Company Number: 10635799

HENDERSON DIVERSIFIED INCOME TRUST PLC

Report for the half-year ended 31 October 2022

(unaudited)

www.hendersondiversifiedincome.com

JANUS HENDERSON FUND MANAGEMENT UK LIMITED

HENDERSON DIVERSIFIED INCOME TRUST PLC

LEGAL ENTITY IDENTIFIER: 213800RV2228EO1JEN02

6 JANUARY 2023

HENDERSON DIVERSIFIED INCOME TRUST PLC

Unaudited Results for the Half-Year Ended 31 October 2022

PERFORMANCE HIGHLIGHTS

	Half-year ended 31 October 2022	Half-year ended 31 October 2021	Year-ended 30 April 2022
Net Asset Value (NAV) per ordinary share	69.24p	91.42p	79.55p
Share Price[1]	64.80p	83.50p	73.80p
Dividend Per Share[2]	4.40p	4.40p	4.40p
Dividend Yield[2]	6.79%	5.27%	5.96%
Ongoing Charge[3]	0.96%	0.91%	0.91%
Financial Gearing	11.8%	14.5%	16.7%
Number of portfolio investments held	107	132	124
Discount	(6.4%)	(8.7%)	(7.2%)

[1] Share price total return using mid-market closing price

[2] Based on dividends paid in respect of the previous 12 months

[3] Based on the estimated year-end ongoing charge

TOTAL RETURN PERFORMANCE OVER TEN YEARS TO 31 OCTOBER[4]

	6 months %	1 year %	3 years %	5 years %	7 years %	10 years %
NAV[1]	**-10.4**	-20.1	-10.6	-2.6	13.0	42.5
Benchmark[2]	**-6.9**	-14.5	-6.6	-0.5	15.7	32.4
Share Price[3]	**-10.6**	-17.7	-11.8	-12.0	3.5	38.1

[1] Net asset value total return including dividends reinvested and excluding transaction costs

[2] 60% Global High Yield Credit (ICE BofA Global High Yield Constrained Index), 25% Global Investment Grade Corporate Credit (ICE BofA Global BBB Corporate Bond Index) and 15% European Loans (Credit Suisse Western European Leveraged Loan Index). Prior to 16 September 2021 the benchmark was three-month sterling LIBOR + 2%

[3] Share price total return using mid-market closing price with dividends reinvested

[4] Performance prior to 27 April 2017 reflects the performance of the predecessor company, Henderson Diversified Income Limited, that was launched on 18 July 2007

Sources: Janus Henderson, Refinitiv DataStream, Morningstar Direct

INTERIM MANAGEMENT REPORT

CHAIRMAN'S STATEMENT

Introduction

In addition to the Ukraine war, the six month period under review includes the resignation of Boris Johnson, the appointment of Ms Truss, a rise in UK base rates from 0.75% to 2.25%, the death of HM The Queen, the collapse of the Gilt market in response to the "mini Budget", the resignation of Ms Truss and, in the last week of the period, the appointment of Rishi Sunak as Prime Minister. This represents an unusual concentration of some of the more remarkable events in recent British political and economic history into just a six month reporting period.

It should therefore come as no surprise that the volatility experienced in our last financial year increased during this period. Inflation expectations rose steadily, as did the probability of a recession in the UK. The NAV total return in the six months to 31 October 2022 was -10.4%. The share price total return was -10.6%, reflecting a small widening of the discount.

Performance

The portfolio again underperformed its benchmark during the period which fell by 6.9%. It is important to recognise that benchmarks are tools for helping to analyse performance rather than to measure it. We do not expect performance to mirror the benchmark every year, but over the longer term the Fund Managers do expect to outperform it. This is an actively managed portfolio and this means sometimes there will be periods of underperformance: it is important to understand why.

As you will see in the Fund Managers' report, the main contributor was that they held considerably more of the portfolio in higher quality, safer investment grade bonds than the benchmark. This reflected the managers' very cautious outlook. They are positioning the portfolio for a fall in inflation and the possibility of a hard landing for the economy. If this proves to be the case then a lower risk portfolio is potentially very attractive relative to the benchmark's riskier composition.

In order to provide the Fund Managers with the greatest possibility of flexibility to react to what could be very volatile markets, the Board resolved earlier this year that if necessary the dividend can be paid in part from reserves rather than current year income. This potentially allows greater flexibility for the Fund Managers to reduce gearing and invest in lower risk, lower yielding assets should this be their preference. Both the Board and the managers are very conscious that maintaining the dividend is important for shareholders. We therefore wish to be able to maintain the dividend while giving the manager freedom to react to events.

They took advantage of this earlier in the year and we do not anticipate that dividends for the financial year ending 30 April 2023 will be fully covered by income. The Board continues to monitor the situation.

Dividends

A first interim dividend for the year ended 30 April 2023 of 1.10p (2022: 1.10p) per ordinary share was paid to shareholders on 30 September 2022 to shareholders on the register at close of business on 2 September 2022.

A second interim dividend for the year ended 30 April 2023 of 1.10p (2022: 1.10p) per ordinary share was paid on 30 December 2022 to shareholders on the register at close of business on 2 December 2022. The shares were quoted ex-dividend on 1 December 2022.

Buying Back Shares

As previously notified to shareholders, the Board has a policy which gives discretion to the Fund Managers to buy-back the Company's shares, where it is deemed accretive to shareholders to do so. During the period 3.8 million shares were bought back at an average discount of 6.63%. The Board continues to work with both the Fund Managers and its broker to enhance the market in the Company's shares.

Outlook

For the moment at least markets have stablised and interest rate expectations are falling. Since the period end, we have seen some encouraging signs that performance has started to pick up, and we hope that markets may be beginning to reward the cautious approach taken by the Managers.

Looking forward to the full year, critical questions are whether inflation has peaked and whether Central Banks have achieved this without triggering a hard landing for global economies. The managers remain cautious on this point and the focus on investment grade bonds reflects this.

Angus Macpherson
Chairman
6 January 2023

FUND MANAGERS' REPORT

Performance

The Company's net asset value fell by 10.4% over the six months to 31 October 2022, underperforming the benchmark which returned -6.9%. The under-performance is predominantly driven by a larger holding in investment grade. The share price return was –10.6% (all figures on a total return basis) which reflected a widening in the discount. Earnings remain relatively stable and we remain confident in maintaining the dividend in the medium term, using revenue reserves as permitted by the Board if necessary. We continued buying back shares in the quarter and will look to continue to do so in the market if we consider it to be accretive for the shareholders.

Macro

The first six months under review have been difficult for financial markets. In developed economies, government bonds were hit by rising interest rate expectations to combat high inflation, terminal rates are now at 5% in the US, 4.7% in the UK, and 2.9% in Europe and have kept climbing during the period under review. For stocks and credit markets too, it's been a tough six months. It has only been the US dollar and commodities like oil that performed well during this period.

The worry among investors is that the cumulative effect of all these rate increases will be enough to push economies into a recession. The current argument is centred around whether this will be a hard or soft landing for the global economy. It is clear that the UK and some European countries have entered a recession but the response by country differs. The UK is pursuing relatively tight fiscal policies which may prolong the downturn but is necessary to re-establish credibility post the ex-Chancellor Kwarteng's budget at the end of September.

Europe has no such issues and is pursuing looser fiscal measures to buffer the effects of the downturn. The US has proved resilient so far, buoyed by a strong labour market as well as excess savings from the pandemic. We can, however, see the reversal in the housing market and tightening of financial conditions engineered by the Fed. Even there, it's in the process of turning down, but it's taking time to do so, and it's more likely to be a story for 2023. It is consensual amongst economists now to forecast a recession but it's the depth which provokes disagreements.

The COVID period has marked a return to boom-bust economics which are easier to forecast and predict from a growth perspective – over stimulus followed by contraction. The difficulty has been the return and cause of inflation and how to put the inflation issue "back in the bottle". We have seen encouraging signs in the US with both core and headline falling in the last print and forecasters predicting a declining trajectory. Europe and the UK will take a little longer and we should see declines post-winter when energy costs will ease. There is one truism in economics which is that recessions kill inflation cycles and central banks agree with this and want to undo the fiscal and monetary splurge from COVID by keeping policy tight.

During this period however rates and spreads have made huge adjustments to a level where we think some parts of the fixed income markets start looking attractive. We think 2023's theme will not be inflation but growth, or the lack of it.

Asset Allocation & Stock Selection

The Board gave us permission to reduce gearing if we felt necessary which we used during the summer on our fears of a hard landing. Into the autumn we foresaw a tactical rally in the credit markets and chose to add gearing back to take part in the rally through a combination of financial gearing (borrowing money and investing at a better yield than the cost of debt) and synthetic gearing (the use of credit derivatives). We will continue to use some of the gearing facility in a tactical sense as opportunities present themselves given the continued volatility of market prices, which at times seem devoid of fundamentals.

In terms of activity, we spent time making the portfolio more defensive during the period as we saw growth turning down and reduced our high yield weighting and increased investment grade weighting. This usually works in a cycle as the investment grade holding has a lower beta to growth than sub-investment credit like high yield and loans and therefore outperforms. It has been an unusual cycle in

terms of inflation proving to be a more important factor driving market returns this year than growth. However, we expect this to correct itself in the coming financial year with inflation falling and think the portfolio is well set up for that. We think the aggressive rate hikes means the odds of a hard landing have increased but it's hard to quantify the lagged impact on policy tightening but we remain cautious. In terms of performance both our high yield and loan holdings outperformed their relative benchmark but our greater weighting to investment grade detracted.

Notable additions to the portfolio include the short dated senior paper in banks such as JP Morgan, Lloyds and Barclays. We added corporate investment grade bonds too including Abbvie (pharmaceuticals), T-Mobile (US mobile phone operator) and AB Inbev (beverages) to the portfolio. This more defensive positioning we think will benefit holders; whilst 2022 saw both rates and spreads sell off in unison, in 2023 we foresee a more traditional relationship will ensue where rates and spreads may move in opposite directions but the carry from investment grade will ensure a decent cushion to generate a positive return.

ESG

We have seen no material change to our investment policy following the amendments to the investment objective and policy that we made for ESG considerations. Those amendments largely reflect the strategy and processes employed by the Investment Manager on behalf of the Company.

Outlook

We feel that the market now understands and prices monetary policy risks increasingly well, but fundamental risks are not in the price. We remain cautious on gearing and credit in the short term given current valuations and possible hard landing outlook. We feel a hard economic landing outlook is much more likely than a soft landing. Consequently, we are taking a more defensive stance against default risk:- by favouring investment grade bonds over high yield bonds (and secured loans). We feel the Company would be better positioned, in a relative sense, with this asset class bias. However, if a softer economic landing were to occur, the Company would be expected to perform reasonably well but with a lower beta to the upside. Further, if we were to experience increased risk aversion, which we do expect, we would be well positioned to add more high yield bonds at more attractive yields going forwards.

John Pattullo, Jenna Barnard and Nicholas Ware
Fund Managers
6 January 2023

PRINCIPAL RISKS AND UNCERTAINTIES

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

- General market risks associated with the Company's investments, including interest rate, credit and currency risks.
- Operational risks, including:
    - Continued interest and commitment of the Fund Managers and Investment Manager.
    - Janus Henderson's effective operation of systems of internal control and management reporting.
    - Credit standing and quality of service of the Depositary.
    - Reliance on service providers.

Information on these risks and uncertainties and how they are managed are given in the annual report for the year-ended 30 April 2022.

In the view of the Board these principal risks and uncertainties are as applicable to the remaining six months of the financial year as they were to the six months under review.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

(a) the condensed set of financial statements for the half-year ended 31 October 2022 have been prepared in accordance with UK adopted international accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;

(b) this report and condensed set of financial statements include a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (indication of important events during the six month period and description of principal risks and uncertainties for the remaining six months of the year); and

(c) this report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

For and on behalf of the Board
Angus Macpherson
Chairman
6 January 2023

SUMMARY OF PORTFOLIO AS AT 31 OCTOBER[1]

	2022	2021
	%	%
High yield bonds	**52.1**	65.3
Investment grade bonds	**36.1**	24.9
Secured loans	**8.0**	5.1
Equities	**3.3**	4.1
Asset backed securities	**0.5**	0.6
Total	**100.0**	100.0

CURRENCY DENOMINATION OF PORTFOLIO AS AT 31 OCTOBER[1, 2]

	2022	2021
	%	%
Sterling	**23.2**	23.7
Euro	**9.9**	12.9
US dollar	**65.6**	62.4
Australian dollar	**1.3**	1.0
Total	**100.0**	100.0

[1] Excluding credit default swaps

[2] The Company hedges its foreign currency exposure back to sterling. There was therefore no material currency exposure at 31 October 2022 (2021: same)

TWENTY LARGEST INVESTMENTS AS AT 31 OCTOBER 2022

Company	Industry	Currency	Geographical area	Market value £'000	% of portfolio
T-Mobile	Communications	€/$	US	4,082	2.90
Crown Castle	Industrials	$	US	3,937	2.79
Virgin Media	Communications	£/$	UK	3,461	2.46
Service Corp	Consumer non-cyclical	$	US	3,455	2.45
BUPA	Financials	£	UK	2,904	2.06
Restaurant Brands International	Consumer cyclical	$	Canada	2,883	2.05
Nationwide Building Society	Financials	£	UK	2,872	2.04
Anheuser	Consumer non-cyclical	$	US	2,857	2.03
Sirius	Communications	$	US	2,846	2.02
Barclays	Financials	£	UK	2,833	2.01
Altice	Communications	€/$	US	2,687	1.91
Ziggo	Communications	€/$	US	2,613	1.85
Lloyds Group	Financials	£/$	UK	2,541	1.80
UBS	Financials	$	Switzerland	2,530	1.80
CPUK Finance	Consumer cyclical	£	UK	2,487	1.76
Phoenix	Financials	£	UK	2,288	1.62
CCO	Communications	$	US	2,187	1.55
Constellation Brands	Consumer non-cyclical	$	US	2,185	1.55
Co-Operative Group	Consumer non-cyclical	£	UK	2,165	1.54
Hasbro	Consumer cyclical	$	US	2,039	1.45

These investments total £55,852,000 or 39.64% of the portfolio.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited) Half-year ended 31 October 2022			(Unaudited) Half-year ended 31 October 2021			(Audited) Year-ended 30 April 2022		
	Revenue return £'000	**Capital return £'000**	**Total return £'000**	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Losses on investments held at fair value through profit or loss	**-**	**(15,823)**	**(15,823)**	-	(2,329)	(2,329)	-	(26,063)	(26,063)
(Losses)/gains on foreign exchange transactions at fair value through profit or loss	**-**	**(2,769)**	**(2,769)**	-	1,549	1,549	-	2,887	2,887
Investment income	**4,290**	**-**	**4,290**	4,907	-	4,907	9,953	-	9,953
Other operating income	**19**	**-**	**19**	8	-	8	17	-	17
Total income	**4,309**	**(18,592)**	**(14,283)**	4,915	(780)	4,135	9,970	(23,176)	(13,206)
Expenses									
Management fee	**(216)**	**(216)**	**(432)**	(283)	(283)	(566)	(543)	(543)	(1,086)
Other expenses	**(240)**	**-**	**(240)**	(232)	-	(232)	(465)	-	(465)
Profit/(loss) before finance costs and taxation	**3,853**	**(18,808)**	**(14,955)**	4,400	(1,063)	3,337	8,962	(23,719)	(14,757)
Finance costs	**(151)**	**(151)**	**(302)**	(79)	(79)	(158)	(172)	(172)	(344)
Profit/(loss) before taxation	**3,702**	**(18,959)**	**(15,257)**	4,321	(1,142)	3,179	8,790	(23,891)	(15,101)
Taxation	**-**	**-**	**-**	(7)	-	(7)	(15)	-	(15)
Profit/(loss) for the period	**3,702**	**(18,959)**	**(15,257)**	4,314	(1,142)	3,172	8,775	(23,891)	(15,116)
Return/(loss) per ordinary share (note 2)	**2.00p**	**(10.25p)**	**(8.25p)**	2.27p	(0.60p)	1.67p	4.65p	(12.66p)	(8.01p)

The total columns of this statement represent the Statement of Comprehensive Income of the Company, prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The revenue return and capital columns are supplementary to this and are published under guidance from the Association of Investment Companies. The Company had no other comprehensive income. The loss for the period is also the total comprehensive income for the period.

All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period.

The accompanying notes are an integral part of the condensed financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY

Half-year ended 31 October 2022 (unaudited)	**Called up share capital £'000**	**Capital redemption reserve £'000**	**Share premium £'000**	**Distributable reserve £'000**	**Capital reserves £'000**	**Revenue reserve £'000**	**Total £'000**
Total equity at 1 May 2022	**1,874**	**39**	**1,576**	**165,533**	**(23,804)**	**3,199**	**148,417**
Total comprehensive income:							
(Loss)/profit after taxation	**-**	**-**	**-**	**-**	**(18,959)**	**3,702**	**(15,257)**
Transactions with owners, recorded directly to equity:							
Cost of buy-back of shares	**-**	**-**	**-**	**-**	**(3,007)**	**-**	**(3,007)**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**(4,078)**	**(4,078)**
Total equity at 31 October 2022	**1,874**	**39**	**1,576**	**165,533**	**(45,770)**	**2,823**	**126,075**

Half-year ended 31 October 2021 (unaudited)	Called up share capital £'000	Capital redemption reserve £'000	Share premium £'000	Distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Total equity at 1 May 2021	1,912	1	1,576	165,533	3,957	2,741	175,720
Total comprehensive income:							
(Loss)/profit after taxation	-	-	-	-	(1,142)	4,314	3,172
Transactions with owners, recorded directly to equity:							
Cost of buy-back of shares	(24)	24	-	-	(2,142)	-	(2,142)
Dividends paid	-	-	-	-	-	(4,189)	(4,189)
Total equity at 31 October 2021	1,888	25	1,576	165,533	673	2,866	172,561

Year-ended 30 April 2022 (audited)	Called up share capital £'000	Capital redemption reserve £'000	Share premium £'000	Distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Total equity at 1 May 2021	1,912		1,576	165,533	3,957	2,741	175,720
Total comprehensive income:							
(Loss)/profit after taxation	-	-	-	-	(23,891)	8,775	(15,116)
Transactions with owners, recorded directly to equity:							
Cost of buy-back of shares	(38)	38	-	-	(3,906)	-	(3,906)
Dividends paid	-	-	-	-	-	(8,317)	(8,317)
Proceeds from predecessor company	-	-	-	-	36	-	36
Total equity at 30 April 2022	1,874	39	1,576	165,533	(23,804)	3,199	148,417

The accompanying notes are an integral part of the condensed financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION

	(Unaudited) 31 October 2022 £'000	(Unaudited) 31 October 2021 £'000	(Audited) 30 April 2022 £'000
Non-current assets			
Investments held at fair value through profit or loss	**140,914**	197,582	173,224
Current assets			
Other receivables	**2,833**	6,857	10,558
Cash and cash equivalents	**914**	1,513	1,806
Total assets	**144,661**	205,952	185,588
Current liabilities			
Other payables	**(2,506)**	(5,372)	(5,626)
Bank loan	**(16,080)**	(28,019)	(31,545)
Total assets less current liabilities	**126,075**	172,561	148,417
Net assets	**126,075**	172,561	148,417
Equity attributable to equity shareholders			
Called-up share capital	**1,874**	1,888	1,874
Capital redemption reserve	**39**	25	39
Share premium	**1,576**	1,576	1,576
Distributable reserve	**165,533**	165,533	165,533
Capital reserve	**(45,770)**	673	(23,804)
Revenue reserve	**2,823**	2,866	3,199
Total equity	**126,075**	172,561	148,417
Net asset value per ordinary share (note 3)	**69.24p**	91.42p	79.55p

The accompanying notes are an integral part of the condensed financial statements.

CONDENSED CASH FLOW STATEMENT

	(Unaudited) Half-year ended 31 October 2022 £'000	(Unaudited) Half-year ended 31 October 2021 £'000	(Audited) Year-ended 30 April 2022 £'000
Operating activities			
Net (loss)/profit before taxation	**(15,257)**	3,179	(15,101)
Interest payable	**302**	158	344
Losses on investments held at fair value through profit or loss	**15,823**	2,329	26,063
Losses/(gains) on foreign exchange transactions at fair value through profit or loss	**2,769**	(1,549)	(2,887)
Net payments on settlement of forward exchange contracts	**(12,940)**	(978)	(7,143)
Net (payments)/receipts on credit default swaps	**(36)**	-	206
Net receipts/(payment) on margin accounts	**422**	51	(1,999)
Decrease/(increase) in prepayments and accrued income	**563**	(73)	(186)
(Decrease)/increase in other creditors	**(294)**	321	267
Purchase of investments	**(20,211)**	(37,789)	(78,041)
Sale of investments	**50,715**	36,099	82,981
Net cash inflow from operating activities before finance costs[1]	**21,856**	1,748	4,504
Interest paid	**(321)**	(139)	(320)
Taxation on investment income	**-**	(8)	(15)
Net cash inflow from operating activities	**21,535**	1,601	4,169
Financing activities			
Equity dividends paid	**(4,078)**	(4,189)	(8,317)
Buy-back of ordinary shares	**(3,007)**	(2,142)	(3,906)
Proceeds from predecessor company	**-**	-	36
(Repayment)/drawdown of loans	**(15,465)**	1,957	5,483
Net cash outflow from financing activities	**(22,550)**	(4,374)	(6,704)
Net decrease in cash and cash equivalents	**(1,015)**	(2,773)	(2,535)
Cash and cash equivalents at start of period	**1,806**	4,197	4,197
Exchange movements	**123**	89	144
Cash and cash equivalents at the end of the period	**914**	1,513	1,806
Comprising:			
Cash at bank	**914**	1,513	1,806
	914	1,513	1,806

[1] Cash inflow from interest income was £4,352,000 (31 October 2021: £4,295,000; 30 April 2022: £8,892,000) and cash inflow from dividends was £132,000 (31 October 2021: £132,000; 30 April 2022: £264,000).

The accompanying notes are an integral part of the condensed financial statements.

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. Accounting policies – basis of accounting

The Company is a registered investment company as defined by Section 833 of the Companies Act 2006 and operates as an investment company in accordance with Section 1158 of the Corporation Tax Act 2010.

These condensed financial statements comprise the unaudited results of the Company for the half-year ended 31 October 2022. They have been prepared on a going concern basis and in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union and with the Statement of Recommended Practice for Investment Trusts ("SORP") issued by the Association of Investment Companies dated November 2014, and updated in April 2021, where the SORP is consistent with the requirements of IFRS.

For the period under review the Company's accounting policies have not varied from those described in the Annual Report for the year-ended 30 April 2022. The condensed set of financial statements has been neither audited nor reviewed by the Company's auditors.

2. Return per ordinary share

	(Unaudited) Half-year ended 31 October 2022 £'000	(Unaudited) Half-year ended 31 October 2021 £'000	(Audited) Year-ended 30 April 2022 £'000
Net revenue return	**3,702**	4,314	8,775
Net capital return	**(18,959)**	(1,142)	(23,891)
	(15,257)		
Net total return		3,172	(15,116)
Weighted average number of ordinary shares	**184,891,469**	190,102,392	188,788,384
Revenue return per ordinary share	**2.00p**	2.27p	4.65p
Capital return per ordinary share	**(10.25p)**	(0.60p)	(12.66p)
Total return per ordinary share	**(8.25p)**	1.67p	(8.01p)

The Company has no securities in issue that could dilute the return per ordinary share. Therefore, the basic and diluted earnings per ordinary share are the same.

3. Net asset value per ordinary share

The net asset value per ordinary share is based on the net asset value attributable to ordinary shareholders at 31 October 2022 of £126,075,000 (31 October 2021: £172,561,000; 30 April 2022: £148,417,000) and on 182,072,717 ordinary shares, being the number of ordinary shares in issue at 31 October 2022 (31 October 2021: 188,764,303; 30 April 2022: 186,559,219).

4. Share capital

During the half-year ended 31 October 2022, 4,486,502 ordinary shares were bought back. At 31 October 2022 there were 182,072,717 ordinary shares of 1p nominal value in issue. Since 31 October 2022, no shares have bought back. The Company has 5,361,586 shares held in Treasury.

5. Dividends

The following dividends have been paid during the period, or will be paid, as interest distributions for UK tax purposes from the Company's revenue account.

A fourth interim dividend for the year ended 30 April 2022 of 1.10p (2021: 1.10p) per ordinary share was paid on 30 June 2022 to shareholders on the register at close of business on 6 June 2022.

A first interim dividend payment for the year ended 30 April 2023 of 1.10p (2022: 1.10p) per ordinary share was paid on 30 September 2022 to shareholders on the register at close of business on 9 September 2022.

On 22 November 2022 the Board declared a second interim dividend payment for the year ending 30 April 2023 of 1.10p (2022: 1.10p) per ordinary share that was paid to shareholders on 30 December 2022. The shares went ex-dividend on 1 December 2022. This dividend was paid as an interest distribution for UK tax purposes from the Company's revenue account.

6. Financial instruments

The table below sets out the fair value measurements using the IFRS 13 fair value hierarchy. Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement of the relevant asset as follows:

- Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3: valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable.

At the end of the period, the levels of each investment have been assessed in line with the criteria above. Any investment that did not meet the level 1 criteria has been classified as level 2. This will include any investments where there is insufficient liquidity in trading volumes at the period end.

The financial assets and liabilities measured at fair value in the Condensed Statement of Financial Position are grouped into the fair value hierarchy at the reporting date as follows:

As at 31 October 2022 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss:				
Investments	**126,814**	**14,100**	**-**	**140,914**
Total	**126,814**	**14,100**	**-**	**140,914**
Financial liabilities at fair value through profit or loss:				
Credit default swaps	**-**	**132**	**-**	**132**
Currency forward exchange contracts	**-**	**1,254**	**-**	**1,254**
Total	**-**	**1,386**	**-**	**1,386**

As at 31 October 2021 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss:				
Investments	182,542	15,040	-	197,582
Credit default swaps	-	2,676	-	2,676
Total	182,542	17,716	-	200,258
Financial liabilities at fair value through profit or loss				
Currency forward exchange contracts	-	578	-	578
Total	-	578	-	578

As at 30 April 2022 (audited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss:				
Investments	152,690	20,534	-	173,224
Credit default swaps	-	727	-	727
Total	152,690	21,261	-	173,951
Financial liabilities at fair value through profit or loss:				
Currency forward exchange contracts	-	4,256	-	4,256
Total	-	4,256	-	4,256

There have been no transfers between levels of fair value hierarchy during the period. Transfers between levels of fair value hierarchy are deemed to have occurred at the date of the event or change in circumstances that caused the transfer.

Valuation techniques used by the Company are explained in the accounting policies note in the Company's Annual Report for the year-ended 30 April 2022.

There were no transfers to or from level 3 during the period.

7. Related party transactions

The Company's transactions with related parties in the half-year were with its directors and Janus Henderson Investors (Manager). There have been no material transactions between the Company and its directors during the period. 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 sales and marketing services, there have been no material transactions with the Manager affecting the financial position of the Company during the period under review.

8. Going concern

The assets of the Company consist mainly of securities that are listed and readily realisable and, accordingly, the directors believe that the Company has adequate financial resources to continue in existence for at least twelve months from the date of approval of the financial statements. Having assessed these factors, the principal risks, and other matters discussed in connection with the viability statement set out in the Annual Report for the year-ended 30 April 2022, the directors have decided that it is appropriate for the financial statements to be prepared on a going concern basis.

9. Comparative information

The financial information contained in this half-year report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the half year periods ended 31 October 2022 and 31 October 2021 have not been audited or reviewed by the Company's auditors. The financial information for the year-ended 30 April 2022 has been extracted from the latest published accounts, and does not constitute the statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the Report of the Independent Auditors, which was unqualified and did not include a statement under either section 498(2) or 498(3) of the Companies Act 2006.

10. General information

Company status

The Company is a UK domiciled investment trust company which was incorporated on 23 February 2017. The Company number is 10635799. The Company is listed on the London Stock Exchange.

ISIN code: GB00BF03YC36
SEDOL number: BF03YC3
London Stock Exchange code: HDIV
Global Intermediary Identification Number (GIIN): QR3G93.99999.SL.826
Legal Entity Identifier (LEI) number: 213800RV2228EO1JEN02

Directors, secretary and registered office

The directors of the Company are Angus Macpherson (Chairman), Ian Wright (Audit Committee Chairman), Denise Hadgill, Win Robbins (Senior Independent Director) and Stewart Wood. The Corporate Secretary is Janus Henderson Secretarial Services UK Limited. The registered office is 201 Bishopsgate, London, EC2M 3AE.

Website

Details of the Company's share price and net asset value, together with general information about the Company, monthly factsheets and data, copies of announcements, reports and details of general meetings can be found at www.hendersondiversifiedincome.com

For further information please contact:

Dan Howe
Head of Investment Trusts
Janus Henderson Investors
Telephone: 020 7818 4458

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or form part of, this announcement