


**Fund Managers -  
 John Pattullo  
 Jenna Barnard**
**Company Objective**

The Company's investment objective is to provide shareholders with a high level of income, and capital growth over the longer term. The Company aims to deliver these outcomes by investing selectively across the full spectrum of fixed income asset classes including secured loans, high yield corporate bonds and investment grade corporate bonds. The Manager is incentivised to provide shareholders with ongoing total returns of at least 3 month sterling LIBOR plus 1.25%. Predominantly all the income earned each quarter is distributed as a dividend. This means dividends will fluctuate as LIBOR fluctuates.

**Portfolio Manager's Commentary**

Over the last few months we have sold the majority of the very small amount of peripheral credit risk that we hold – this month, our small position in Bank of Ireland was sold and we also took some profits on RBS. We continue to favour financial bonds, given the regulatory changes being discussed under Basel III and 'Solvency II'. We bought a new issue by Wind, the Italian mobile and fixed line operator.

Within loans, prices were slightly weaker on the month reflecting the increased risk aversion but continue to be supported by strong technicals. Loan investors in Europe continue to receive repayments on their investments and in the absence of significant new issues will look to deploy this cash in existing ones. We continue to see an improvement in the risk profile of many of our borrowers, a large number of whom benefit from a growth in year-on-year revenues and profitability. However, holdings in the publishers of directories were adversely impacted by continued negative sentiment towards the sector.

Looking ahead, the debate centres around whether the European authorities can avoid the destructive contagion witnessed so far – we expect further policy responses. As ever, we are in the hands of European politicians who lack the decisiveness to get ahead of capital markets.

**Trust Information**

<b>Epic Code</b>	HDIV
<b>AIC Sector</b>	Global High Income
<b>Trust Type</b>	Conventional (Ords)
<b>Launch Date</b>	July 2007
<b>Financial Year End</b>	31 October
<b>Dividend Payment</b>	March, June, September, December
<b>Last Ex Div Date</b>	8 September
<b>*Risk Rating</b>	Below Average
<b>Premium/Discount</b>	-3.4%
<b>Gearing</b>	8%
<b>Annualised Yield</b>	6.0% †
<b>Management Fee</b>	0.75%
<b>Performance Fee</b>	Yes
<b>Total Expense Ratio (TER)</b>	1.43%

**Trust Statistics**

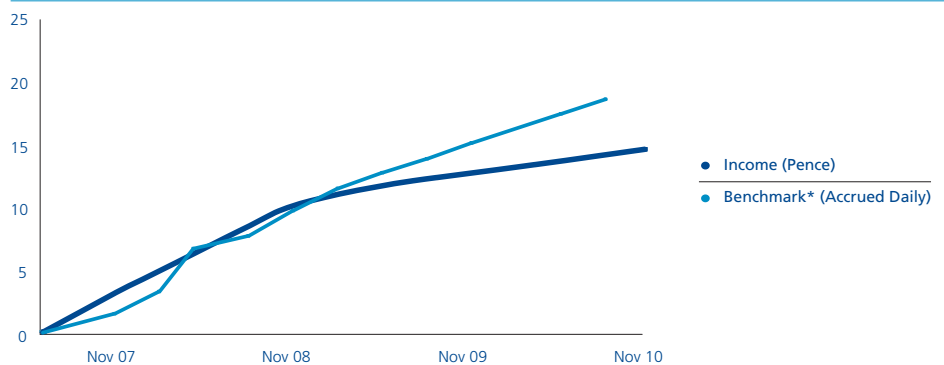
<b>Gross total assets</b>	£73m
<b>NAV per ordinary share (cum income)</b>	81.3p
<b>NAV per ordinary share (ex income)</b>	79.8p
<b>Share Price</b>	78.5p

Source: Morningstar and BNP Paribas

\* WINS Investment Trusts

† Yield calculated by annualising the most recent paid quarterly dividend and utilising the month end share price. The target yield is LIBOR + 1.25%. 3 month £ LIBOR was 0.74% on 30 November 2010

**Performance**

**Income vs Benchmark\***

**Annual Growth to 30 September 2010**

	2009/2010	2008/2009	2007/2008	2006/2007	2005/2006
Share Price (Total Return)	22.5%	-5.7%	-13.2%	-	-
Net Asset Value (Total Return)	19.8%	2.9%	-14.3%	-	-

\* Benchmark is Sterling LIBOR + 1.25%. LIBOR – The London Interbank Offered Rate, the reference rate for 3 month interest rates

Please remember that past performance is not a guide to future performance. The value of an investment and the income from it can rise as well as fall as a result of market and currency fluctuations, and you may not get back the amount originally invested. All performance, cumulative growth and annual growth, source: Morningstar

**Asset Class Breakdown**

Secured Loans	55.0%
High Yield Corporate Bonds	21.5%
Investment Grade Bonds	19.3%
Equities	4.2%

**Top 10 Holdings = 22.5% of Portfolio**

ISS 11%, 8.875% Second Lien	2.9%	XSYS Flint (Secured loan term B)	2.1%
Gala (Secured loan term B & C)	2.5%	BNP Paribas FRN 7.436%	2.1%
Kabel BW (Secured loan term B & C)	2.3%	ProSieben (Secured loan term B2 & B3)	2.1%
Bausch & Lomb (Secured loan term B)	2.2%	Nycomed (Secured loan term B, B1, C & C1)	2.1%
Infonxx (Secured loan term B)	2.2%	TNT Logistics (Secured loan term B4)	2.0%

All sector breakdowns and top 10 holdings, source: BNP Paribas

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

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All data in this factsheet is as at or to 30 November 2010 unless otherwise stated. Tax assumptions may change if the law changes, and the value of tax relief will depend upon your individual circumstances. Henderson Global Investors is the name under which Henderson Global Investors Limited (reg. no. 906355), Henderson Fund Management plc (reg. no. 2607112), Henderson Investment Funds Limited (reg. no. 2678531), Henderson Investment Management Limited (reg. no. 1795354), Henderson Alternative Investment Advisor Limited (reg. no. 962757) and Henderson Equity Partners Limited (reg. no. 2606646) (each authorised and regulated by the Financial Services Authority and of 201 Bishopsgate, London, EC2M 3AE) provide investment products and services. Henderson Diversified Income Limited is a Jersey fund, its registered office is at Liberté House, 19-23 La Motte Street, St Helier, Jersey JE2 4SY and it is regulated by the Jersey Financial Services Commission. We may record telephone calls for our mutual protection and to improve customer service.