



**Fund Manager -  
Alex Crooke**

## Fund 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.

## Fund Manager's Commentary

The UK stock market continued its impressive climb, advancing over 4% during May. However, the trust increased in value by nearly 7% benefiting from gearing and recovery in many of its smaller- and medium-sized holdings. Positions in stocks, including Smiths News and AMEC, have risen much quicker than the overall market, as investors seek stocks with recovery potential.

Our bond holdings have also appreciated in value, especially financial bonds, which have benefited from the view that further defaults are unlikely. We are trying to broaden the bond portfolio by adding non-financial companies, with increased holdings in Imperial Tobacco and Morrison. We have also gently increased our investment into equities, preferring larger companies with 'safe' dividends, as they have not yet participated in the equity market rally.

## Trust Information

<b>Epic Code</b>	HHI
<b>AIC Sector</b>	UK High Income
<b>Trust Type</b>	Conventional (Ords)
<b>Launch Date</b>	1989
<b>Financial Year End</b>	31 December
<b>Dividend Payment</b>	July, October January, April
<b>Last Ex Div Date</b>	1 April
<b>*Risk Rating</b>	Average
<b>Premium/Discount</b>	-0.2%
<b>Gearing</b>	27%
<b>Yield</b>	8.47%
<b>Management Fee</b>	0.50%
<b>Performance Fee</b>	Yes
<b>Total Expense Ratio (TER)</b>	1.0%

(year end 31/12/2008)

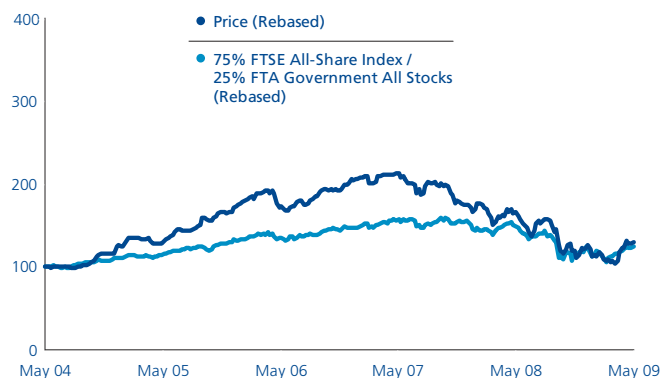
## Trust Statistics

<b>Gross total assets</b>	£107m
<b>NAV per ordinary share (cum income)</b>	98.2p
<b>NAV per ordinary share (ex income)</b>	94.9p
<b>Share Price</b>	98.0p

Source: FundData.com

\*WINS Investment Trusts

## Performance vs Benchmark



## Cumulative Growth

Performance over:	1yr	2yr	3yrs	5yrs	10yrs
Share Price (Total Return)	-22.0%	-38.5%	-24.1%	30.5%	-
Net Asset Value (Total Return)	-28.1%	-40.9%	-26.2%	20.3%	-
Benchmark (Total Return)	-15.0%	-17.5%	-6.0%	24.9%	-
<b>Relative NAV Outperformance</b>	<b>-13.1%</b>	<b>-23.5%</b>	<b>-20.2%</b>	<b>-4.7%</b>	-
Peer Group Ranking	5/8	5/8	3/6	2/6	-

Peer group rankings are based on the AIC sector

## Annual Growth to 31 March 2009

	2008/2009	2007/2008	2006/2007	2005/2006	2004/2005
Share Price (Total Return)	-27.9%	-26.5%	10.2%	42.1%	34.6%
Net Asset Value (Total Return)	-39.3%	-18.4%	14.5%	34.5%	29.0%

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: FundData.com

## Sector Breakdown

Financials	24.2%
Oil & Gas	10.6%
Utilities	10.4%
Consumer Goods	8.8%
Industrials	7.1%
Telecommunications	6.6%
Consumer Services	3.1%
Health Care	2.4%
Fixed Interest	24.9%
Cash	1.9%

## Top 10 Holdings = 37.1% of Portfolio

BP	6.8%	British American Tobacco	3.4%
Catlin	4.5%	National Grid	3.1%
Vodafone	4.2%	Scottish & Southern Energy	2.6%
Prodesse Investment	3.9%	Jardine Lloyd Thompson	2.4%
HSBC	3.8%	Imperial Tobacco	2.4%

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

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