


**Fund Manager -
Alex Crooke**
Company Objective

Henderson High Income Trust plc invests in a prudently diversified selection of both well-known and smaller companies to provide a high-income stream and prospects of capital growth.

Portfolio Manager's Commentary

The fund returned 7.4% compared to a FTSE All Share rise of +6.9% with the FTSE 100 (+7.1%) outperforming the FTSE 250 (+6.4%) and FTSE Small Cap (+3.6%) indices. Markets were driven higher after the results of the European banks stress tests were released which proved reassuring. The majority of the 91 European banks which were tested passed, hence the amount of capital needed to be raised across the region was significantly less than expected.

During the month the fund's holdings in Cable & Wireless Worldwide (CWW) and Imperial Tobacco both detracted from returns after releasing trading statements. CWW warned that profits for the financial year would be below expectations after the company experienced cuts by the UK government on discretionary projects while Imperial Tobacco's cigarette volume performance disappointed investors despite reassuring on profit growth. Elsewhere the fund's holding in Smith & Nephew was also detrimental to performance on concerns over US and European pricing pressure and weak orthopaedic market conditions. Meanwhile the fund's position in Standard Life was positive for performance as financials in general outperformed after the realisation that future regulation would likely be less onerous than feared.

Turnover during the month was low; however, we added to our position in software company Sage. While the company's exposure to recurring revenue remains resilient there should be upside from a recovery in new licence sales to small and medium-sized enterprises (SMEs). The company is also highly cash generative with a strong balance sheet and attractive valuation.

Trust Information

Epic Code	HHI
AIC Sector	UK High Income
Trust Type	Conventional (Ords)
Launch Date	1989
Financial Year End	31 December
Dividend Payment	July, October January, April
Last Ex Div Date	30 June
*Risk Rating	Average
Premium/Discount	-0.1%
Gearing	30%
Yield	7.17%
Management Fee	0.50%
Performance Fee	Yes
Total Expense Ratio (TER)	1.0%

(year end 31/12/2009)

Trust Statistics

Gross total assets	£129m
NAV per ordinary share (cum income)	115.9p
NAV per ordinary share (ex income)	113.1p
Share Price	115.8p

Source: Morningstar and BNP Paribas

*WINS Investment Trusts

Performance vs Benchmark

Cumulative Growth

Performance over:	YTD	1m	3m	6m	12m	3y
Share Price (Total Return)	6.8%	7.4%	0.2%	7.6%	29.8%	-13.1%
Net Asset Value (Total Return)	3.2%	3.9%	-2.5%	2.6%	22.8%	-17.9%
Benchmark (Total Return)	1.6%	5.1%	-2.4%	4.2%	16.3%	0.6%
Relative NAV Outperformance	1.6%	-1.2%	-0.1%	-1.6%	6.5%	-18.5%

Annual Growth to 30 June 2010

	2009/2010	2008/2009	2007/2008	2006/2007	2005/2006
Share Price (Total Return)	23.7%	-14.0%	-26.1%	17.0%	24.3%
Net Asset Value (Total Return)	22.7%	-21.5%	-21.2%	18.6%	20.1%

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

Sector Breakdown

Financials	24.6%
Utilities	13.5%
Consumer Goods	10.4%
Industrials	9.5%
Telecommunications	7.4%
Oil & Gas	6.4%
Healthcare	6.0%
Consumer Services	4.9%
Technology	0.5%
Fixed Interest Investments	16.8%

Top 10 Holdings = 34.4% of Portfolio

British American Tobacco	5.2%	GlaxoSmithKline	3.1%
Vodafone	4.5%	National Grid	3.1%
BP	4.0%	Jardine Lloyd Thompson	2.8%
HSBC	3.6%	Scottish & Southern Energy	2.5%
Catlin Group	3.2%	Northumbrian Water	2.4%

Sector breakdown and top 10 holdings, source: BNP Paribas

www.hendersoninvestmenttrusts.com

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