) Cash at bank and in hand

Cash comprises cash in hand and on demand deposits.

i) Borrowings

Senior unsecured notes are recorded initially at proceeds received, net of direct issue costs. They are subsequently re-measured at amortised cost. The issue costs will be amortised over the life of the loan notes. Finance costs, including interest payable, are accounted for on an accruals basis in the Income Statement using the effective interest rate method.

Within the terms of the senior unsecured notes are clauses relating to an embedded derivative that would be enacted 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 these clauses are highly unlikely to occur. The value of such additional payments have therefore been deemed to be immaterial and have not been recognised in the financial statements.

j) Taxation

The tax expense represents the sum of the current tax and deferred tax arising from the accounting period.

The current tax is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that were applicable at the Statement of Financial Position date.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the Income Statement is the 'marginal basis'. Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue return column of the Income Statement, then no tax relief is transferred to the capital return column.

Deferred taxation is provided on all timing differences that have originated but not reversed by the Statement of Financial Position date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of timing differences can be deducted. Any liability to deferred tax is provided at the average rate of tax expected to apply based on tax rates and laws that have been enacted or substantively enacted at the Statement of Financial Position date. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

k) Foreign currency

The results and financial position of the Company are expressed in pounds sterling which is the functional currency and presentational currency of the Company. The board, having regard to the currency of the Company's share capital and the predominant currency in which its shareholders operate, has determined the functional currency to be sterling.

Transactions denominated in foreign currencies are converted at actual exchange rates at the date of the transaction. Monetary assets and liabilities and equity investments held at fair value through profit or loss denominated in foreign currencies at the year end are translated at the rates of exchange prevailing at the year end.

Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in revenue return or capital return, depending on whether the gain or loss is of a revenue or capital nature. Gains or losses arising from a change in exchange rates in respect of investments are included within the gain or loss from investments held at fair value through profit or loss.

l) Dividends payable to shareholders

Interim dividends are recognised in the period in which they are paid. Final dividends are not recognised until approved by the shareholders. Dividends are dealt with in the Statement of Changes in Equity.

m) Capital and reserves

Called up share capital represents the nominal value of ordinary shares issued.

The share premium account represents the premium above nominal value received by the Company on issuing shares net of issue costs.

The revenue reserve represents accumulated revenue profits retained by the Company that have not currently been distributed to shareholders as a dividend.

The special reserve represents the value of the share premium account that was cancelled and transferred to distributable reserves on 28 February 2013.

Other capital reserves are split into two components, the capital reserve arising on investments sold and the capital reserve arising on revaluation of investments held. The following analyses what is accounted for in each of these components:

Capital reserve arising on investments sold
The following are accounted for in this reserve:

- gains and losses on the disposal of investments;
- expenses and finance costs allocated to capital net of tax relief;
- realised foreign exchange differences of a capital nature; and
- costs of repurchasing ordinary share capital.

Capital reserve arising on revaluation of investments held
The following are accounted for in this reserve:

- increases and decreases in the valuation of investments held at the year end; and
- unrealised foreign exchange differences of a capital nature.

n) Distributable reserves

The Company's capital reserve arising on investments sold, special reserve and revenue reserve may be distributed by way of a dividend.

Notes to the Financial Statements (continued)

2 Gains/(losses) on investments held at fair value through profit or loss

	2024 £'000	2023 £'000
(Losses)/gains on investments sold based on bookcost	(5,892)	17,575
Revaluation of investments held at 31 August	28,970	(26,559)
	23,078	**(8,984)**

Included within gains on investments are special capital dividends of £5,000 (2023: £nil). These are accounted for in accordance with accounting policy 1e).

3 Income from investments held at fair value through profit or loss

	2024 £'000	2023 £'000
Dividend income	14,942	16,641
	14,942	**16,641**

4 Other income

	2024 £'000	2023 £'000
Bank interest	468	318
Interest on liquidity fund	101	–
Option premium income	264	576
Other income	3	–
	836	**894**

5 Management fee

	2024			2023		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Management fee	520	1,558	2,078	500	1,502	2,002

A summary of the terms of the management agreement is given in the strategic report on page 23.

6 Other administrative expenses

	2024 £'000	2023 £'000
Directors' fees and expenses (see the directors' remuneration report on page 57)	176	156
Auditors' remuneration – for audit services	45	43
Marketing expenses recharged by Janus Henderson	157	93
Depositary fees	44	43
Custody fees	61	53
Broker fees	35	35
Registrar's fees	22	21
Printing and postage expenses	22	24
Legal and professional fees	60	42
Listing and subscription fees	59	44
Other expenses (including irrecoverable VAT)	63	55
	744	**609**

Notes to the Financial Statements (continued)

7 Finance costs

	2024 Revenue return £'000	2024 Capital return £'000	2024 Total £'000	2023 Revenue return £'000	2023 Capital return £'000	2023 Total £'000
Bank interest on short-term overdraft facility	–	1	1	–	1	1
Interest on senior unsecured notes	157	470	627	161	483	644
Senior unsecured notes amortisation of issue costs	1	4	5	1	4	5
	158	**475**	**633**	**162**	**488**	**650**

8 Taxation

	2024 Revenue return £'000	2024 Capital return £'000	2024 Total £'000	2023 Revenue return £'000	2023 Capital return £'000	2023 Total £'000
Foreign withholding taxes	1,695	–	1,695	2,604	–	2,604
Overseas tax reclaimable	(511)	–	(511)	(584)	–	(584)
Current tax charge for the year	**1,184**	**–**	**1,184**	**2,020**	**–**	**2,020**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 25.0% (2023: 21.5%). The differences are explained below:

Factors affecting the tax charge for the year

	2024 Revenue return £'000	2024 Capital return £'000	2024 Total £'000	2023 Revenue return £'000	2023 Capital return £'000	2023 Total £'000
Net return before taxation	14,356	21,689	36,045	16,264	(11,058)	5,206
Corporation tax at an effective rate of 25% (2023: 21.5%)	3,589	5,422	9,011	3,497	(2,377)	1,120
Effects of:						
Non-taxable (gains)/losses on investments held at fair value through profit or loss and foreign exchange	–	(5,930)	(5,930)	–	1,950	1,950
Expenses not deductible for tax purposes	7	–	7	3	–	3
Non-taxable overseas dividends	(3,659)	–	(3,659)	(3,443)	–	(3,443)
Overseas tax	1,184	–	1,184	2,020	–	2,020
Tax effect of expensed double taxation relief	(8)	–	(8)	(8)	–	(8)
Excess management expenses	71	508	579	(49)	428	379
Current tax charge	**1,184**	**–**	**1,184**	**2,020**	**–**	**2,020**

Deferred tax

No provision for deferred taxation has been made in the current or prior accounting year. The Company has not provided for deferred tax on capital gains or losses arising on the revaluation and disposal of investments as it is exempt from tax on these items because of its investment trust status.

The Company intends to maintain approval as an investment trust company for the foreseeable future.

The Company can offset management fees, other administrative expenses and interest costs against taxable income to eliminate any tax charge on such income.

The tax legislation refers to these management expenses (management fees and other administrative expenses) and non-trade loan relationship deficits (interest costs) and these are captured together under the heading 'Excess management expenses' in the table above. Where these are not fully utilised, they can be carried forward to future years. As the Company is unlikely to generate future taxable profits to utilise these amounts, the Company cannot recognise an asset to reflect them, but must still disclose the deferred tax amount carried forward arising from any unutilised amounts. Consequently, the Company has not recognised a deferred tax asset totalling £4,336,000 (2023: £3,757,000) arising as a result of having unutilised management expenses and unutilised non-trade loan relationship deficits totalling £17,342,000 (2023: £15,026,000), and based on a prospective tax rate of 25% (2023: 25%).

Notes to the Financial Statements (continued)

9 Return per ordinary share

	2024 £'000	2024 pence	2023 £'000	2023 pence
Revenue return	13,172	6.72	14,244	7.27
Capital return	21,689	11.07	(11,058)	(5.64)
Total return	**34,861**	**17.79**	**3,186**	**1.63**
Weighted average number of ordinary shares	**195,978,716**		**195,978,716**	

10 Dividends paid on ordinary shares for the year to 31 August

Dividends on ordinary shares	Ex-dividend date	Record date	Payment date	2024 £'000	2023 £'000
4th interim dividend – 1.92p	9 November 2023	10 November 2023	30 November 2023	3,763	–
1st interim dividend – 1.92p	1 February 2024	2 February 2024	29 February 2024	3,763	–
2nd interim dividend – 1.92p	9 May 2024	10 May 2024	31 May 2024	3,763	–
3rd interim dividend – 1.92p	25 July 2024	26 July 2024	30 August 2024	3,762	–
4th interim dividend – 1.85p	3 November 2022	4 November 2022	30 November 2022	–	3,626
1st interim dividend – 1.85p	2 February 2023	3 February 2023	28 February 2023	–	3,626
2nd interim dividend – 1.85p	11 May 2023	12 May 2023	31 May 2023	–	3,625
3rd interim dividend – 1.85p	27 July 2023	28 July 2023	31 August 2023	–	3,626
				15,051	**14,503**

A fourth interim dividend in respect of the year ended 31 August 2024 of 1.95p per share has been declared and will be paid to shareholders on 29 November 2024 with record date 8 November 2024. The Company's shares will go ex-dividend on 7 November 2024.

The total dividends payable in respect of the financial year which form the basis of section 1158 of the Corporation Tax Act 2010 are set out below. At the point of declaring each dividend, the directors consider the revenue earned during the financial period to date as well as the distributable reserves brought forward, out of which total amount the dividend is to be paid.

	2024 £'000	2023 £'000
Revenue available for distribution by way of dividend for the year	13,172	14,244
Interim dividends of 5.76p paid (2023: 5.55p)	(11,288)	(10,877)
Fourth interim dividend for the year ended 31 August 2024 of 1.95p (based on 195,978,716 ordinary shares in issue as at 29 October 2024) (2023: 1.92p)	(3,822)	(3,763)
Transfer from revenue reserve[1]	**(1,938)**	**(396)**

1 The deficit of £1,938,000 (2023: deficit of £396,000) has been transferred from the revenue reserve

Notes to the Financial Statements (continued)

11 Fixed asset investments

2024	Total £'000
Cost of investments at 31 August 2023	317,290
Purchases at cost	162,530
Sales at cost	(167,998)
Costs allocated to capital dividends	(5)
Cost of investments at 31 August 2024	**311,817**
Investment holding gains at 31 August 2024	69,351
Valuation at 31 August 2024	**381,168**

2023	Total £'000
Cost of investments at 31 August 2022	311,991
Purchases at cost	107,644
Sales at cost	(102,338)
Costs allocated to capital dividends	(7)
Cost of investments at 31 August 2023	**317,290**
Investment holding gains at 31 August 2023	40,381
Valuation at 31 August 2023	**357,671**

The Company received £162,106,000 (2023: £119,913,000) from investments sold in the year. The book cost of these investments when they were purchased was £167,998,000 (2023: £102,338,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

Total transaction costs amounted to £254,000 (2023: £199,000) of which purchase transaction costs for the year ended 31 August 2024 were £114,000 (2023: £122,000) and comprise mainly brokers' commissions. Sales transaction costs for the year ended 31 August 2024 were £140,000 (2023: £77,000).

12 Current asset investment held at fair value through profit or loss

The Company has a holding in Deutsche Global Managed Platinum Income Fund, a money market fund which is viewed as a readily disposable store of value and which is used to invest cash balances that would otherwise be placed on short-term deposit. At 31 August 2024 this holding had a value of £10,011,000 (2023: £nil).

13 Debtors

	2024 £'000	2023 £'000
Withholding tax recoverable	3,252	2,953
Prepayments and accrued income	303	621
VAT recoverable	14	9
Other debtors	1	5
	3,570	**3,588**

14 Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Purchases for future settlement	14,392	8,137
Management fee	355	843
Other creditors and accruals	412	395
	15,159	**9,375**

Notes to the Financial Statements (continued)

15 Creditors: amounts falling due after more than one year

	2024 £'000	2023 £'000
2.43% senior unsecured notes	**25,118**	**25,542**

On 30 April 2019 the Company issued €30m (nominal) 2.43% senior unsecured notes due 2044, net of issue costs totalling £177,000. The issue costs will be amortised on an effective yield basis over the life of the senior unsecured notes.

The senior unsecured notes are redeemable at par on 29 April 2044.

The interest rate on the senior unsecured notes is a fixed interest rate.

The Company has to comply with the following covenant conditions:

- total borrowings must not exceed 40% of adjusted net assets (as defined in the senior unsecured notes agreement); and
- the Company's adjusted net assets shall not be less than £150m.

As detailed in note 1 i) there are clauses that could impact the amount payable.

16 Net asset value per ordinary share

The net asset value per ordinary share and the net assets attributable to ordinary shares at the end of the year were as follows:

	2024	2023
Net assets attributable (£'000)	364,180	344,370
Number of ordinary shares in issue	195,978,716	195,978,716
Net assets per ordinary share (pence)	185.8	175.7

The movements during the year of the assets attributable to the ordinary shares were as follows:

	2024 £'000	2023 £'000
Net assets at start of the year	344,370	355,687
Total net return after taxation	34,861	3,186
Dividends paid on ordinary shares in the period	(15,051)	(14,503)
Total net assets attributable to the ordinary shares at 31 August	**364,180**	**344,370**

Notes to the Financial Statements (continued)

17 Financial risk management policies and procedures

As an investment trust company the Company invests in equities and other investments for the long term so as to secure its investment objective as stated on page 22. In pursuing its investment objective, the Company is exposed to a variety of financial risks that could result in either a reduction in the Company's net assets or a reduction in the profits available for distribution by way of dividends.

These financial risks, market risk (compromising other price risk, currency risk and interest rate risk), liquidity risk and credit risk, and the directors' approach to the management of these risks, are set out below. The board of directors and Janus Henderson co-ordinate the Company's risk management and there are various risk management systems in place as detailed below:

- straight-through processing via a deal order and management system ("OMS") is utilised for listed securities, exchange-traded derivatives and OTC derivatives contracts with connectivity to third-party affirmation and trade repository services;
- portfolio modelling and investment management functions (including order-raising, dealing and trade execution) are performed using one of, or a combination of, the following third-party software applications: Charles River Development OMS and/or Imagine;
- fund pricing and accounting services are outsourced to a third-party administrator (currently BNP Paribas S.A.) which utilises HiPortfolio software;
- the IT tools to which the Janus Henderson risk, compliance and operations teams have access for independent monitoring and risk measurement purposes include:
  - Charles River Compliance module for investment restrictions monitoring;
  - SAI360 operational risk database;
  - Riskmetrics, UBS Delta, Style Research, Cognity and Barra for market risk measurement;
  - Bloomberg for market data and price-checking; and
  - HiPortfolio for portfolio holdings and valuations.

These are supplemented by in-house developments: Derivatives Risk and Compliance database ("DRAC") and Counterparty Exposure Reports ("CER").

The board determines the objectives, policies and processes for managing the risks, and these are set out below under the relevant risk category. The policies for the management of risk have not changed.

The Company has a spread of investments which by their nature are less risky than placing the entire amount of the Company's assets in one investment. By their nature, equity investments can be higher risk than some other investments but the longer-term return can be positive. Performance of equities has been and is likely to continue to be volatile over shorter periods.

17.1 Market risk

The fair value of a financial instrument held by the Company may fluctuate due to changes in market prices. Market risk comprises other price risk (see note 17.1.1), currency risk (see note 17.1.2) and interest rate risk (see note 17.1.3). The fund manager assesses the exposure to market price risk when making each investment decision, and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

17.1.1 Other price risk

Other price risks (changes in market prices other than those arising from interest rate risk or currency risk) may affect the value of the investments.

Management of the risk

The board of directors manages the risks inherent in the investment portfolio by ensuring that the portfolio is diversified and through full and timely reporting of relevant information from Janus Henderson. Investment performance is reviewed at each board meeting. The board monitors the fund manager's compliance with the Company's objectives, and is directly responsible for investment strategy, asset allocation and diversification.

Options and forward currency contracts may be used to limit exposure which might adversely affect the value of the portfolio of investments.

The Company's exposure to other changes in market prices at 31 August 2024 on its investments held at fair value through profit or loss was £381,168,000 (2023: £357,671,000)

Notes to the Financial Statements (continued)

17 Financial risk management policies and procedures (continued)

17.1.1 Other price risk (continued)

Concentration of exposure to market price risks

An analysis of the Company's investment portfolio is shown on pages 10 to 12. There is a concentration of exposure to Continental Europe and the US, though it recognised that an investment's country of domicile or of listing does not necessarily equate to its exposure to the economic conditions in that country.

Other price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the year, and the equity, to an increase or decrease of 20% in the fair values of the Company's investments. This level of change is considered to be possible based on observation of current market conditions. The sensitivity analysis is based on the Company's equities at the Statement of Financial Position date, with all other variables held constant.

	2024		2023	
	Increase in fair value £'000	Decrease in fair value £'000	Increase in fair value £'000	Decrease in fair value £'000
Impact statement – return after tax				
Revenue return	(110)	110	(103)	103
Capital return	75,905	(75,905)	71,226	(71,226)
Total return after tax for the period	**75,795**	**(75,795)**	**71,123**	**(71,123)**
Impact on net assets	**75,795**	**(75,795)**	**71,123**	**(71,123)**

17.1.2 Currency risk

Most of the Company's assets, liabilities, income and expenses are denominated in currencies other than sterling (the Company's functional currency and presentational currency). As a result, movements in exchange rates may affect the sterling value of those items.

Management of the risk

The fund manager monitors the Company's exposure to foreign currencies on a daily basis and reports to the board at each board meeting. The fund manager measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and total return of a movement in the exchange rate to which the Company's assets, liabilities, income and expenses are exposed.

Foreign currency borrowings may be used to hedge the Company's exposure to future changes in exchange rates which might otherwise adversely affect the value of the portfolio of investments. These borrowings are limited by the board to 20% of gross assets.

Investment income denominated in foreign currencies is converted into sterling on receipt. The Company does not use financial instruments to mitigate the currency exposure in the year between the time that income is included in the financial statements and its receipt.

Foreign currency exposure

The carrying values of the Company's monetary items that have foreign currency exposure at 31 August 2024 are shown below. Where the Company's equity investments, which are not monetary items, are denominated in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

Notes to the Financial Statements (continued)

17 Financial risk management policies and procedures (continued)

17.1.2 Currency risk (continued)

Currency	2024 Current assets £'000	2024 Current liabilities £'000	2024 Non-current liabilities £'000	2024 Equity investments £'000	2023 Current assets £'000	2023 Current liabilities £'000	2023 Non-current liabilities £'000	2023 Equity investments £'000
Australian dollar	1	–	–	9,582	–	–	–	11,467
Euro	1,105	(7,039)	(25,118)	98,050	1,162	(214)	(25,542)	78,031
Hong Kong dollar	–	–	–	11,296	115	–	–	29,934
Korean won	–	–	–	15,374	–	–	–	7,571
Swiss franc	2,020	–	–	26,284	1,656	–	–	40,445
US dollar	162	–	–	157,141	300	(7,554)	–	141,985
Other (non sterling)	306	(7,563)	–	63,441	371	(583)	–	48,238
	3,594	**(14,602)**	**(25,118)**	**381,168**	**3,604**	**(8,351)**	**(25,542)**	**357,671**

The above amounts are not necessarily representative of the exposure to risk during the period as levels of monetary foreign currency exposure may change significantly during the year.

Foreign currency sensitivity

The following table illustrates the sensitivity of the total return after tax for the period and the net assets with regard to movements in the Company's foreign currency financial assets and financial liabilities caused by changes in the exchange rates.

It is assumed that all exchange rates move by +/- 10% against sterling:

This percentage is deemed reasonable based on the average market volatility in exchange rates in the year. The sensitivity analysis is based on the Company's foreign currency financial assets and financial liabilities held at the Statement of Financial Position date.

If sterling had depreciated against the currencies shown the impact on the total return and net assets would have been as follows:

Impact on total returns year ended 2024	**Australian dollar £'000**	**Euro £'000**	**Hong Kong dollar £'000**	**Korean won £'000**	**Swiss franc £'000**	**US dollar £'000**	**Other £'000**	**Total £'000**
Revenue return	26	383	69	58	130	364	255	1,285
Capital return	954	9,763	1,125	1,530	2,617	15,646	6,317	37,952
Change in total return after taxation for the year and shareholders' funds	**980**	**10,146**	**1,194**	**1,588**	**2,747**	**16,010**	**6,572**	**39,237**

Impact on total returns year ended 2023	Australian dollar £'000	Euro £'000	Hong Kong dollar £'000	Korean won £'000	Swiss franc £'000	US dollar £'000	Other £'000	Total £'000
Revenue return	26	451	55	39	143	448	246	1,408
Capital return	1,142	7,769	2,980	754	4,028	14,138	4,803	35,614
Change in total return after taxation for the year and shareholders' funds	**1,168**	**8,220**	**3,035**	**793**	**4,171**	**14,586**	**5,049**	**37,022**

Notes to the Financial Statements (continued)

17 Financial risk management policies and procedures (continued)

17.1.2 Currency risk (continued)

If sterling had appreciated against the currencies shown the impact on the total return and net assets would have been as follows:

Impact on total returns year ended 2024	Australian dollar £'000	Euro £'000	Hong Kong dollar £'000	Korean won £'000	Swiss franc £'000	US dollar £'000	Other £'000	Total £'000
Revenue return	(26)	(383)	(69)	(58)	(130)	(364)	(255)	(1,285)
Capital return	(954)	(9,763)	(1,125)	(1,530)	(2,617)	(15,646)	(6,317)	(37,952)
Change in total return after taxation for the year and shareholders' funds	**(980)**	**(10,146)**	**(1,194)**	**(1,588)**	**(2,747)**	**(16,010)**	**(6,572)**	**(39,237)**

Impact on total returns year ended 2023	Australian dollar £'000	Euro £'000	Hong Kong dollar £'000	Korean won £'000	Swiss franc £'000	US dollar £'000	Other £'000	Total £'000
Revenue return	(26)	(451)	(55)	(39)	(143)	(448)	(246)	(1,408)
Capital return	(1,142)	(7,769)	(2,980)	(754)	(4,028)	(14,138)	(4,803)	(35,614)
Change in total return after taxation for the year and shareholders' funds	**(1,168)**	**(8,220)**	**(3,035)**	**(793)**	**(4,171)**	**(14,586)**	**(5,049)**	**(37,022)**

In the opinion of the directors, the above sensitivity analyses are not necessarily representative of the year as a whole, since the level of exposure changes frequently as part of the currency risk management process used to meet the Company's objectives.

17.1.3 Interest rate risk

Management of the risk

The majority of the Company's financial assets are non-interest bearing. As a result, the Company's financial assets are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Interest rate exposure

The exposure at 31 August of financial assets and financial liabilities to interest rate risk is shown by reference to:

- floating interest rates: when the interest rate is due to be re-set; and
- fixed interest rates: when the financial instrument is due for repayment.

The exposure at 31 August of financial assets and financial liabilities to floating rates is shown below:

	2024			2023		
	Within one year £'000	**Between one and five years £'000**	**More than five years £'000**	Within one year £'000	Between one and five years £'000	More than five years £'000
Exposure to floating interest rates:						
Current asset investment	10,011	–	–	–	–	–
Cash at bank	9,708	–	–	18,028	–	–
	19,719	**–**	**–**	**18,028**	**–**	**–**
Exposure to fixed interest rates:						
Creditors – more than one year:						
Senior unsecured notes[1]	(620)	(2,481)	(34,388)	(638)	(2,553)	(35,484)
	(620)	**(2,481)**	**(34,388)**	**(638)**	**(2,553)**	**(35,484)**

1 As detailed in note 1 i) there are clauses that could impact the amount payable. No provision for early repayment has been included in the table above

Notes to the Financial Statements (continued)

17 Financial risk management policies and procedures (continued)

17.1.3 Interest rate risk (continued)

The above figures show interest payable over the remaining term of the senior unsecured notes. The figures in the "more than five years" column also include the capital to be repaid. Details of repayment are set out on page 78 and interest payment dates on page 93.

Interest receivable and finance costs are at the following rates:

- interest received on cash balances, or paid on bank overdrafts, is at a margin linked to HSBC Bank plc applicable base rate (2023: same); and
- interest paid on the senior unsecured notes is at a rate of 2.43%.

Interest rate risk sensitivity

The Company is not materially exposed to changes in interest rates.

17.2 Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Management of the risk

Liquidity risk is not significant as the majority of the Company's assets are investments in quoted securities that are readily realisable. The Company had available a multi-currency overdraft facility with HSBC Bank plc of the lesser of £30m or 25% of custody assets. The facility has no expiry date but is reviewed annually.

The board gives guidance to the fund manager as to the maximum amount of the Company's resources that should be invested in any one company. The policy is that the Company should generally remain fully invested and that short-term borrowings be used to manage short-term cash requirements.

Liquidity risk exposure

The contractual maturities of the financial liabilities at 31 August based on the earliest date on which payment can be required is as follows:

	2024 Due within one month £'000	2023 Due within one month £'000
Other creditors and accruals	**15,159**	**9,375**

The contractual maturities of the senior unsecured notes are included in note 17.1.3 above.

17.3 Credit risk

The failure of the counterparty to a transaction to discharge its obligations under that transaction could result in the Company suffering a loss.

Management of the risk

Credit risk is managed as follows:

- investment transactions are carried out with a large number of approved brokers, whose credit standard is reviewed periodically by Janus Henderson, and limits are set on the amount that may be due from any one broker;
- cash at bank is held only with banks considered to be creditworthy and is subject to continual renewal; and
- with regards to the corporate bonds in the portfolio (when held), there is a risk that the borrowers do not repay the principal or make interest payments. This is managed through careful selection, supported by monitoring of credit ratings, and is reviewed regularly.

None of the Company's financial assets or liabilities are secured by collateral or other credit enhancements.

At each reporting date, the Company measures the loss allowance on amounts due from brokers at an amount equal to expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to the annual expected credit losses.

The Company has not been materially exposed to credit risk throughout the year.

Notes to the Financial Statements (continued)

17 Financial risk management policies and procedures (continued)

17.4 Fair values of financial assets and financial liabilities

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 amortised cost.

At 31 August 2024, the fair value of the senior unsecured notes was estimated to be £20,884,000 (2023: £19,808,000).

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 (31 August 2024: 2.527%; 31 August 2023: 2.944%) plus a suitable credit spread. The fair value NAV is calculated using the fair value of the senior unsecured notes. As detailed in note 1 i) there are clauses that could impact the amount payable.

17.5 Fair value hierarchy disclosures

The table below sets out fair value measurements using the FRS 102 fair value hierarchy.

Financial assets at fair value through profit or loss at 31 August 2024	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Equity investments	**381,168**	**–**	**–**	**381,168**

Financial assets at fair value through profit or loss at 31 August 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	357,671	–	–	357,671

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

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; and

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

17.6 Capital management policies and procedures

The Company's capital management objectives are:

- to ensure that it will be able to continue as a going concern; and
- to maximise the income and capital return to its equity shareholders through an appropriate balance of equity capital and debt.

The Company's total capital at 31 August 2024 was £389,298,000 (2023: £369,912,000) comprising £25,118,000 (2023: £25,542,000) of senior unsecured notes and £364,180,000 (2023: £344,370,000) of equity share capital and reserves.

The board, with the assistance of the fund manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the need for new issues of equity shares or the need to buy-back equity shares, which takes account of the difference between the net asset value per share and the share price (the level of share discount or premium); and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's objectives, policies and processes for managing capital are unchanged.

The Company is subject to additional externally imposed capital requirements:

- as a public company, the Company has a minimum share capital of £50,000; and
- in order to be able to pay dividends out of profits available for distribution by way of dividends, the Company has to be able to meet one of the two capital restriction tests imposed on investment companies by company law.

The Company's covenant conditions are set out in note 15 on page 78.

Notes to the Financial Statements (continued)

18 Called up share capital

Ordinary shares of 1p each	Number of shares	Number of shares entitled to dividend	£'000
At 31 August 2024	**195,978,716**	**195,978,716**	**1,960**
At 31 August 2023	195,978,716	195,978,716	1,960

No shares were issued or bought back during the year (2023: same).

19 Share premium account

	2024 £'000	2023 £'000
At the start of the year	194,550	194,550
At 31 August	**194,550**	**194,550**

20 Reserves

2024	Special reserve £'000	Capital reserve arising on investments sold £'000	Capital reserve arising on investments held £'000	Total capital reserves £'000	Revenue reserve £'000
At 31 August 2023	45,732	54,502	40,417	94,919	7,209
Net movement on investments held at fair value through profit or loss	–	(5,892)	28,970	23,078	–
Net movement on foreign exchange	–	(38)	659	621	–
Expenses and finance costs charged to capital	–	(2,033)	–	(2,033)	–
Other capital income	–	23	–	23	–
Net revenue return after taxation for the year	–	–	–	–	13,172
Dividends paid	–	–	–	–	(15,051)
At 31 August 2024	**45,732**	**46,562**	**70,046**	**116,608**	**5,330**

2023	Special reserve £'000	Capital reserve arising on investments sold £'000	Capital reserve arising on investments held £'000	Total capital reserves £'000	Revenue reserve £'000
At 31 August 2022	45,732	39,231	66,746	105,977	7,468
Net movement on investments held at fair value through profit or loss	–	17,575	(26,559)	(8,984)	–
Net movement on foreign exchange	–	(314)	230	(84)	–
Expenses and finance costs charged to capital	–	(1,990)	–	(1,990)	–
Net revenue return after taxation for the year	–	–	–	–	14,244
Dividends paid	–	–	–	–	(14,503)
At 31 August 2023	**45,732**	**54,502**	**40,417**	**94,919**	**7,209**

At the annual general meeting held in December 2012, the Company's articles of association were changed to allow it to distribute a capital profit by way of a dividend or otherwise than by way of repurchase of the Company's shares. All sums carried and standing to the capital and special reserves may be applied for any of the purposes to which sums standing to any reserve under the articles are applicable.

Notes to the Financial Statements (continued)

21 Net debt reconciliation

2024	Cash at bank and in hand £'000	Other debt repayable after more than one year £'000	Total £'000
Net debt at 31 August 2023	18,028	(25,542)	(7,514)
Cash flows	(8,512)	–	(8,512)
Exchange movements	192	429	621
Non cash flow:			
Amortisation of issue costs	–	(5)	(5)
Net debt at 31 August 2024	**9,708**	**(25,118)**	**(15,410)**

2023	Cash at bank and in hand £'000	Other debt repayable after more than one year £'000	Total £'000
Net debt at 31 August 2022	6,590	(25,766)	(19,176)
Cash flows	11,751	–	11,751
Exchange movements	(313)	229	(84)
Non cash flow:			
Amortisation of issue costs	–	(5)	(5)
Net debt at 31 August 2023	**18,028**	**(25,542)**	**(7,514)**

22 Transactions with the management company and related parties

The Company appointed wholly owned subsidiaries of Janus Henderson to provide investment management, accounting, administrative and secretarial services under an agreement dated 22 July 2014. This agreement was updated and restated with effect from 25 June 2024. Janus Henderson has contracted with BNP Paribas to provide accounting and administration services.

Details of the fee arrangements are given in the strategic report on page 23. The total of the management fees paid or payable under the management agreement to Janus Henderson in respect of the year ended 31 August 2024 was £2,078,000 (2023: £2,002,000), of which £355,000 (2023: £843,000) (per note 14) was outstanding at 31 August 2024.

In addition to the above services, Janus Henderson facilitates marketing activities with third parties which are recharged to the Company. The total fees, excluding VAT paid or payable for these services for the year ended 31 August 2024 amounted to £157,000 (2023: £93,000) of which £66,000 (2023: £28,000) was outstanding at 31 August 2024.

Fees paid to directors are considered to be a related party transaction. Details of the amounts paid are included in the directors' remuneration report on page 57 and in note 6 on page 74. These amounts do not include National Insurance contributions on directors' fees of £18,000 (2023: £15,000), which is included in other expenses.

23 Subsequent events

The board has evaluated the period since the year end and has not noted any subsequent events.

Additional Information

Number of investments in Europe: 20

% of portfolio invested in Europe: 36%

Alternative Performance Measures

The Company uses the following alternative performance measures ("APMs") throughout the annual report, financial statements and notes to the financial statements. The APMs are reconciled to the financial statements through the narrative below. The board believes that each of the APMs, which are typically used within the investment trust sector, provide additional useful information to shareholders to help assess the Company's performance against its peer group.

Discount or premium

The amount by which the market price per ordinary share of an investment trust is either higher (premium) or lower (discount) than the NAV per ordinary share, expressed as a percentage of the NAV per ordinary share.

	NAV with debt at fair value pence	NAV with debt at par pence	Share price pence	Premium/ (discount) to fair value NAV %	Premium/ (discount) to par NAV %
At 31 August 2024	188.0	185.8	164.0	(12.8)	(11.7)
At 31 August 2023	178.6	175.7	161.5	(9.6)	(8.1)

Gearing/(net cash)

Gearing means borrowing money to buy assets with the expectation that the return on investments bought will exceed the interest cost of the borrowings. The gearing percentage reflects the amount of borrowings the Company has used to invest in the market. If the amount calculated is negative, this is a "net cash" position and no gearing. The Company can also use synthetic gearing through derivatives and foreign exchange hedging – none has been used during the year. The Company's gearing is calculated as follows:

		2024	2023
Investments held at fair value through profit or loss (page 69) (£'000)	(A)	381,168	357,671
Total net assets (page 69) (£'000)	(B)	364,180	344,370
Gearing (C = A/B -1) (%)	(C)	4.7	3.9

Net asset value ("NAV") with debt at par and at fair value

		2024 £'000	2023 £'000
Investments held at fair value through profit or loss (see note 11)		381,168	357,671
Investment held at fair value through profit or loss (note 12)		10,011	–
Debtors (see note 13)		3,570	3,588
Cash at bank and in hand (see page 69)		9,708	18,028
Creditors amounts falling due within one year (see note 14)		(15,159)	(9,375)
Creditors amounts falling due after more than one year (see note 15)		(25,118)	(25,542)
NAV with debt at par	(A)	**364,180**	**344,370**
Less: fair value of senior unsecured notes (see note 17.4)		(20,884)	(19,808)
Add back: amortised cost of senior unsecured notes		25,118	25,542
NAV with debt at fair value	(B)	**368,414**	**350,104**
Ordinary shares in issue (see note 18) (number)	(C)	195,978,716	195,978,716
NAV per ordinary share with debt at par (see note 16) (A/C x 100) (p)		**185.8**	**175.7**
NAV per ordinary share with debt at fair value (B/C x 100) (p)		**188.0**	**178.6**

The aggregate NAV is also referred to as total shareholders' funds in the Statement of Financial Position. The NAV per ordinary share is published daily and the year end NAV can be found on page 69 and further information is available on page 78 in note 16 within the notes to the financial statements.

Alternative Performance Measures (continued)

Ongoing charge

The ongoing charge ratio has been calculated in accordance with the guidance issued by the AIC as the total management fee and administrative expenses, expressed as a percentage of the average net asset values with debt at fair value throughout the year.

	2024 £'000	2023 £'000
Management fee (see note 5)	2,078	2,002
Other administrative expenses (see note 6)	744	609
Less: non-recurring expenses	(39)	(27)
Ongoing charge	**2,783**	**2,584**
Average net assets[1]	**359,619**	**359,143**
Ongoing charge ratio (%)	**0.77**	**0.72**

1 Calculated using the average daily net asset value with debt at fair value

The non-recurring fees include legal and external board evaluation fees (2023: director recruitment fees).

Revenue return per ordinary share

The revenue return per ordinary share is the revenue return for the year (see Income Statement on page 67) divided by the weighted average number of ordinary shares in issue during the year (see note 9).

Total return

The return on the share price or NAV with debt at fair value taking into account both the rise and fall of NAVs/share prices and dividends paid to shareholders. Any dividends received by a shareholder are assumed to have been reinvested in either additional shares (for share price total return) or the Company's assets (for NAV with debt at fair value total return). Dividends paid and payable are set out in note 10.

	NAV per share (debt at fair value)	Share price
NAV/share price per ordinary share at 31 August 2024 (pence)	188.0	164.0
NAV/share price per ordinary share at 31 August 2023 (pence)	178.6	161.5
Change in the year (%)	5.3	1.5
Impact of dividends reinvested (%)	4.3	4.9
Total return for the year (%)	**9.8**	**6.5**

Yield

The yield is the annual dividend expressed as a percentage of the year end share price.

		31 August 2024	31 August 2023
Annual dividend (pence)	(A)	7.71	7.47
Share price (pence)	(B)	164.0	161.5
Yield (C = A/B) (%)	(C)	4.7	4.6

Glossary

Alternative Investment Fund Managers Directive ("AIFMD")

Agreed by the European Parliament and the Council of the European Union and transposed into UK legislation, the AIFMD classifies certain investment vehicles, including investment companies, as Alternative Investment Funds ("AIFs") and requires them to appoint an Alternative Investment Fund Manager ("AIFM") and depositary to manage and oversee the operations of the investment vehicle. The board of the Company retains responsibility for strategy, operations and compliance and the directors retain a fiduciary duty to shareholders.

Alternative performance measures

Alternative performance measures can be found on pages 88 and 89.

Association of Investment Companies ("AIC")

The Company is a member of the AIC which is the trade body for investment companies and represents the industry in relation to various matters which impact the regulation of such entities. The Company is a constituent of the Global Equity Income sector.

Benchmark

An index against which performance is compared. For the Company this is the MSCI ACWI (ex UK) High Dividend Yield Index (sterling adjusted).

Compound dividend growth

The rate of interest that is calculated on the principal amount and the accumulated interest of previous periods.

Custodian

The custodian is responsible for ensuring the safe custody of the Company's assets and that all transactions in the underlying holdings are transacted in an accurate and timely manner.

Depositary

As an AIF, the Company is required to appoint a depositary who has responsibility for overseeing the operations of the Company including safekeeping, cash monitoring and verification of ownership and valuation and is responsible for the appointment of a custodian. The depositary is strictly liable for the loss of any investments or other assets in its custody unless it has notified that it has discharged its liability in certain markets. The depositary has confirmed that it has not discharged liability in relation to any of the Company's assets.

The depositary has further confirmed that, in all material respects, the Company has been managed in accordance with the FCA's Investment Funds Sourcebook, the Company's articles of association and as required by the AIFMD.

Derivative

A contract between two or more parties in relation to an underlying security. The value of a derivative will fluctuate in accordance with the value of the security and is a form of gearing as the fluctuations in value are usually greater than the fluctuations in the underlying security's value. Examples of derivatives are put and call options, swap contracts, futures and contracts for difference. Foreign exchange, interest rates and commodities may also be traded using derivative contracts.

Dividend dates

When declared or recommended, each dividend will have three key dates applied to it. The payment date is the date on which shareholders will receive their dividend, either by BACS transfer or by receipt of a dividend cheque. The record date applied to the dividend is used as a cut-off for the Company's registrar to know which shareholders should be paid a dividend. Only shareholders on the register of members at the close of business on the record date will receive the dividend. The ex-dividend date is the business day before the record date and is the date upon which the Company's net asset value will be disclosed ex-dividend.

Investment trusts

Investment trusts are public limited companies, listed on the London Stock Exchange, which provide shareholders with a professionally managed portfolio of investments. Investment trusts are exempt from tax on the capital gains arising on their investments subject to meeting certain criteria. Income, net of expenses and tax, is substantially distributed to shareholders. Investment trusts are also known as investment companies, although the tax legislation retains the reference to investment trusts.

Liquidity

In the context of the liquidity of shares in the stock market, this refers to the availability of buyers in the market for the share in question. Where the market in a particular share is described as liquid, that share will be in demand and holders wishing to sell their shares should find ready buyers. Conversely, where the market in a share is illiquid the difficulty of finding a buyer will tend to depress the price that might be negotiated for a sale.

Market capitalisation ("market cap")

The market value of a company, calculated by multiplying the mid-market price per share by the number of shares in issue.

Ongoing charge

The ongoing charge reflects those expenses of a type which are likely to recur in the foreseeable future, whether charged to revenue or capital, and which relate to the operation of the Company as a collective fund, excluding the costs of acquisition or disposal of investments, finance costs and gains or losses arising on investments. Details of the calculation of the ongoing charge can be found on page 89.

General Shareholder Information

AIFMD disclosures and remuneration

In accordance with the AIFMD, information in relation to the Company's leverage and remuneration of Janus Henderson, as the Company's AIFM are required to be made available to investors. These disclosures, including those on the AIFM's remuneration policy, are contained in a separate document called "AIFMD Disclosure" which can be found on the Company's website.

BACS

Dividends and interest can be paid to shareholders by means of BACS ("Bankers' Automated Clearing Services"); mandate forms for this purpose are available from the registrar. Alternatively, shareholders can write to the registrar (the address is given on page 93) to give their instructions; these must include the bank account number, the bank account title and the sort code of the bank to which payments are to be made.

Common Reporting Standard

Tax legislation requires the Company to provide personal information to HMRC on certain investors who purchase shares in investment trusts. This information is provided annually to the local tax authority of the tax residencies of a number of non-UK based certificated shareholders and corporate entities.

Equality Act 2010

This report and other documents issued by the Company are available from the corporate secretary. If needed, copies can be made available in a variety of formats, including Braille or larger type as appropriate.

A 'typetalk' operator (provided by the Royal National Institute for Deaf People) is available to support speech and hearing impaired people to make telephone calls. Please dial 18001 followed by the number you wish to dial.

Foreign Account Tax Compliance Act ("FATCA")

FATCA is a United States federal law whose intent is to enforce the requirement for US persons (including those living outside the US) to file yearly reports on their non-US financial accounts. Each year, investment trusts need to monitor the trading volume and frequency of their shares and securities to assess whether they have financial accounts. The Company makes an annual assessment, before the FATCA return is due, to determine if the shares represent financial accounts and, where they do, will need to identify and report US reportable accounts to HMRC as required.

General Data Protection Regulation ("GDPR")

A privacy statement can be found on the website **www.janushenderson.com**.

ISA

The Company intends to continue to manage its affairs in order to qualify as an eligible investment for a stocks and shares ISA.

Non-Mainstream Pooled Investments ("NMPI") status

The Company currently conducts its affairs so that its ordinary shares of 1p each can be recommended by IFAs to ordinary retail investors in accordance with the Financial Conduct Authority's ("FCA") rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Performance details/share price information

Details of the Company's share price and net asset value can be found on the website. The address is **www.hendersoninternationalincometrust.com**.
The Company's NAV is published daily.

The market price of the Company's ordinary shares is published daily in The Financial Times. The Financial Times also shows figures for the estimated NAV and the discount. The market price of the Company's ordinary shares can also be found in the London Stock Exchange Daily Official List.

Shareholder details

Shareholders who hold their shares in certificated form can check their shareholding with the registrar, Computershare Investor Services PLC, via **www.investorcentre.co.uk**.
To gain access to your details on the Computershare website you will need the holder reference number shown on your share certificate.

Taxonomy Regulation

Regulation (EU) 2020/852 establishes the basis for the EU taxonomy. The EU taxonomy is a classification system, establishing a list of environmentally sustainable economic activities to provide companies, investors and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable. In accordance with the Taxonomy Regulation, the Company confirms that the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

General Shareholder Information (continued)

FCA Share Fraud Warning

Investment and pension scams are often sophisticated and difficult to spot

FINANCIAL CONDUCT AUTHORITY
Be a ScamSmart Investor

Be a ScamSmart investor and spot the warning signs

Fraudsters will often:

- contact you out of the blue
- apply pressure to invest quickly
- downplay the risks to your money
- promise tempting returns that sound too good to be true
- say that they're only making the offer available to you or even ask you to not tell anyone else about it

How to avoid investment and pension scams

1. **Reject unexpected offers**
Scammers usually cold call, but contact can also come by email, post, word of mouth or at a seminar. If you've been offered an investment out of the blue, chances are it's a high risk investment or a scam.

2. **Check the FCA Warning List**
Use the FCA Warning List to check the risks of a potential investment – you can also search to see if the firm is known to be operating without our authorisation.

3. **Get impartial advice**
Get impartial advice before investing – don't use an adviser from the firm that contacted you.

If you're suspicious, report it

You can report the firm or scam to us by contacting our **Consumer Helpline** on **0800 111 6768** or using our reporting form using the link below.

If you've lost money in a scam, contact Action Fraud on 0300 123 2040 or www.actionfraud.police.uk

Be ScamSmart and visit www.fca.org.uk/scamsmart

Corporate Information

Registered office

201 Bishopsgate
London
EC2M 3AE

Service providers

Alternative Investment Fund Manager

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

Corporate Secretary

Janus Henderson Secretarial Services UK Limited
201 Bishopsgate
London
EC2M 3AE
Telephone: 020 7818 1818
Email: **itsecretariat@janushenderson.com**

Depositary and Custodian

HSBC Bank plc
8 Canada Square
London
E14 5HQ

Stockbroker

Panmure Liberum Limited
Level 12, Ropemaker Place
25 Ropemaker Street
London
EC2Y 9LY

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ
Telephone: 0370 707 4033
Email: **web.queries@computershare.co.uk**

Investors with share certificates (i.e. not those in a share plan or ISA) can check their holdings at **www.investorcentre.co.uk**

Independent auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Financial calendar

Senior unsecured notes interest payment	30 October 2024
4th interim dividend ex-dividend date	7 November 2024
4th interim dividend record date	8 November 2024
4th interim dividend payable	29 November 2024
Annual general meeting	10 December 2024
1st interim dividend payable	28 February 2025
Half year results	April 2025
Senior unsecured notes interest payment	30 April 2025
2nd interim dividend payable	30 May 2025
3rd interim dividend payable	29 August 2025

Information sources

For more information about Henderson International Income Trust plc, visit the website at: **www.hendersoninternationalincometrust.com**

To sign up for expert insights about investment trusts, updates from our fund managers as well as AGMs and Trust TV episodes please visit this page: **www.janushenderson.com/en-gb/investor/subscriptions/**

Follow the Janus Henderson Investment Trusts on LinkedIn – Janus Henderson Investment Trusts, UK

Investing

Shares can be purchased in the market via a stockbroker or through share dealing platforms. They can also be held through share plans, ISAs or pensions and links to various providers are included on the website.

Potential investors are reminded that the value of investments and the income from them may go down as well as up and investors may not receive back the full amount invested. Tax benefits may vary as a result of statutory changes and their value will depend on individual circumstances.

Henderson International Income Trust plc
Registered as an investment company in England and Wales
Registration number: 7549407
Registered office: 201 Bishopsgate, London EC2M 3AE

SEDOL/ISIN number: Ordinary Shares B3PHCS8/GB00B3PHCS86
London Stock Exchange (TIDM) Code: HINT
Global Intermediary Identification Number (GIIN): WRGF5X.99999.SL.826
Legal Entity Identifier (LEI): 2138006N35XWGK2YUK38

www.hendersoninternationalincometrust.com

MANAGED BY Janus Henderson INVESTORS

aic The Association of Investment Companies

MAIN MARKET LONDON STOCK EXCHANGE

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