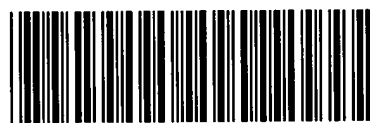




HANSA TRUST PLC

HANSA, *investing to create
long-term growth*

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COMPANIES HOUSE

Annual Report
For the year ended
31 March 2019

2019

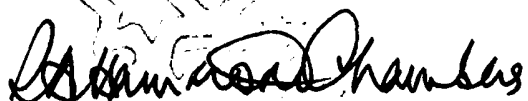
WELCOME

Welcome to the Hansa Trust PLC Annual Report for the year to 31 March 2019.

Your Company has had a good year with a further increase in the net asset value despite the political and economic turmoil both closer to home in the UK and further afield.

I would also like to take this opportunity, on behalf of the Board, to invite you to the Company's Annual General Meeting at 1.00pm on 29 July 2019 at The Washington Mayfair Hotel in London. We value the feedback we receive from all shareholders and look forward to meeting you at the AGM.

Yours sincerely



THIS DOCUMENT IS IMPORTANT and if you are a holder of Ordinary shares it requires your immediate attention. If you are in doubt as to the action you should take or the contents of this document, you should seek advice from an independent financial advisor, authorised under the Financial Services and Markets Act 2000 if in the UK, or other appropriately authorised financial advisor if outside of the UK. If you have sold or transferred your Ordinary shares in the Company, you should send this document and any accompanying Form of Proxy, immediately to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission as soon as practicable.

COMPANY REGISTRATION AND NUMBER: The Company is registered in England & Wales under company number 00126107.

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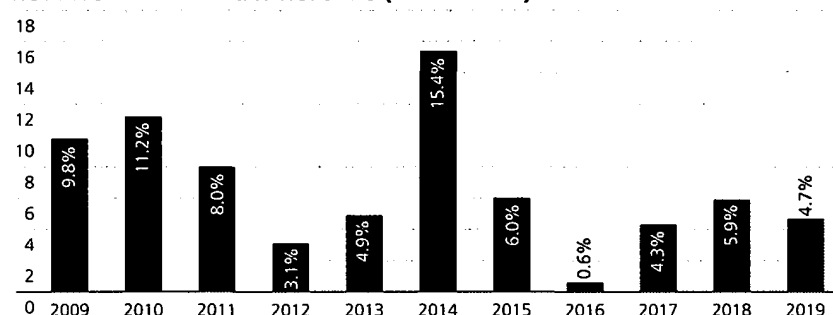
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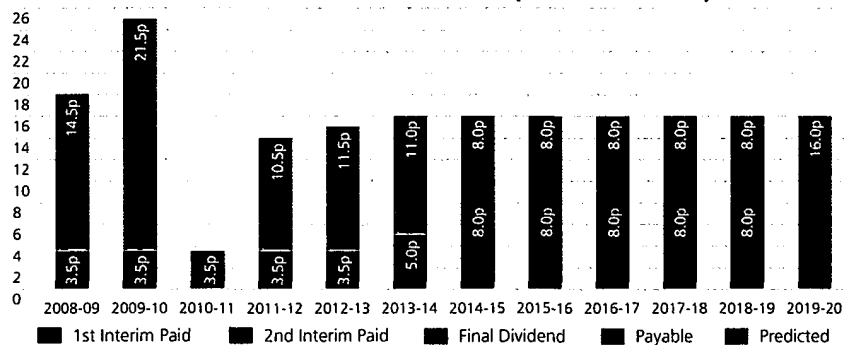
Long-Term Highlights 2019

ROLLING FIVE YEAR NAV RETURNS (PER ANNUM)



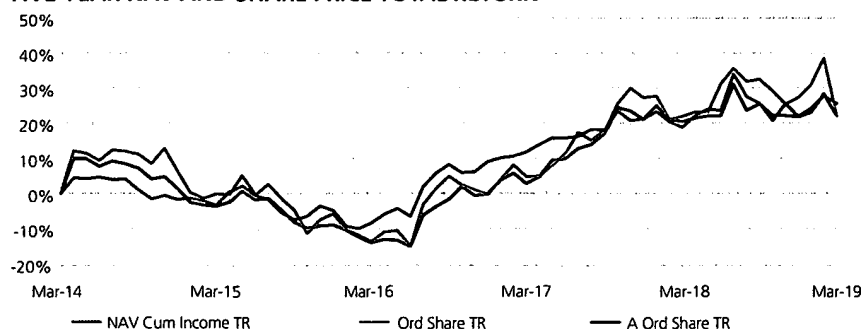
It is the goal of the Company to make money for shareholders on a long-term basis (five years). The Board monitors the five year NAV returns as the primary achievement of the Company's goal.

DIVIDEND PAYMENTS FOR YEAR TO END MARCH (PENCE PER SHARE)



The Dividend Policy can be found on page 15 of this Annual Report and on the Company's website. It can be summarised as the declaration at the beginning of the year of two equal dividends, one paid in November and the other in May.

FIVE YEAR NAV AND SHARE PRICE TOTAL RETURN



Chairman's Report to the Shareholders

ALEX HAMMOND-CHAMBERS
Chairman

The Strategic Report has been prepared in accordance with requirements of The Companies Act 2006 and incorporates the Chairman's Report to the Shareholders, the majority of the former Directors' Report and elements from the Directors' Remuneration Report.



LONG-TERM RETURNS: THE GREAT BULL MARKET (2009 TO 2019 AND STILL RUNNING)

The Net Asset Value (total return): Ten years: **+ 157.3%**
Five Years: **+ 25.5%**

Shareholders entrust the Board and the investment manager to earn good returns over the long-term. We usually use five years for determining whether it has been achieved and we compare the returns against our three key performance indicators ("KPIs") – being the returns on UK government stocks, inflation and a world equity index. The Board is accountable to shareholders for achieving those returns and so that is what this statement focuses on. Alec Letchfield's Portfolio Manager's Report focuses on the year's returns and the circumstances surrounding them.

We have enjoyed a quite extraordinarily extended bull market over the last ten years, the start of which heralded the end of the equity bear market brought about by the 2007/09 financial crisis. We thought it might be interesting to look back over these last ten years (as well as the last five years), putting in perspective what has happened.

America's S&P 500 Composite Index, has led the way, having increased over the past ten years at the rate of 13.5% per annum – driven by rising profits (accounting for 12.5% of the increase) and by an increase in the valuation of the Index (accounting for 1% of the increase). However, after the payment of dividends, the Index has risen by circa 16% per annum (c. 17% in Sterling terms). These are, by most historical standards, extraordinary returns and reflect the very favourable conditions equity markets have enjoyed over the period, boosted by very easy monetary conditions and rising corporate profits, in turn driven importantly by rising corporate profit margins.

Ten Years to March 2019	Sterling Return
USA (S&P Comp)	17.0% p.a.
UK (FTSE A-s)	11.1% p.a.
World (MSCI World)	13.5% p.a.
Brazil (BOVESPA)	4.3% p.a.

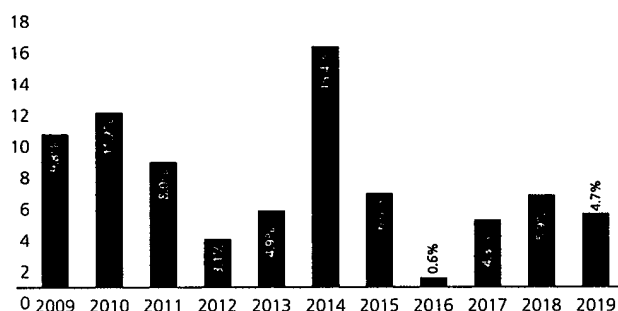
Returns from other parts of the developed world have tended not to match those in America (they don't have the large tech companies which have so driven American equity market values) but even so they have benefited from much the same influences – rising profits and price earnings ratios. As the table

reflects, in the case of Brazil, the equity markets of emerging markets haven't fared as well, bogged down by politics, commodity and currency weaknesses.

It has been – and may continue to be – a golden age for equities driven by the benefits globalisation has brought upon corporations and the profits they have earned. While there is concern amongst investors about valuation levels, the fact remains that equity markets have been driven up by rising corporate profits, with valuations not hugely higher than they were ten years ago. That may or may not provide some protection to markets in the event of any untoward developments.

OVER THE PAST FIVE YEARS

The statistics in the table below are the ones that the Board of Directors focuses on in assessing the progress of the Company. First and foremost, as we aim to do, we continue to produce positive total returns over five year periods, as seen below.



The next table shows the raw statistics for the last five years:

	31 Mar 14	31 Mar 19	Capital Return	Total Return
NAV per share	1,197.4p	1,405.6p	+17.4%	+25.5%
NAV per share (excl. OWHL)	770.7p	969.1p	+25.7%	
OWHL per Hansa Trust share	426.7p	436.5p	+2.3%	
KPIs				
FTSE UK Gilts All Stocks TR Index				+30.7%
UK CPI Inflation				+7.3%
MSCI ACWI NR (GBP)	109.7	192.5		+75.5%
Share Prices				
Ord Shs	879.3p	977.5p	+11.2%	+21.9%
'A' Ord shs	877.5p	975.0p	+11.1%	+22.1%
Discounts				
Ord Shs	-26.6%	-30.5%		
'A' Ord shs	-26.7%	-30.6%		

It was just over five years ago that we adjusted the portfolio by coming out of our holdings in big blue chip UK companies and focusing our international exposure rather more sharply in certain selected funds. It took us a year or so to change the portfolio, so that in a year's time we will make our first five year assessment of the new portfolio. As the table shows, our progress has been hindered by the returns from our strategic holding in Ocean Wilsons, albeit its Brazilian subsidiary has continued to build its business and the politics of Brazil look somewhat more promising now than they have at any time in the last five years.

Shareholders will be aware that we have embarked upon a course of building investor awareness of the Hansa Trust story, as part of our programme to reduce the discount from its relatively high levels. While there are now a number of new shareholders on board, it will take time to build sufficient buying to bring the discount down. The key to success will be the returns we earn.

THE 2019 ANNUAL GENERAL MEETING

To be held at 1.00pm on Monday 29 July at the Washington Mayfair Hotel, Curzon Street, London.

The agenda for the Annual General Meeting consists of the normal proposals for shareholders. We always have an excellent turnout at our AGMs and I do encourage all shareholders who can attend to come and join us. We receive plenty of questions, comments and advice at the meetings, all of which are recorded and subsequently discussed by the Directors.

Shareholders may note that there is no proposal for a final dividend, which is because the two equal interim dividend payments for the year of 8p each, totalling 16p (the same as last year) have already been announced and paid.

While the Annual Report and the Annual General Meeting each year serve the purpose of providing information about the Company and its progress, I do encourage shareholders to stay in touch with their investment by visiting the website (www.hansatrust.com) from time to time. It contains a lot of information and updates occurring during the course of the year and helps, I believe, give shareholders an extra understanding of the progress of the Company.

At the Annual General Meeting, the Board will present a resolution to shareholders to appoint PricewaterhouseCoopers LLP ("PwC") as the Company's Auditor. Regulation now

Chairman's Report to the Shareholders *Continued*

provides that there has to be rotation of Auditor every ten years, which means that Grant Thornton must stand down as Auditor. On behalf of shareholders I would like to thank the firm for its work over many years, work that is essential to the confidence of shareholders in the Company's business.

PACKAGED RETAIL INVESTMENT AND INSURANCE BASED PRODUCTS ("PRIIP")

In an attempt to provide would-be investors with information about potential investment funds, the FCA has determined each such fund and each class of share in such fund should provide a "Key Investment Document" ("KID"). This provides investors with certain basic investment information to help him/her make an informed decision about making an investment. Unfortunately, the FCA-defined method behind the production of the numbers has attracted a certain amount of controversy, because the numbers produced don't always appear logical. In looking at our two KIDs (one for each class of our shares), we would suggest that shareholders/investors scrutinise a broad range of information about Hansa Trust, including that posted on our website in making any assessment about Hansa Trust as an investment.

DOMICILE

The Board announced at the end of 2018 that it was considering re-domiciling the Company to an alternative jurisdiction. The Board has consulted with shareholders and believes there is broad support for this approach. The Company has continued to work with its advisers to form a proposal to be put to shareholders and an update is expected to be released over the coming weeks.

PROSPECTS

Instead of trying to assess the potential impact of the various matters that affect financial markets (which I have always done in the past and of which we are all very uncertain), I would like to dwell on two aspects of the Company's prospects (wherever domiciled) – the political dynamic of capitalism and its effect on investing and the unusual (even unique maybe) investment trust that is Hansa Trust Plc.

The politics of capitalism is changing, not necessarily in favour of equity investors. At the end of the 1970s, Margaret Thatcher and Ronald Reagan became the leaders of the UK and USA and instigated a global revolution in the politics of capitalism which has lasted ever since. The new politics promoted free trade

and globalisation and the global economy took off. However, the 2007/09 financial crisis has subsequently provoked political doubts about capitalism and its siblings, free trade and globalisation and whether it serves the few rather than the many. Over the last 40 or so years investors have forgotten that *politics sets the economic agenda and thence outcome*.

The role of companies within our societies is now undergoing great scrutiny and change. To begin with, corporate governance is no longer just about looking after the interests of shareholders but rather about regulatory compliance ("G") and promoting the interests of other stakeholders, including the community and the environment ("E") and customers/clients and those who work for the company ("S") (a.k.a. ESG). And, I venture to say, the taxes companies pay. There is a cost to all of this; it will probably result in a secular decline in profit margins.

Although over 90% of our investments are outside the UK, I should comment on the political chaos (as I write) within the UK. Brexit has divided our country, bitterly it seems, into Remainers and Leavers – replacing, for the moment at least, the political rivalry between Conservatives and Labour. It is not that losing preferential trading rights with the European Union will necessarily do unmanageable damage to the wider UK economy, but rather the extraordinary political uncertainty that the inept management of Brexit has created. We have no idea whether we are going to live and work in a largely capitalist or an extremely socialist (some say bordering on communist) economy. That's pretty fundamental to investing.

This change in the politics of capitalism, the electoral chaos now at large in many democratic developed countries, the technologies' revolutions and the ever growing global debt mountain is making it difficult to assess the long-term environment that long-term investors invest within. Uncertainty, of course, creates opportunity, but opportunity whilst sailing in stormy waters. In an uncertain investment environment where return of capital is as important as return on capital, investing in well managed companies will provide the best long-term protection as well as the best long-term returns.

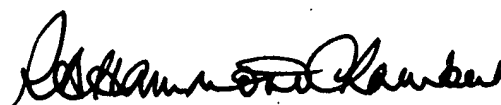
Having indulged in cold shower rhetoric, I would like to be really rather optimistic about the long-term prospects for Hansa Trust. UK investment trust companies are unusual investment vehicles in the context of global investing, having a good fiscal environment in which to operate and a tradition

of sound, long-term, closed end portfolio management. Yes, the management of closed end portfolios has important differences with open ended portfolios and particularly lends itself to the management of portfolios of unusual, often illiquid investments. In constructing and managing the portfolio of Hansa Trust, we have sought to provide you with exposure to interesting and exciting investments you could not readily make on your own account. The large investment in Ocean Wilsons, with its excellently managed Brazilian subsidiary, Ocean Wilsons (c. 30% of our net asset value), the portfolio of unusual and interesting funds (c. 50%) and the rather smaller portfolio of growth opportunities globally (c. 20%) – constitutes something different and unusual for those investors looking for an alternative to the portfolios of run-of-the-mill, index listed companies (not that such investments won't be profitable, they may well be).

In choosing an investment company or a fund to invest in there are two fundamental considerations: investment area (geography or sector) and management. I have commented on where Hansa Trust invests. I would like to comment on the team behind it. Starting with the top, the Board of Directors, I have been lucky enough to work for the benefit of shareholders over the last 17 or so years with excellent colleagues who have worked well as a team to set a high standard of governance (by which I emphasise commitment and leadership as opposed

to the box-ticking compliance). The investment management team, led by William Salomon and Alec Letchfield, does an excellent job of thinking about what we are trying to achieve over the long-term and what investments might achieve that. They are thoughtful and decisive investors in an era dominated by the seduction of shorter-term investment trends. And, finally I would like to commend Stephen Thomas and his team who manage the administrative side of the business so efficiently and effectively, no small undertaking as the stranglehold of triffid like regulation encompasses all that we do. To all of them on behalf of all of us shareholders – a big thank you.

It is an excellent team; the portfolio is unusual and exciting. These are the two essential ingredients for long-term success, which I am quite sure we shareholders will enjoy.



Alex Hammond-Chambers
Chairman
20 June 2019

I would draw shareholders' attention to the Glossary of Terms which can be found at the end of this annual report. I hope it is helpful in understanding a business ever more complicated by regulation and jargon.

The Board of Directors



The Directors who served during the year to 31 March 2019 are:

ALEX HAMMOND-CHAMBERS (Chairman)

Alex joined the Board in 2002. He serves on a number of boards of a variety of companies, including one other investment trust and open-ended investment companies (including Findlay Park Funds).

His career has spanned two phases. The first phase working for Ivory and Sime (investment managers) for 27 years, from which he gained portfolio management skills and experience running investment trusts. The second phase, working for 27 years to date, has been involved in corporate governance, serving on the boards of many companies in a number of different industries and countries – investment trust company boards particularly. He has served as chairman of the Association of Investment Companies and as a governor of the NASD (NASDAQ).

JONATHAN DAVIE (Audit Committee Chairman)

Jonathan joined the Board in January 2013. He is a non-executive director of Gabelli Value Plus+ Investment Trust and also chairman of First Avenue Partners, an alternatives advisory boutique.

Jonathan qualified as a Chartered Accountant and then joined George M. Hill and Co. and became an authorised dealer on the London Stock Exchange. The firm was acquired by Wedd Durlacher Mordaunt and Co. where Jonathan became a partner in 1975. He was the senior dealing partner of the firm on its acquisition by Barclays Bank to form BZW in 1986.

Jonathan developed BZW's Fixed Income business prior to becoming chief executive of the Global Equities Business in 1991. In 1996 he became deputy chairman of BZW and then vice chairman of Credit Suisse First Boston in 1998 on their acquisition of most of BZW's businesses. He focused on the development of Credit Suisse's Middle Eastern business. He retired from Credit Suisse in February 2007.

	Meetings attended	Total Yearly Meetings
Strategic	1	1
Board	7	7
Audit Committee	2	2

	Meetings attended	Total Yearly Meetings
Strategic	1	1
Board	7	7
Audit Committee	2	2



RAYMOND OXFORD

Raymond joined the Board in January 2013. He served 18 years with the British Foreign & Commonwealth Office. He spent three years in Moscow (1983-1985), seven years in the Cabinet Office covering Soviet and East European political, military and economic developments (1985-1992) and was a founding member of the British Embassy in Kiev (1992-1997). In 1997 he left British government service to pursue private business interests in the United Kingdom, Eastern Europe and the Middle East, chiefly in energy, agriculture and environmental remediation. In October 2014, Raymond was elected to the House of Lords, the upper chamber of the British Parliament.

	Meetings attended	Total Yearly Meetings
Strategic	1	1
Board	6	7
Audit Committee	2	2



WILLIAM SALOMON

William has been a Director of Hansa Trust PLC since 1999 and has a significant, long standing, investment in the Company.

William's experience in investments and finance is important to the Board in developing and monitoring investments in special investment themes and in the Company's strategic investment through Ocean Wilsons Holdings Limited in Wilson Sons.

William is the senior partner of Hansa Capital Partners LLP ("Hansa Capital Partners", the Portfolio Manager and Company Secretary), deputy chairman of Ocean Wilsons Holdings Limited and its listed subsidiary Wilson Sons Limited. He is also a shareholder representative on the investment advisory committee for DV4 Ltd ("DV4") and Chairman of ScotGems PLC investment trust. William was formerly the vice chairman of Close Asset Management Limited and chairman of the merchant bank Rea Brothers PLC.

	Meetings attended	Total Yearly Meetings
Strategic	1	1
Board	7	7
Audit Committee	2	2



GEOFFREY WOOD

Geoffrey was appointed to the Board in 1997. Geoffrey is Professor Emeritus of Economics at Cass Business School, in the City of London, Professor Emeritus of Monetary Economics at the University of Buckingham and a visiting Professorial Fellow at the Centre for Commercial Law at Queen Mary and Westfield College of London University. He has been visiting Professor at the University of South Carolina, at Bocconi University and at the National Bureau for Economic Research at Harvard. In addition he has been an advisor to a number of central banks and City of London financial firms and has been a specialist adviser to the Treasury Select Committee. Geoffrey has a deep knowledge of economics and, specifically, monetary and fiscal policy issues.

	Meetings attended	Total Yearly Meetings
Strategic	1	1
Board	7	7
Audit Committee	2	2

The Board

Each Director brings certain individual and complementary skills and experience to the Board's workings, as summarised in the previous Board of Directors' pages and dedicates his time to the Company to ensure its success. All Directors retire at each AGM and offer themselves for consideration for re-election. The Board recommends the re-appointment of each of the Directors, based on his continuing contribution to the Company and its shareholders.

The Board is charged by the shareholders with the responsibility for looking after the affairs of the Company. It involves the stewardship of the Company's assets and liabilities and the pursuit of growth of shareholder value. These responsibilities are discharged in many ways and are explained below.

INVESTMENT POLICY, STRATEGY AND KEY PERFORMANCE INDICATORS

The investment policy adopted by the Board, which constitutes the Company's business model, is to invest in a portfolio of quoted and unquoted special situations, many of which may not normally be available to the general public, with the objective of achieving growth of shareholder value. By the very nature of special situation investments, the opportunity to invest in them will arise at any time but often not for long periods. Sometimes a number of opportunities may arise at the same time. Any single investment may, on occasion, constitute a significant proportion of the portfolio and/or that of the company concerned.

The investment strategy of the Company has evolved over time, but it has always been managed with a strong focus on seeking out undervalued investments. The Company has a strategic stake in Ocean Wilsons Holdings. The Company has broadened its (non-fund) equity exposure to include global equities. Equity exposure is also achieved through investment in funds managed by third party managers, with whom we have relationships through Hansa Capital Partners' activities. Many of the investments are not readily available to the general public. The final part of the Company's portfolio

reflects its size and flexible structure, as we are always on the lookout for unconventional investments, which often cannot be accommodated by more traditional, larger fund managers, typically less flexible in their approach. These more eclectic investments range from those sectors benefiting from structurally higher growth, such as biotechnology, to assets which we believe stand on unwarranted discounts to their true intrinsic value, including other investment trusts.

This investment approach may well produce returns which are not replicated by movements in any market index.

The Board considers that the use of a single benchmark won't always offer shareholders relevance and the clarity needed with regard to the performance of their Company.

The Board of Directors monitors the returns made in absolute (firstly) and relative (secondly) terms against the Key Performance Indicators ("KPIs") established for that purpose and are set out on pages 12 and 13 of this Report. The comparisons are made over 1, 3, 5 and 10 years. When reporting to shareholders, comment on returns is made with reference to those KPIs. There is no single benchmark that would be appropriate some of the time but not at other times.

The Portfolio Manager is charged by the Board to implement the investment policy under its supervision and guidance. It is important for the Portfolio Manager to be able to vary any investment at any time, in order either to protect shareholders' funds and/or to optimise shareholders' future returns.

POLICY ON BOARD COMPOSITION

Appointments to the Board are made on merit and against objective criteria in accordance with the AIC Corporate Governance Code. The Board considers it is of paramount importance to shareholders that, after consideration of the skills and experience needed by the Board, candidates are chosen on the basis of merit only and that there should be no discrimination in the choice of directors for any reason.

Long-Term Performance

TEN YEAR COMPANY PERFORMANCE STATISTICS

Year ended 31 March	Shareholders' Funds	Net Asset Value Ordinary and 'A' Ordinary	Annual Dividends	Share Price (Bid)		Discount/(Premium)	
				Ordinary	'A' Ordinary	Ordinary	'A' Ordinary
2019	£337.3m	1,405.6p	16.0p	977.5p	975.0p	30.5%	30.6%
2018	£323.1m	1,346.3p	16.0p	992.5p	977.5p	26.3%	27.4%
2017	£307.5m	1,281.2p	16.0p	866.5p	848.0p	32.4%	33.8%
2016	£255.6m	1,064.9p	16.0p	729.8p	725.5p	31.5%	31.9%
2015	£273.3m	1,138.6p	16.0p	860.0p	827.5p	24.5%	27.3%
2014	£287.4m	1,197.5p	16.0p	879.3p	877.5p	26.6%	26.7%
2013	£259.9m	1,082.9p	15.0p	834.0p	815.0p	23.0%	24.7%
2012	£268.2m	1,117.5p	14.0p	905.0p	891.5p	19.0%	20.2%
2011	£264.1m	1,100.5p	3.5p	971.0p	952.5p	11.8%	13.5%
2010	£215.0m	895.9p	25.0p	755.0p	735.0p	15.7%	18.0%
2009	£152.4m	635.0p	18.0p	510.0p	500.0p	19.7%	21.3%

To 31 March 2019	1 year	3 years	5 years	10 years
Share Price Total Return				
Ordinary shares (%)	0.0	41.2	21.9	132.7
'A' non-voting Ordinary shares (%)	1.4	41.8	22.1	137.8

To 31 March 2019	1 year	3 years	5 years	10 years
Net Asset Value Total Return Performance				
Net Asset Value (%)	5.6	37.0	25.5	157.3

Organisation and Objectives

This section explains how the Board has organised the Company and seeks to deliver its objectives.

BOARD COMMITTEES

The Directors consider that, in order to fulfil their responsibilities as the Directors of the Company, they should all be members of every sub-committee, except where there is a deemed conflict of interest.

Audit Committee

The Audit Committee, which meets at least twice a year, consists of all five Directors and Edwin Teideman, a former director, whose skills and experience of the Company strengthen the Committee. Jonathan Davie is the Chairman of the Audit Committee.

Nomination Committee

The Board as a whole fulfils the function of the Nomination Committee. Appointments are made on merit and against objective criteria in accordance with the AIC Code. The Board considers it is of paramount importance to shareholders that, after consideration of the skills and experience needed by the Board, candidates are chosen on the basis of merit only and that there should be no discrimination in the choice of directors for any reason. The Company's Articles of Association require newly appointed Directors to submit themselves for election by shareholders at the next AGM after appointment and that they be subject to re-election at intervals of no more than three years. However, the Board has determined that all Directors will retire and offer themselves for re-election each year at the AGM.

Management Engagement Committee

The Board, with the exception of William Salomon, fulfils the function of this Committee. The level of management fees, level of service provided and the performance of the Portfolio Manager are reviewed on a regular basis to ensure these remain competitive and in the best interests of shareholders. The Board also receives feedback from the Company's Alternative Investment Fund Manager ("AIFM"), Maitland Institutional Services Limited. The Board, after the annual recommendation of the Management Engagement Committee, considers the engagement of the AIFM and the Portfolio Manager to be in the best interests of the shareholders.

Remuneration Committee

The Board fulfils the function of a Remuneration Committee and considers the specific appointment of such a committee is not appropriate for an investment trust company. The level of Directors' fees is monitored annually and formally reviewed every three years, in the light of their duties and also relative to other comparable companies. The upper limit on Directors' aggregate remuneration (£175,000) was approved by shareholders at the 2017 AGM. In determining fees, no individual Director is involved in determining their own fee.

In the absence of a separate Remuneration Committee, the Chairman is responsible for ensuring appropriate contact is kept with the principal shareholders during the year.

PROMOTING THE COMPANY

Although the Board has always considered ways and means to promote the ownership of the shares in the Company, the establishment of the Retail Distribution Review ("RDR") a number of years ago has had the effect of making the various different investment products compete rather more directly with each other. The RDR assists the Board in targeting the type of shareholder Hansa Trust shares would most likely appeal to. It has placed an added requirement that we should promote the "Hansa Trust story" in the market place, so there is a reasonably widespread understanding of it. By doing so, the Board aims to promote the demand for the Company's shares with a positive effect on the discount.

Indeed the promotion of the Company is also part of the discount policy, the purpose of which is to encourage outside demand for the Company's shares and thereby reduce any discount at which the shares sell in relation to the NAV.

The Company has the following promotional initiatives and activities:

- Recognising the growing number of DIY investors, we continue to develop the Annual Report, the monthly factsheet and the website to make them, we hope, more interesting and easier to use.

- The remit of Winterflood Securities, as the Company's corporate stockbroker, was broadened to assist in proactively promoting the Company and enhancing its market coverage.
- Edison Research produces written research on the Company, its investments and its progress and facilitates wider access to IFA and investor platforms. Such research is distributed to many thousands of investors.
- In addition to Edison and Winterflood Securities initiatives, our Portfolio Manager, Hansa Capital Partners, is increasing the numbers of presentations to investment trust investors.
- We are working with Link Asset Services, the Company's Registrars, to improve our understanding of our shareholder base and promote the dividend re-investment programme.

SERVICE PROVIDERS

Service Provider Policy

The Board consists entirely of non-executive Directors; it delegates the day to day implementation of its policies to third party service providers. The Board has contractually delegated to external organisations the management of the investment portfolio, the custodial services which include safeguarding of the assets, the day to day accounting and company secretarial requirements. Each of these contracts is only entered into after proper consideration of the quality and cost of services, which are regularly reviewed and monitored either by the Board or its Committees.

The Board, in seeking to engage organisations which can provide the relevant levels of experience and expertise at an acceptable cost, carries out the following processes:

- **Monitors third party suppliers, performance and costs**
The Board, at its regular meetings, reviews reports prepared by both the Portfolio Manager and the Administrator, which enables it to monitor the performance and costs of the third party suppliers to the Company. Following the implementation of the Alternative Investment Fund Managers' Directive (the "AIFMD"), the Board established a monitoring programme for the AIFM and the Depositary. The Company Secretary meets each supplier regularly to monitor its processes and systems and, in addition, the

AIFM and the Depositary attend at least one Board Meeting per annum.

- **Monitors investment risks and returns**
The Board reviews reports prepared by the Portfolio Manager at its regular meetings, which enables it to monitor the investment risks and returns.
- **Determines investment strategy, guidelines and restrictions**
The Board determines the investment strategy in conjunction with the Portfolio Manager. The strategy is monitored regularly and refinements are made to it as required, with formal review at the Board's annual strategy meeting.

The Board issues formal investment guidelines and restrictions; compliance with these is reported by the Portfolio Manager's compliance officer on a regular basis and is also monitored independently by the AIFM.

- **Determines gearing levels and capital preservation through the use of hedging instruments**
The Board, taking account of advice from the Portfolio Manager, determines the maximum level of borrowings the Company will undertake at the time of borrowing. The Company has entered into a short-term loan facility with BNP Paribas; currently the extent of the facility is £30m. The Board has considered the use of hedging instruments in order to provide the portfolio with a limited degree of protection from extreme market declines and may deploy them if the circumstances make sense to do so. However, it noted the difficulty with their successful deployment. Board approval is required before any investment into any derivative instrument.

THE PROVIDERS

Portfolio Manager

Hansa Capital Partners LLP charges an investment management fee at an annual rate of 1% of the net assets of the Company (after any borrowings) but, after deducting the value of the investment in Ocean Wilson Holdings Ltd ("OWHL") on which no fee is payable. Hanseatic Asset Management LBG, a company connected to Hansa Capital Partners LLP, separately charges an investment management fee to the investment subsidiary of OWHL.

Organisation and Objectives *Continued*

The terms of the portfolio management agreement permit either party to terminate the agreement by giving to the other not less than 12 months' notice, or such shorter period as is mutually acceptable. There is no agreement between the Company and the Portfolio Manager concerning compensation in respect to the termination of the agreement. In its annual assessment of the Portfolio Manager, the Board concluded that, because of the skills and experience of the management team it is in the best interest of shareholders that the Portfolio Manager remains in place under the present terms. Details of the fees paid to the Portfolio Manager can be found in Note 3 on page 57.

Auditor

Whilst the Auditor, Grant Thornton UK LLP, would be willing to continue as the Company's auditor, rotation rules mean that it is not able to do so and the Company must appoint a new audit firm for the Company's year ended 31 March 2020. The Board would like to take this opportunity on behalf of shareholders to thank Grant Thornton for its professional and constructive service over the years. The Audit Committee has conducted an audit tender process and will recommend the appointment of PwC. PwC has expressed its willingness to act as Auditor to the Company, subject to the completion of its client take-on procedures, and a resolution to appoint PwC as Auditor to the Company will be proposed at the forthcoming AGM.

Audit guidance limits the non-audit related work that can be carried out by the Company's Auditor, in particular tax compliance work. Hence BDO will continue to provide tax compliance services to the Company. Any new supplier is approved by the Board. If non-audit work were to be carried out by the Company's Auditor, the appointment would be approved by the Board, in advance, to ensure that the Auditor's objectivity and independence is safeguarded. (Details in Note 4 on page 57.)

Company Secretary

The Company engages Hansa Capital Partners LLP as its Company Secretary. During the year to 31 March 2019, the Company Secretary has charged £125,000 excluding VAT (2018: £106,250).

Alternative Investment Fund Managers' Directive

The Company appointed Maitland Institutional Services Limited, with effect from 10 June 2014, to act as its AIFM with responsibilities for the Portfolio Management and Risk Management. The AIFM has sub-contracted to Hansa Capital Partners LLP the provision of Portfolio Management services. During the year to 31 March 2019, the AIFM has charged £131,311 (2018: £127,287) for its services.

Administrator

The Company engages Maitland Administration Services Limited as its Administrator, at an annual rate of £135,063, excluding VAT (2018: £132,143).

Depository

BNP Paribas Securities Services is the Company's Depository, an appointment that was ratified by the AIFM. During the year to 31 March 2019, BNP Paribas Securities Services charged £100,756 for the combined Depository and Custodial service excluding VAT (2018: £97,745).

KEY PERFORMANCE INDICATORS

The Board at its quarterly meeting reviews the returns and the performance of the Company, including an analysis using the KPIs listed below.

The Board considers that the use of a single benchmark won't always offer shareholders the relevance and the clarity needed with regard to the performance of their Company.

The returns are compared with the return of a government bond, using the 10 year UK Gilt Return (FTSE All Stocks Gilts Total Return Index). The returns are also compared to the rate of inflation (real returns are important to shareholders) and with those of our peer group and an appropriate index.

Additionally, two further KPIs: costs of managing the Company are monitored against the NAV (that ratio is also known as the 'ongoing charges percentage per annum ratio'); and the discount/premium the shares sell at in relation to the NAV are likewise monitored.

The Board of Directors monitors the returns made in absolute (firstly) and relative (secondly) terms against the KPIs established for the purpose noted above. The comparisons are made over 1, 3, 5 and 10 years. Comment is made on the returns when reporting to shareholders by reference to the KPIs and not to a single benchmark that would be appropriate some times and not at other times.

i) Shareholders – Total Returns

To 31 March 2019	1 year	3 years	5 years	10 years
Share Price Total Return				
Ordinary shares	0.0%	41.2%	21.9%	132.7%
'A' non-voting Ordinary shares	1.4%	41.8%	22.1%	137.8%

ii) Company – Total Returns

These comparisons are used to determine the effectiveness of the Investment Strategy and of the Portfolio Management. The KPIs below should also be noted.

To 31 March 2019	1 year	3 years	5 years	10 years
NAV	5.6%	37.0%	25.5%	157.3%
Relative comparison				
Peer group average	3.1%	30.3%	38.9%	186.8%

* See website for peer group members

iii) Discount/Premium

A comparison is made between the (discount)/premium of the Company's two classes of shares, those of the Company's peer group and of the AIC average.

To 31 March 2019	1 year average	3 years average	5 years average	10 years average
Ordinary shares (%)	(26.1)	(28.6)	(27.0)	(23.4)
'A' non-voting Ordinary shares (%)	(29.3)	(30.7)	(29.1)	(25.1)
Peer group (%)	(6.4)	(7.5)	(7.3)	(7.3)
AIC (%)	(2.9)			

Note: AIC only produces AIC average for 1 year.

iv) Expense ratios

A comparison is made between the level of expenses (administrative and management) of the Company and the net

asset returns (both annualised) in order to assess the value for money shareholders receive.

To 31 March 2019	1 year	3 years p.a.	5 years p.a.	10 years p.a.
Ongoing charges per annum (%)	1.3	1.1	1.1	1.1
NAV total return (%)	5.6	11.1	4.7	9.9

In January 2018, to comply with the Packaged Retail and Insurance-based Investment Products Regulation ("PRIIP"), the Company issued a PRIIPs Key Information Document ("KID") for each of its two share classes. In the PRIIPs, KID regulations are very prescriptive as to how costs are calculated and presented. In particular, as well as the costs of the Company itself noted above, the PRIIPs calculation also incorporates the costs of the directly held fund investment vehicles themselves, but not those for directly held equities. Based upon the financial results for the year to 31 March 2018, the PRIIPs KID cost ratio is 1.86% per annum.

v) Key Performance Indicators

The following are the KPIs the Board uses to assess the returns of elements of the portfolio and of the Company as a whole.

To 31 March 2019	1 year	3 years	5 years	10 years
FTSE UK Gilts All Stocks TR Index	3.7%	11.1%	30.7%	62.5%
UK CPI Inflation	1.9%	6.8%	7.3%	24.7%
MSCI ACWI NR	10.8%	50.2%	75.5%	241.3%

LIMITS

Investment Guidelines

The Investment Policy enables the Portfolio Manager to invest worldwide, in either UK or foreign, quoted or unquoted companies. The Board does not believe it is practical to impose limits on the geographical allocation of assets because, with the globalisation of businesses, it is an almost impossible task to monitor. Whilst fully aware of the impact of geopolitical influences on the outcome of investment returns, the Board, in conjunction with the Portfolio Manager, reviews investments on their individual merits. There is no geographical constraint on where and how much may be invested in any one country or currency.

Organisation and Objectives *Continued*

The Board does not set a limit on the number of investments which can be held in the portfolio; however it usually has holdings in at least 30 investments. The following items require Board approval:

- (a) Investing in illiquid assets in excess of 10% of the portfolio's value.
- (b) An investment to be made in a derivative instrument.
- (c) At the time of investment, the market value of an investment sector exceeds the following bands within the portfolio:
 - i. Core & Thematic Funds
 - a. Core 0-40%
 - b. Thematic 0-25%
 - ii. Global Equities 0-40%
 - iii. Diversifying Assets 0-40%
 - iv. Strategic (OWHL including Wilson Sons & Ocean Wilsons Investments)
- (d) An investment greater than 5% of the market value of the portfolio (at the time of the investment) can be made in any company/fund.
- (e) An investment, which constitutes more than 5% of the share capital of the investee company, can be made.
- (f) An investment that involves a potential conflict of interest for a Director of the Company, the Portfolio Manager or any connected party to either.

These investment guidelines remain in force as at the time of signing of this Report.

Borrowing Limits

The Board believes shareholders' returns may be enhanced if the Company borrows money at appropriate times for the purpose of investment. While the Articles of Association allow the Company to borrow up to 3.5 times shareholders' funds, the amount that can be borrowed at any time is normally subject to a constraint imposed in the lender's borrowing covenants. The Board will normally set an informal borrowing limit of approximately one half of the lender's covenanted

constraint at the time the borrowings are made, allowing plenty of capacity for the value of the portfolio to fall, without having to sell investments to conform with those covenants. However, in extreme circumstances, such as when it is believed to be the bottom of a bear market, the Board may well borrow up to the full amount the lender's covenant allows.

PRINCIPAL RISKS

The Board reviews the principal risks from the point of view of the long-term shareholders, the main risk being that over the long-term (which we determine to be five years) they do not make a return from their investment in the Company. The Board confirms it has carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future returns, solvency and liquidity. The Board considers the risks the Company, and therefore shareholders, face can be divided into external and internal risks.

External risks

External risks to shareholders and their returns are those that can severely influence the investment environment within which the Company operates. These risks include anti-business government policies, protracted economic recession, declining corporate profitability, taxation and rising inflation. The impact of such an environment could lead to sharp rises in interest rates and a decline in the stock market. Deflation is also a source of concern in some countries, but unless deflation increases sharply it is not a significant impediment to growth. However, it may lead to negative interest rates which would surely damage the banking system and the levels of savings available for investments. At their Board meetings and at the annual strategy meeting, the Directors and the Management consider long-term risks that concern them, including:

- Political instability and uncertainty both affecting the UK (the Company's 'home' jurisdiction) and many of the markets the Company invests in.
- Economic, currency and equity declines.
- Risks, particularly political risks, associated with Brazil.
- The growth of global debt.

It should be stressed these are the external risks which most concern the Directors and the Management, not forecasts

of future events. The mitigation of these risks is achieved by sensible stock and sector diversification and adherence to the Board's investment restrictions and guidelines.

Internal Risks

Internal and operational risks to shareholders and their returns are: portfolio (stock and sector selection and concentration), balance sheet (gearing), and/or administrative mismanagement. In respect of the risks associated with administration, the loss of Approved Investment Trust status under s.1158 CTA 2010 would have the greatest impact, by bringing any future realised capital gains on the sale of assets into the Corporation Tax charge band (whereas they are currently not). The portfolio is continuously monitored by the AIFM and the Portfolio Manager to ensure the Company is compliant with s.1158/1159 and monitoring reports are presented to the Board.

The mitigation of these risks is achieved by the Board performing reviews of all service providers and monthly reviews of s.1158/1159 compliance.

The Board considers the risks to the Company's two share prices, apart from those mentioned above, include the risk of higher discounts. The Board monitors the discount/premium and may take action when appropriate. However, given the Company's stated objective of increasing shareholder value over the long-term, the Board does not consider short-term NAV or share price volatility to be a risk to long-term shareholders.

Details of how the principal risks arising from financial instruments (as determined by the Financial Reporting Council) are managed, have been summarised in Note 20 on pages 61 to 64.

Details of the Company's policy on stewardship in relation to invested companies can be found on the Company's website at www.hansatrust.com.

DIVIDEND POLICY AND DIVIDEND PAYMENTS

Dividend Policy

The Board's dividend policy is to pay two similar interim dividends each year. The Board will declare the rate of the two dividends at the beginning of the financial year in question. Barring unforeseen circumstances, the first interim dividend will then be paid in November during the financial year with

the second being paid in the May following the end of the financial year. Again, barring unforeseen circumstances, the Company expects the dividends to grow over time reflecting the longer-term returns of the portfolio. If circumstances are such that the level of cash income generated by the portfolio is insufficient to meet the dividend commitment, the shortfall may be made up from the Company's reserves. Under certain one-off circumstances an extra and final dividend may be proposed at the Company's Annual General Meeting.

Dividend Payments

The dividends paid are as follows:

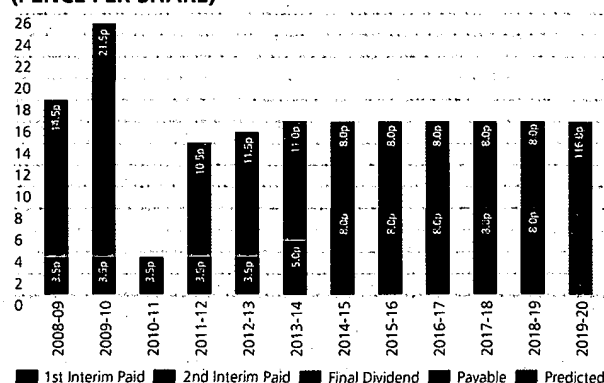
	2019 £000	2018 £000
Ordinary and 'A' non-voting Ordinary shares		
First interim paid 8.0p (November 2018) (2018: 8.0p) per share	1,920	1,920
Second interim paid 8.0p (May 2019) (2018: 8.0p) per share	1,920	1,920
Total dividends	3,840	3,840

Due to the payment of two interim dividends relating to the year ended 31 March 2019, the Board is not proposing a final dividend per Ordinary and 'A' non-voting Ordinary share classes.

Dividend History

The Company's dividend history including annual payments over the previous ten years is as follows:

DIVIDEND PAYMENTS FOR YEAR TO END MARCH (PENCE PER SHARE)



Organisation and Objectives *Continued*

Discount Policy

The discount policy of Hansa Trust is to encourage the demand for the shares, by ensuring it has an investment policy that is attractive to investors and which is likely to produce above average returns over the long-term and then to promote the Company and its prospects, so as to encourage the demand for its shares.

The Board of Directors does not believe it can manage the discount in the short-term and has therefore eschewed having an active share buy-back policy. Furthermore, the Board does not believe buying in its own shares is in the best long-term interest of shareholders because:

- it reduces the number of shares outstanding and therefore the liquidity of the shares in the market place; less liquidity may cause a rise in the discount;
- it means a liquid portfolio needs to be maintained, compromising the ability to have a portfolio of special situations; the maintenance of the long-term investment policy and its portfolio takes precedence over the short-term discount policy;
- the holding in Ocean Wilson Holdings would represent an even greater percentage of the portfolio and buying back shares would raise the relative exposure to Brazil, which the Board does not wish to do; and
- buying back shares to manage the discount is only necessary if there is not enough market place demand for them; buying back shares treats the symptoms of the problem of lack of demand, not the cause.

The one good reason for buying back shares is that, if done so on a large enough scale and at a large enough discount, it can have a material and positive effect on the NAV per share. So, if there is an unusual opportunity to buy back shares such that it would make a reasonably material impact on the NAV, then the Board will do so.

Insurance

The Company through its Articles has indemnified its Directors and Officers to the fullest extent permissible by law. During the year the Company also purchased and maintained liability insurance for its Directors and Officers.

Status and Activities

During the year under review the Company has operated as an investment company in compliance with s.833 of the Companies Act 2006 and s.1158/1159 of the Corporation Tax Act 2010 as amended. The Company has obtained approval from HM Revenue & Customs ("HMRC") of its status as an investment trust under s.1158 of the Corporation Tax Act 2010 for all accounting periods commencing on or after 1 April 2012; the Directors are of the opinion that the Company has conducted its affairs in compliance with the ongoing requirements of s.1158 since approval was granted and intends to continue to do so.

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, including its financial position, are set out in the Chairman's Report to the Shareholders, the Portfolio Manager's Report and other elements of the Strategic Report. After due consideration of the Balance Sheet, activities of the Company, estimated liabilities for the next 12 months and having made appropriate enquiries, the Directors have concluded the Company has adequate resources to continue in operational existence for the foreseeable future as the assets of the Company consist of securities, the majority of which are traded on recognised stock exchanges, or open ended funds run by established managers. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements.

Longer-Term Viability Statement

In addition to the Statement of Going Concern, the Directors are also required to make a statement concerning the longer-term viability of the Company. As stated many times in the wider Strategic Report, the Directors consider 12 months to be a relatively short time frame and look to the longer-term for both the performance and risks associated with the Company. The Directors consider a period of five years as being a more representative period. This period is sufficiently long to cancel out short-term market volatility and allow longer-term performance to work through. The Board continually monitors the Investment Strategy and Investment Guidelines issued to the Portfolio Manager and AIFM and directs those entities to target long-term capital preservation. Further, whilst the Board has sanctioned the use of gearing, the facility available to the

Portfolio Manager is relatively small compared to the NAV of the Company. Finally, a number of the more significant costs in each financial year are contracted to be calculated, on the basis of the underlying NAV of the Company. As such, in a period of negative portfolio performance, the cost base should also fall.

Barring unforeseen circumstances and taking account of the Company's current position and principal risks, the Directors consider the Company fully satisfies the formal requirement that there be "a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over this assessed period".

Greenhouse Gas Emissions

Hansa Trust PLC has no greenhouse gas emissions to report from the operations of its Company, nor does it have responsibility for any other emissions producing sources under Part 7 of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended.

Social, Community, Human Rights, Employee Responsibilities and Environmental Policy

The Company does not have any employees. As an investment trust, the Company has no direct social, community, human rights, or environmental impact. Its principal responsibility to shareholders is to ensure the investment portfolio is properly invested and managed.

Portfolio Manager's Report

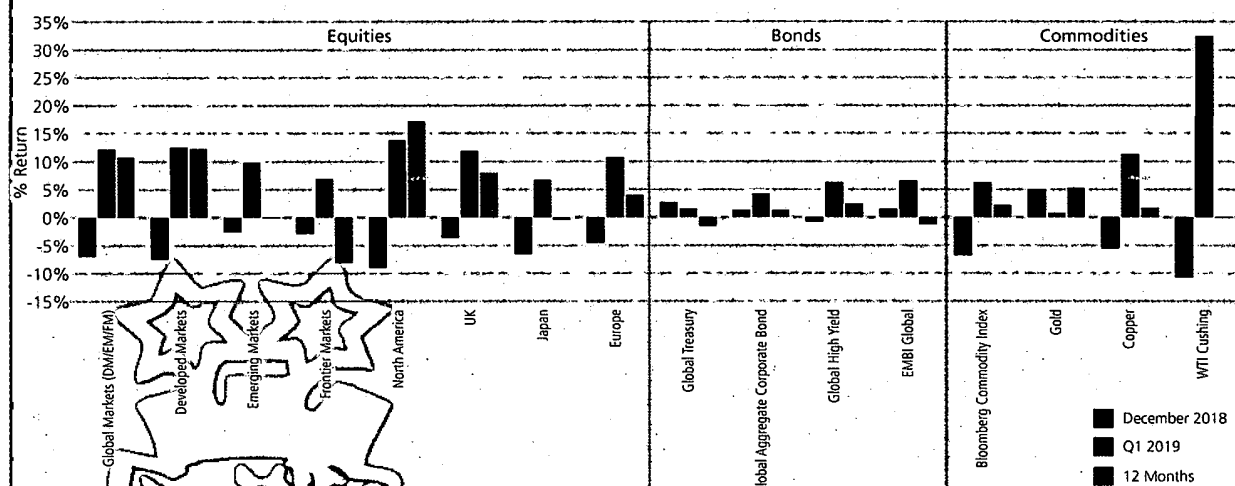
A maturing cycle but not the end of the cycle

Introduction

The past year really has been one of contrasts for world stock markets. Having been weak for much of 2018, culminating in the worst December for many years, the first quarter of 2019 has been one of the strongest in the current cycle. Indeed, the

S&P 500 saw its highest return since 1998, Chinese equities enjoyed their best quarter since 2014 and oil had its best quarter in a decade. Rather counterintuitively in such a risk-on environment, even bonds generated positive performance.

CHART 1: STOCK MARKETS HAVE REBOUNDED DRAMATICALLY FROM DECEMBER LOWS (GBP)



Source: Bloomberg

Market backdrop

Whilst vindicating our view that the extent of the sell-off in 2018 was unwarranted, the strength of the bounce seen so far in 2019 is surprising.

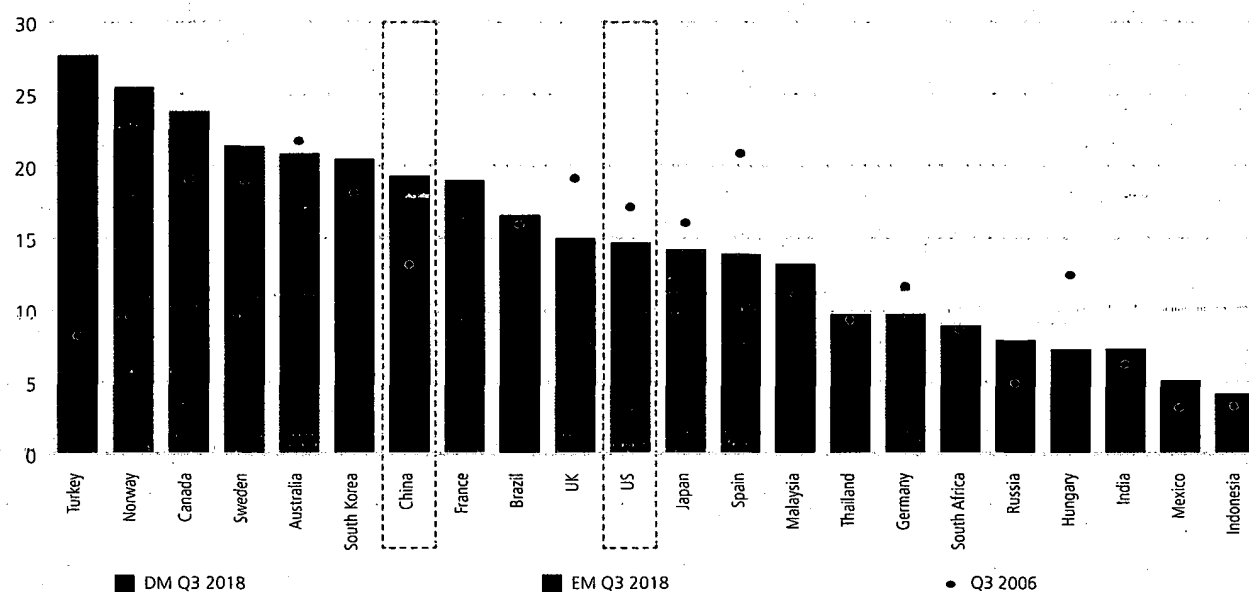
As a reminder, our stance coming into the New Year was one of a maturing cycle, but not the end of the cycle. Risk had risen for much of 2018, with monetary policy well into the tightening phase, Trump doing his best to unsettle markets and economic growth outside the US slowing for much of the year. Despite this, our central view was more sanguine, based on the fact that we just didn't see the normal metrics in play which typically pre-empt recessions (and with them a bear market).

Imbalances, which are key to the health of the economy, appear to be well under control. Household debt remains perfectly manageable, with the savings ratio at average levels compared to history. Housing, so often the cause of weakness in the household sector, is not causing us concern, with affordability good and housing starts normal. Banks, who can normally be relied upon to extend credit to those areas which are overheating, appear to have avoided doing so this time round, although the high yield credit market has expanded. We would love to say this is due to good management and the banks learning from past mistakes, but in reality it more likely reflects the hangover from the Global Financial Crisis. The need to rebuild balance sheets, combined with a tighter regulatory framework, has curtailed their normal pro-cyclical exuberance.

That's not to say there are no areas of concern. Corporate borrowing has risen sharply, especially in more highly leveraged companies. Further, the quality of these loans has diminished with the rise of more risky practices such as covenant light loans. Even here though there are mitigating circumstances. The sharp reduction in interest rates seen post the Global Financial Crisis means it is entirely natural that companies

should switch from expensive equities to cheaper debt. Instead, what is important is the level of the debt burden and with real and nominal rates still low we find that the ability of companies to service their debt remains well within historical limits. Importantly, corporates are spending these cash flows in a controlled manner ensuring balance sheets remain healthy.

CHART 2: DEBT SERVICE RATIOS ARE STILL BELOW THOSE SEEN IN THE PREVIOUS CYCLE IN THE US (BUT NOT FOR CHINA)



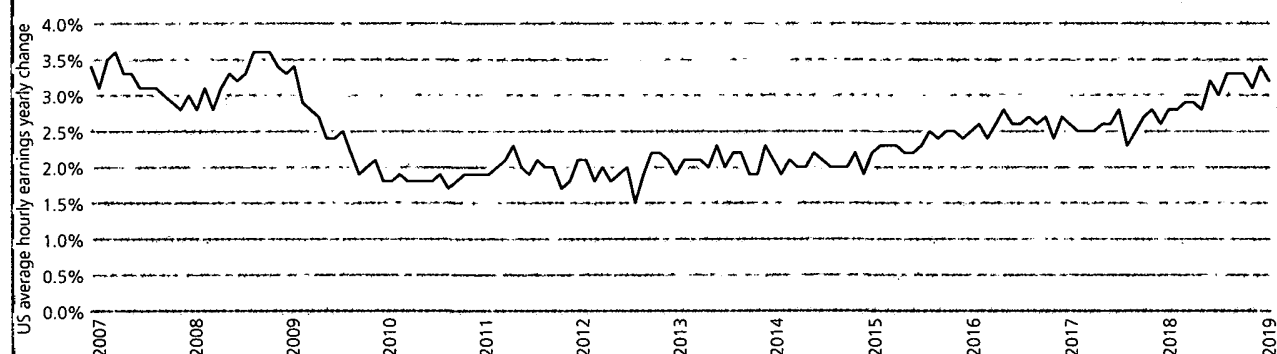
Source: Bloomberg

We also worry about inflation albeit here the messages are a little confusing. Having recently spent time in the US seeing a wide range of companies, across sectors and sizes, one of the key issues currently faced is the ability to attract and retain staff and the cost of doing so. Interestingly, however, this wage pressure doesn't appear to be showing at the headline inflation level and, indeed, rather counterintuitively some countries have seen bond yields dip back into negative territory, which suggests deflation rather than

inflation. This may partly be a function of timing but we think it is more likely due to a differing global picture, with Europe facing structural challenges versus a much more robust outlook for the US. We will continue to watch carefully to see how the situation develops but our main concern is that the US central bank and government are minded to let the economy run hot, potentially requiring them to slam on the brakes, through higher interest rates, if inflation does get out of control.

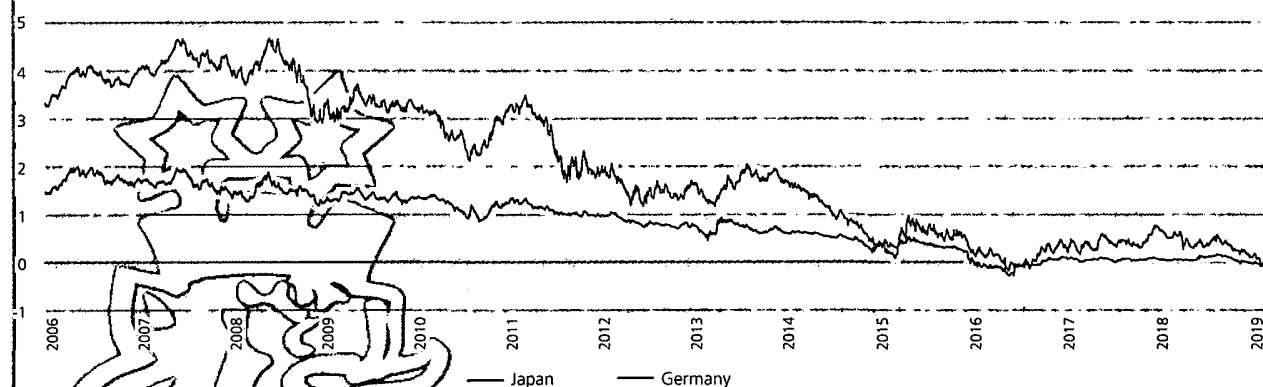
Portfolio Manager's Report *Continued*

CHART 3: WAGE INFLATION APPEARS TO BE REARING ITS HEAD IN THE US



Source: Bloomberg

CHART 4: 10 YEAR GOVERNMENT BOND YIELDS WOULD SUGGEST MARKETS ARE MORE WORRIED ABOUT DEFLATION THAN INFLATION

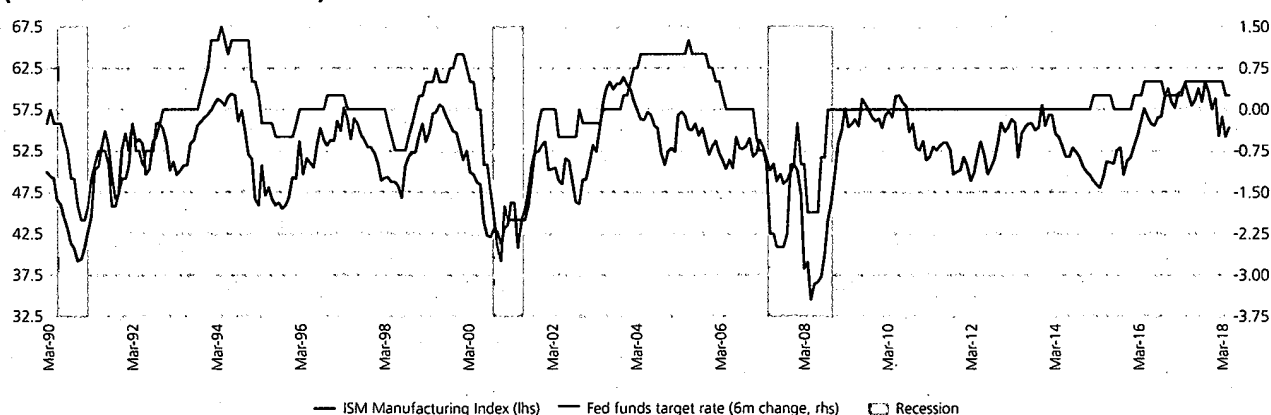


Source: Bloomberg

Interlinked with this is the changing monetary policy landscape. For much of 2018, interest rates and monetary policy were on a tightening trend. In the US rates have now been rising since 2015 and even Europe has started the process of exiting its quantitative easing programme. Japan is the only country still actively wedded to easier monetary policy. Markets, quite rightly, worried that this withdrawal of liquidity would ultimately weigh on asset prices with peak-fear reached when the US Federal Reserve chairman, Jerome Powell, stated late in 2018 that rates would need to rise significantly more given the strength of the US economy.

Then we saw an unusual about-turn. Central bankers, as a rule, try to be consistent in their messaging for fear of surprising markets and causing unnecessary volatility. The announcement in early 2019 by chairman Powell that rates would now be on hold hence came as quite a shock to markets given his earlier comments. Why the change? Well possibly this reflects Powell's underlying scepticism of economic models. Being a lawyer by training he is far less wedded to conventional economic theory and much more data sensitive. With data highlighting a slowing in growth in late 2018 it is perhaps less surprising that he should react in such a way. Unsurprisingly markets rallied sharply on this announcement, helping lift investors from the funk of the last quarter, with them now starting to question if the next US rate move might even be down rather than up.

CHART 5: KEY US LEAD INDICATORS SUCH AS THE ISM ARE GUIDING TOWARDS LOWER US INTEREST RATES (RECESSIONS SHADED AREAS)

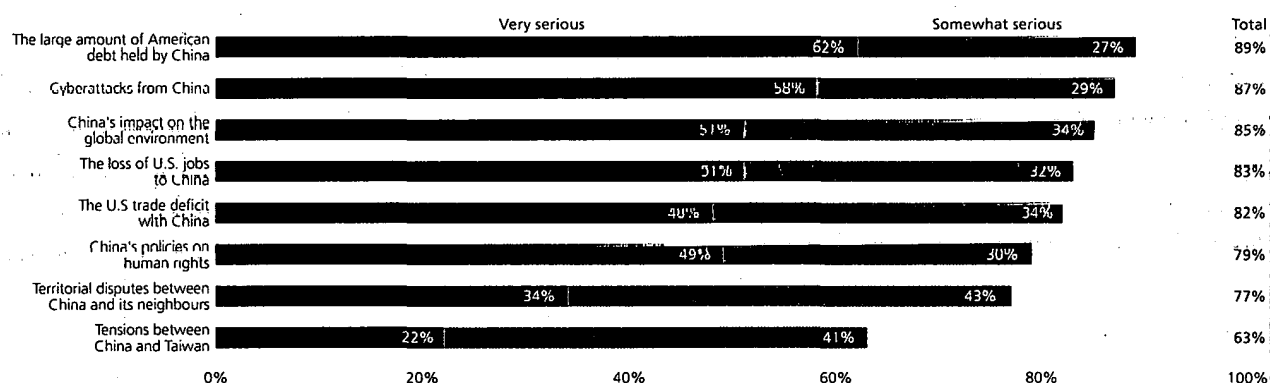


Source: Bloomberg

The final area of concern for investors, trade, is much more difficult to call. Whilst one may not always agree with his methods, market sentiment seems to be moving towards Donald Trump on trade. Having turned his back on globalisation, Trump has argued that countries such as China

are abusing their trading relationship with the US. This idea is now gradually becoming the accepted wisdom more broadly in Washington. Even if the Democratic Party were to gain power it looks unlikely there would be a significant shift from the current anti-China rhetoric.

CHART 6: ANTI-CHINA RHETORIC NO LONGER JUST AN EXTREME TRUMP VIEW



Source: Spring 2018 Global Attitudes Survey, Pew Research Center

We think there is a short and a long-term angle to how the current trade war evolves. In the short-term some form of deal and 'win' for Trump looks increasingly likely. With China already experiencing a period of economic weakness there is a real danger that a prolonged trade war could push China over the edge and into a downward growth spiral. China is now of such

a size that the old adage of "when the US sneezes the rest of the world catches a cold" is likely to work both ways. Trump, who uses the stock markets as a barometer of his success, looks keen to head off such an outcome, recognising that a strong US economy is key to his future election success.

Portfolio Manager's Report *Continued*

Whilst encouraged by this we remain troubled by the longer-term outlook for trade. We think there is growing likelihood that we sit on the precipice of a protracted trade war, with President Xi unlikely to give up on his aspirations to make China the pre-eminent global superpower with domination in a number of key sectors; part of his 'Made in China 2025' strategy. He may well be prepared to pacify Trump in certain areas in the short-term, but we see a number of red-lines over which he is unlikely to make concessions.

Pulling all together we remain firmly of the view that we are in late cycle territory. Undoubtedly, as highlighted above, this comes with all kinds of worries and concerns; it always does! However, our belief that we are not dipping into recession anytime soon means we viewed the derating experienced in Q4 as unwarranted. Valuations became cheap in a number of markets and for this reason the bounce seen so far this year is, in our minds, entirely justified.

What is perhaps more surprising was the strength of the snapback. Although hard to monitor, our sense is that the market was very conservatively positioned coming into 2019 with the trauma of the Global Financial Crisis fresh in investors' minds and with the current cycle unusually long by past standards. Therefore the pain trade was for markets to rise and this is just what we saw. As is often the case this can result in larger and more powerful movements in prices than one would normally expect.

How do we see the cycle ending?

One of the most useful exercises to go through late in the cycle is to think about the scenarios under which we would become more cautious.

Here we see three potential outcomes, one less worrying, the other two far more damaging.

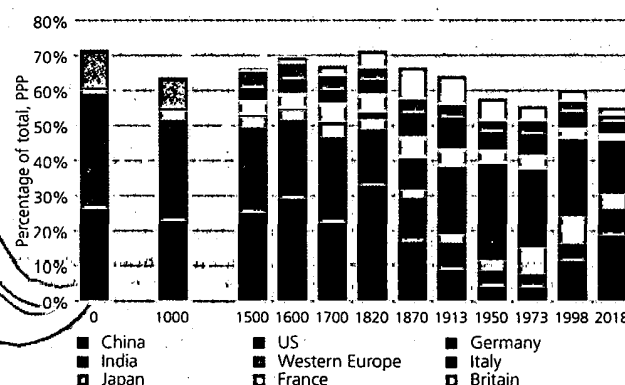
The first, less worrying scenario (and our core view), is that we see a conventional interest rate induced recession and bear market. As alluded to above, the most common manner in which cycles typically come to an end is through excesses forming in certain key areas of the economy, which ultimately necessitate central banks to slam on the brakes and in the process induce an economic downturn and fall in markets. We

are not overly worried about this, with this type of downturn normally short-lived and shallow, albeit such a scenario may require that governments to step up to the plate, with central banks having limited firepower. Going into a recession with low rates and extended central bank balance sheets will necessitate that fiscal policy is used more extensively, with the effectiveness of monetary policy almost certainly diminished under such a scenario.

Much more worrying would be systematic issues within China or Europe.

China represents one of the most remarkable development stories in recent history. From a low base it has become an economic powerhouse and the world's manufacturer. Around one third of global growth is expected to come from China in the coming years reflecting both the size of China's economy and the pace of its growth. This compares to a contribution of less than 20% from the US. From a non-economic perspective, China is also making huge progress especially technologically; earlier this year for example it became the first country to land a vehicle on the far side of the moon.

CHART 7: CHINA HAS BECOME AN ECONOMIC POWERHOUSE



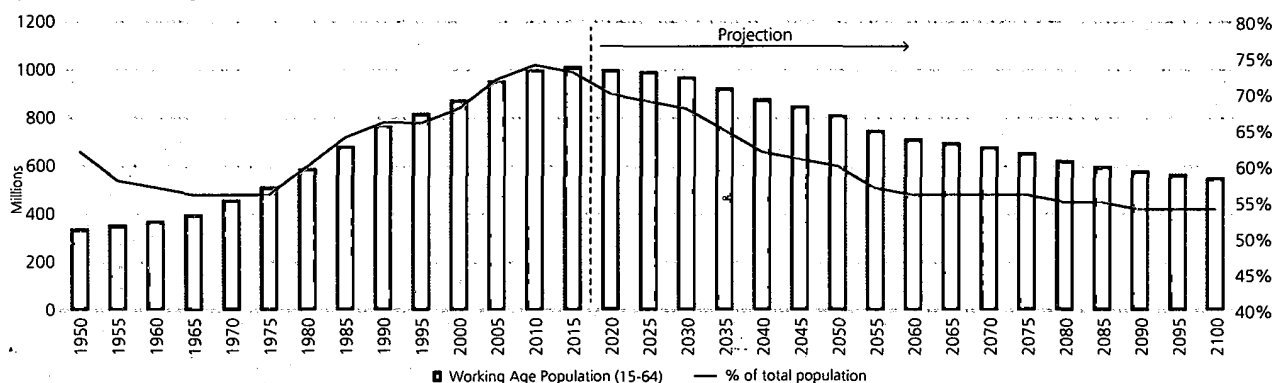
Source: Angus Maddison, OECD, International Monetary Fund

Unfortunately this progress has come at a cost. Private sector debt levels have been growing at an alarming rate and have reached levels where other historically high growth countries, such as Japan and Korea, hit a wall and ultimately

collapsed. Equally whilst the core banking system looks fine, the shadow banking system now represents over 50% of GDP. Affordability in many key Chinese cities is some of the

worst globally and the working age population has started to decline as a proportion of the overall population due to the one-child policy.

CHART 8: CHINA'S WORKING AGE POPULATION IS NOW DECLINING AS A PERCENTAGE OF THE TOTAL POPULATION



Source: World Population Prospects: The 2017 Revision, UN Population Division

It's impossible to say if these issues will come to a head anytime soon, but one can't help but note that precedent is typically not good from other countries which have faced similar problems in the past. The Chinese authorities appear to be well aware of these challenges, trying to tackle private sector debt levels for example, and one must hope the command economy structure will enable them to manage their way out. If they are not successful the implications for global stock markets could be dramatic.

Europe equally faces many structural threats albeit the opposite to the Chinese bubble. Whereas China is arguably suffering from years of excessive, possibly ill-directed, growth, Europe has barely recovered from the depths of the Global Financial Crisis. Growth has been lacklustre to non-existent in many European countries and the banking system remains mired in the same challenges the sector faced ten years back. Germany, the engine of the Euro area to date, suffered a worrying setback last year, highlighting just how important China has become to end-demand for German products. One can't help but think that if China is successful in transitioning from a low to high-end manufacturer it might cut the legs away from the Mittelstand, the heart of Europe's growth.

CHART 9: CHINA'S TOP PRIORITY INDUSTRIES ARE IMPORTANT MARKETS FOR GERMANY

Key goals

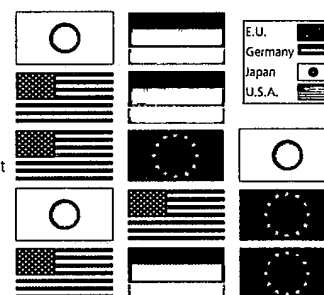
Robotics
70% domestic self sufficiency

Biopharma and medical devices
85% self sufficiency

Aviation
50% self sufficiency in Aviation equipment

New Energy Vehicles
50% self sufficiency in production

Information Technology
40% self sufficiency



Source: Janus Henderson Investors; Made in China 2025

Near-term we see the outlook for Europe and China as interlinked. If China is successful in kick-starting its economy this would likely provide a much needed fillip to European growth, albeit from very low levels. Longer-term we are far less optimistic. Unless Europe can take the necessary steps towards greater social, fiscal and banking integration, it is hard to see the union remaining in its existing form. We are already seeing chinks in the armour with the UK withdrawing (we think!) and the election of anti-EU parties in key countries such as Italy. Watch this space.

Portfolio Manager's Report *Continued*

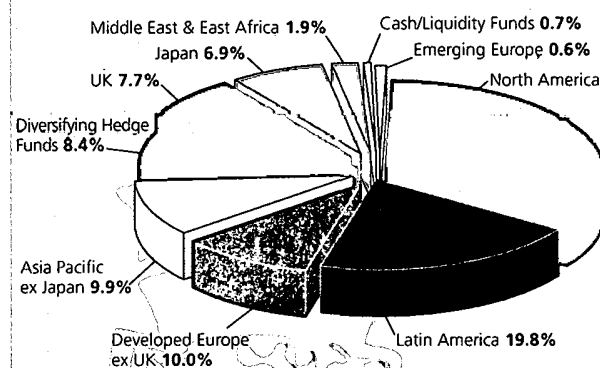
Summary

There is clearly a fragility to markets at present. The falls experienced late last year and the speed with which markets have rebounded are symptomatic of this. Hence whilst remaining biased towards equities and risk assets generally, our direction of travel is to systematically lean away from equities over time, especially if we see any deterioration in the issues highlighted.

Portfolio Review and Activity

Your Company's NAV has returned 5.6% over the financial year. The KPIs for the financial year were 10.8% for the MSCI ACWI NR Index, 3.7% for the FTSE UK Gilts All Stocks TR Index and 1.9% for UK CPI. A significant part of this performance came in the final quarter, with the significant bounce that has been seen in many world markets in early 2019 counteracting the market correction towards the end of 2018. The Trust's net asset value per share increased over from 1,346.2p at the end of March 2018 to 1,405.6p at the end of March 2019.

GEOGRAPHICAL EXPOSURE

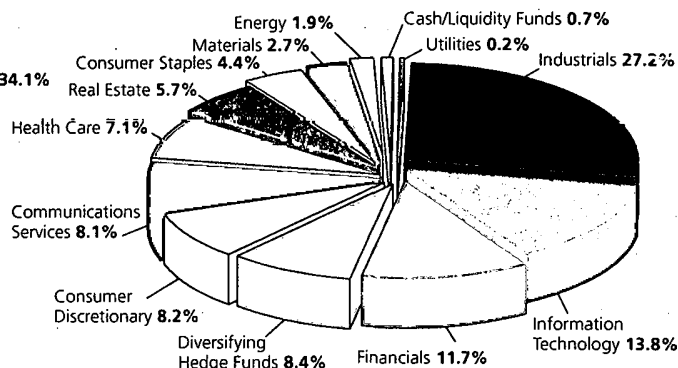


Core and Thematic Funds

Despite the challenges faced by markets over the past 12 months, the Core Regional silo was up 6.7% and the Thematic silo up 14.3% over the period.

In the Core Regional silo, the Fund's US holdings were the largest contributors over the course of the year. **Select Equity** was a top contributor, up 22.0%. This small-mid cap fund's largest holding, life science equipment supplier **PerkinElmer**, performed particularly well as growth accelerated. This was due to the expansion of its presence in China and India and also improvements in its gross and operating margins. Other good performers included the technology company **Gartner** and **Live Nation Entertainment**, both large holdings for the fund. Other strong performers were **Findlay Park American**,

SECTOR EXPOSURE



Vulcan Value Equity and **Pershing Square Holdings** which were up 20.0%, 13.1% and 53.3% respectively over the year.

Over the year several of the Japanese funds in the Core Regional silo, including **Indus Japan Long Only** (down 10.8%), and **Goodhart Partners: Hanjo** (down 4.8%) had negative returns. This was mainly related to a broad Japanese market sell-off in the fourth quarter of 2018 and in the case of Indus, increasing positions in holdings following declines in September, which then declined further in December. Emerging and frontier market holdings such as **BlackRock Frontiers Investment Trust** (down 13.0%), and **Prince Street Institutional** (down 9.1%) were also detractors, mainly due to broader global market factors such as rising interest rates.

GAM Star Technology Fund continued to be one of the top contributors in the Thematic bucket, returning 18.0% over the year as the technology sector performed well. Microsoft, Visa and Alibaba, large positions in the fund; all enjoyed strong first quarters of 2019, with Visa continuing to perform particularly well after a difficult December on the back of strong revenue, payment volume and processed transactions growth. Another strong performer in this silo was **Worldwide Healthcare Trust** which was up 13.9% for the year. The trust benefited from several companies in its portfolio being acquired over the course of the year, as well as some big biotechnology holdings outperforming.

Diversifying Funds

The Diversifying silo ended the year with a positive return of 3.1%. The holdings in this silo of the portfolio are designed to show lower correlation to the equity market, so it is expected that they will perform more robustly in times of equity market stress, but lag behind when it is strong.

Hudson Bay International Fund was one of the larger contributors over the year, up 16.4%. The strong performance was mainly driven by a decision to take risk off in December, meaning they did not suffer any large losses and also due to positive currency movements. Another of the stronger performers over the year was **Global Event Partners**, which was up 5.2%. Most of this performance came in the first quarter of 2019 and was driven by the funds merger arbitrage strategy. The fund's largest position related to the Disney/Fox merger which completed in March and drove the majority of the performance. Another position related to the IBM/Red Hat merger also performed well.

A detractor over the year was **CZ Absolute Alpha** which was down 1.7%. The fund suffered from several of its industrial short equity positions which produced negative returns when markets rose in early 2019. **Schroder GAIA BlueTrend** was disappointing over the course of the year, declining 3.4%. During the first quarter of 2019 the fund had weaker performance than the other trend-following CTA in the portfolio, **GAM Systematic**, largely due to a net short equity position the fund held going into January 2019 which resulted in a loss for that portion of the portfolio.

Global Equities

The global equity portfolio returned 2.5% over the year. This pedestrian return is well below the absolute level we strive to achieve and it was also below the return of the equity indices. The underperformance relative to global indices was almost entirely caused by the portfolio failing to participate in the strong rally this last fiscal quarter.

Perhaps the best way to explain this is to take several steps back and look at how we run the portfolio. The global equity portfolio is run for absolute returns over the long-term, not relative quarterly performance. We believe one of our greatest competitive advantages is to avoid the institutional imperative of quarterly performance measurement that creates more of a trading mentality than an investing one. We buy businesses on a three to five year view which means quarterly or even annual comparisons to global indices are not always relevant, as the average holding period for stocks in the US (where we have the most data) is less than 12 months, whereas our implied period is closer to five years.

The second point is because we look for absolute returns the portfolio does not look like the market index. We go where the opportunities for long-term returns look most attractive and they are often in sectors currently out of fashion and offer few catalysts for investors with a short-term (three to six month) time frame. An example of this would be our holdings in telecom stocks, where the portfolio exposure is in the low teens. Paris based **Orange** is a solid, well-run business that pays a dividend of almost 5% a year and offers an 8% free cash flow yield. After years of returns at or below their cost of capital the industry has largely been abandoned by investors with telecoms weight in the European index almost halving over the past ten years. While we may be holding what currently appears to be an average business we believe there are a number of embedded options not priced in and in the meantime we are being paid 5% a year to wait. These options include, but are not limited to, higher interest rates forcing rational competition and/or consolidation, service providers wrestling the economics back from content providers and 5G acting as a catalyst for a host of new applications.

Portfolio Manager's Report *Continued*

The investor Tom Russo has popularised the term “*capacity to suffer*” which essentially means incurring short-term pain in order to achieve long-term gains. He looks for businesses and management teams that have the capacity to report weaker numbers in the short-term in order to invest in the business for long-term growth, which leads to far greater compounded returns for holders who share their long-term time horizons.

We believe this is a great source of opportunity and our two most recent investments have that element to them. The management at the global exhibition organiser **ITE** have been responsible for EBITDA margins falling from 26% in 2016 when they joined to 14.6% last year as they reinvested in their Transformation and Growth (“TAG”) programme. During this time the stock fell from 100p a share to 70p as the public markets did not have the patience to hold through the turnaround. These investments, however, have led to meaningful growth in organic revenues – the exhibitions that have gone through TAG grew revenue over 10% during the latest period. As these investments roll off we expect the cash flow to increase considerably over the next several years, leaving the company significantly better positioned for long-term growth than when the current management team joined.

Similarly, the US retailer, **Dollar General** issued annual guidance that was below market expectations, as management chose to invest in the business. The CFO was clear in saying “*we believe these investments will allow us to enhance our operating margin profile over the long term. The associated investments, however, will pressure SG&A rates in the near term*”. Nevertheless, Mr Market sold the stock off 8% on the news, meaning we were able to buy opportunistically at a discount to its intrinsic value.

We agree with Tom Russo that it is important for us as investors to have “*the capacity to suffer*”. Chasing the hottest stocks and sectors in the market is initially very rewarding because of the positive reinforcement you get from the short-term stock performance and being part of the herd. In contrast going against the crowd is uncomfortable, but history has shown it should ultimately prove rewarding over the long-term.

The largest contributors during the year were Iridium Communications, TripAdvisor and Alphabet, the largest detractors were Bayer, Coca Cola Bottlers Japan and Interactive Brokers.

Ocean Wilsons Holdings

Brazil's economy continues to recover, albeit slowly. The market has so far responded positively to Jair Bolsonaro's victory in last October's Presidential election, although it remains to be seen how successful he will be in implementing economic reforms. Much will depend on the economy minister, Paulo Guedes, who talks ambitiously of free-market reforms, but there will be challenges in passing them through Congress. While Wilson Sons has put itself in a position to reap the rewards of its \$1bn investment plan over the last ten years, civil works were begun on the expansion of Tecon Salvador in the fourth quarter of 2018, after the receipt of all necessary environmental licences. The work will see the principal quay extended from 377 metres to 800 metres, which will allow the simultaneous berthing of two super-post-Panamax ships.

The process of assessing the future of the company's container terminals and logistics assets announced in July 2018 continues. This is part of an evaluation of strategic alternatives carried out by the company management. However, the Board has emphasised that no formal decision has yet been taken with respect to any of the alternatives and there is no certainty that a transaction will occur.

The fourth quarter results for Wilson Sons, which were released in March, showed a decline in earnings, largely as a result of weakness in the towage division. For the full year, earnings of \$160.6m were 6.8% down on the prior year, although up 6.4% in R\$ terms. The container terminals division was relatively robust over the year and earnings there rose 12.4%. In the fourth quarter total operating volumes improved by 2.7%, helped particularly by higher export volumes at both container terminals. Tecon Rio Grande improved its net average productivity to 77 movements per hour, 22% higher than 2017.

Towage results continued to be pressured by the very competitive environment that affects both volumes and pricing and earnings in the division were 22.3% lower in 2018. The number of harbour towage manoeuvres performed in the year declined 6.2% due to increased competition in some ports and a 1.0% decrease in the total number of vessel calls in Brazil, driven by the market trend towards larger vessels and liner consolidation. Weakness in the oil and gas industry has resulted in some vessels which previously serviced that industry being deployed in the harbour towage market instead.

The Ocean Wilsons Investment subsidiary was valued at \$258.9m at the end of December 2018, which represented a decrease of \$15.8m (5.8%) from the valuation at the end of December 2017, although dividends of \$4.75m were also paid out from the portfolio during this time. The portfolio continues to be biased towards equities, both public and private, reflecting its long-term nature, but also includes some assets which display lower correlation to equity markets.

Over the past year the **Ocean Wilsons Holdings** share price has risen by 5.1%, or by 9.9% on a total return basis, which takes account of the 51.7p dividend that was paid to the Trust in June 2018. The share price represents a discount to the look-through NAV of 18.9%, based on the market value of the Wilson Sons shares, together with the latest valuation of the investment portfolio.

Alec Letchfield
April 2019

Portfolio Statement

Investments	Fair value £000	Percentage of Net Assets
Core Regional Funds		
Findlay Park American Fund	18,935	5.6
Vulcan Value Equity Fund	13,524	4.1
Select Equity Offshore Ltd	13,371	4.0
Goodhart Partners: Hanjo Fund	11,205	3.3
Adelphi European Select Equity Fund	9,587	2.8
BlackRock European Hedge Fund	9,264	2.7
Indus Japan Long Only Fund	8,049	2.4
Schroder ISF Asian Total Return Fund	7,411	2.2
Prince Street Institutional Offshore Ltd	4,549	1.3
Pershing Square Holdings Ltd	4,360	1.3
BlackRock Frontiers Investment Trust	3,580	1.1
Vanguard FTSE Developed Europe ex UK Equity Index Fund	3,506	1.0
LF Odey Absolute Return Fund	3,501	1.0
NTAsian Discovery Fund	2,960	0.9
SR Global Fund Inc. Frontier Markets	2,434	0.7
Selwood AM Credit Fund	1,773	0.5
Egerton Long-Short Fund	539	0.2
Total Core Regional Funds	118,548	35.1
Strategic		
Wilson Sons (through the holding in Ocean Wilsons Holdings) *	63,060	18.7
Ocean Wilsons Investments Limited (through the holding in Ocean Wilsons Holdings) *	41,691	12.4
Total Strategic	104,751	31.1
Global Equities		
Berkshire Hathaway Inc	3,730	1.1
Hansteen Holdings PLC	3,476	1.0
CK Hutchison	3,466	1.0
Iridium Communications Inc	3,448	1.0
Interactive Brokers Group Inc	3,424	1.0
EXOR NV	3,239	1.0
Alphabet Inc	2,888	0.9
KT Corp ADR	2,673	0.8
White Mountains Insurance Group Ltd	2,628	0.8
Orange	2,623	0.8
Hilton Food Group PLC	2,522	0.7
Samsung Electronics Co Ltd	2,447	0.7
TripAdvisor Inc	2,132	0.6
C&C Group Plc	2,068	0.6
Dollar General Corp	2,060	0.6

	Fair value £000	Percentage of Net Assets ¹
Investments		
Nutrien Ltd	1,936	0.6
Subsea 7	1,710	0.5
Bayer AG	1,705	0.5
Howard Hughes Corp	1,687	0.5
ITE Group	1,645	0.5
Orion Engineered Carbons SA	1,530	0.5
CVS Health Corp	1,407	0.4
Technicolor	1,160	0.4
Total Global Equities	55,604	16.5
Diversifying		
DV4 Ltd **	9,764	2.9
Global Event Partners Ltd	8,104	2.4
Hudson Bay International Fund Ltd	3,566	1.1
MKP Opportunity Offshore Ltd	2,809	0.8
Vanguard US Govt Bond Index Fund	2,682	0.8
Apollo Total Return Fund	2,196	0.7
Keynes Dynamic Beta Strategy Fund	2,110	0.6
Biopharma Credit Plc	1,473	0.4
CZ Absolute Alpha UCITS Fund	1,295	0.4
GAM Systematic Core Macro Fund	964	0.3
Schroder GAIA BlueTrend	714	0.2
Total Diversifying	35,677	10.6
Thematic Assets		
GAM Star Technology Fund	15,739	4.7
SPDR MSCI World Financials UCITS ETF	3,109	0.9
Worldwide Healthcare Trust PLC	1,734	0.5
Total Thematic	20,582	6.1
Total Investments	335,162	99.4
Net Current Assets	2,188	0.6
Net Assets	337,350	100.0

Note:

* Hansa Trust owns 9,352,770 shares in Ocean Wilsons Holdings Limited ("OWHL"). In order to better reflect Hansa Trust's exposure to different market silos, the two subsidiaries of OWHL, Wilson Sons and Ocean Wilsons (Investments) Ltd ("OWIL"), are shown separately above. The fair value of Hansa Trust's holding in OWHL has been apportioned across the two subsidiaries in the ratio of the latest reported NAV of OWIL, that being the NAV of OWIL shown per the 31 December 2018 OWHL accounts, to the market value of OWHL's holding in Wilson Sons, that being the bid share price of Wilson Sons multiplied by the number of shares held by OWHL at 31 March 2019.

** DV4 Ltd is an unlisted Private Equity holding. As such, its value is estimated as a Level 3 Asset in Note 21. All other valuations are either derived from information supplied by listed sources or from pricing information supplied by third party fund managers.

Shareholder Profile and Engagement

Capital Structure

The Company has 8,000,000 Ordinary shares of 5p (1/3 of the total capital) and 16,000,000 'A' non-voting Ordinary shares of 5p (2/3 of the total capital) each in issue. The Ordinary shareholders are entitled to one vote per Ordinary share held. The 'A' non-voting Ordinary shares do not entitle the holders to vote or receive notice of meetings, but in all other respects they have the same rights as the Company's Ordinary shares.

Shareholder Profile

The Company's shares owned at 31 March 2019 are as follows:

	Ordinary shares		'A' non-voting Ordinary shares	
Institutional & Wealth Managers	3,431,314	42.9%	15,168,477	94.8%
Directors	2,127,619	26.6%	139,150	0.9%
Private Individuals	2,406,280	30.1%	672,104	4.2%
Other	34,787	0.4%	20,269	0.1%
	8,000,000		16,000,000	

Substantial Shareholders

As at 31 March 2019, the Directors were aware of the interests on page 30 in the Ordinary shares of the Company, which exceeded 3% of the voting issued share capital of that class.

The following information is disclosed in accordance with the Companies Act 2006 and DTR 7.2.6 of the FCA Disclosure Guidance and Transparency Rules.

The Company's capital structure and voting rights are summarised above and in Note 15 on page 60.

- The giving of powers to issue or buy back the Company's shares requires an appropriate resolution to be passed by shareholders. Proposals for the renewal of the Board's powers to buy back shares are set out in the Notice of the Annual General Meeting on pages 66 to 69.
- There are: no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; no agreements which the Company is party to that affect its control following a takeover bid; and no agreements between the Company and its Directors concerning compensation for loss of office.

Notwithstanding the foregoing, the Company may require any holder of shares to transfer some or all of its shares (or otherwise refuse to register any transfer of shares) to avoid the Company being regarded as a "close company" as defined in s.414 of the Income and Corporation Taxes Act 1988, to another person whose holding of such shares, in the sole and conclusive determination of the Board, would not cause the Company to be a close company. Additionally, following a resolution passed at the Company's AGM on 27 July 2018, the Company's Articles of Association provide for the voting rights of Ordinary shares to be automatically reallocated to other shareholders to prevent the Company becoming a close company. The reallocation mechanism operates where a transfer of shares or other change in the interests of holders of shares occurs and would cause the Company to become a close company. In these circumstances, the voting rights attaching to the affected shares are reallocated by enhancing the voting rights of the smallest registered shareholders on a temporary basis pending the operation of the compulsory transfer provisions referred to above.

	No. of voting shares	% of voting shares
Nomolas Ltd	2,069,425	25.9%
Victualia Limited Partnership	2,069,425	25.9%

William Salomon is interested in 2,069,425 of the shares held by Victualia Limited Partnership, representing 25.9% of the voting share capital. In addition, William Salomon has further interests in the Company's shares; the total interest is detailed in the Directors' Interests section below.

As at 20 June 2019, the date of signing of the Annual Accounts, there have been no disclosures to the Company of changes of interests under DTR 5.

BOARD AND MANAGEMENT SHAREHOLDINGS

Directors and Directors' Interests

The present members of the Board are shown on pages 6 and 7.

The Board's policy is that all Directors retire annually. All Directors being eligible, at the forthcoming Annual General Meeting, will retire and seek re-election in accordance with the Board's policy. The contracts of employment between the Company and each of the Directors do not allow for any compensation payment in the event of loss of office.

The interests of Directors and their connected parties in the Company at 31 March 2019 are shown below:

	Ordinary shares of 5p each		'A' non-voting Ordinary shares of 5p each		Nature of interest
	2019	2018	2019	2018	
Alex Hammond-Chambers	4,900	4,900	10,600	10,600	Beneficial
Jonathan Davie	4,000	4,000	26,000	26,000	Beneficial
Raymond Oxford	1,850	1,850	1,850	1,850	Beneficial
William Salomon	2,115,869	2,115,869	98,700	98,700	Beneficial
Geoffrey Wood	1,000	1,000	2,000	2,000	Beneficial

As at 20 June 2019, the date of signing the Annual Accounts, there were no changes to report to the Directors' holdings.

William Salomon is the senior partner of Hansa Capital Partners LLP. Fees payable to Hansa Capital Partners LLP amounted to £2,335,435 (2018: £2,238,104). The fees outstanding at the year-end amounted to £197,735 (2018: £189,575). During the year, no rights to subscribe for the shares of the Company were granted to, or exercised by Directors, their spouses or infant children.

PORTFOLIO MANAGER'S INTERESTS

As at 20 June 2019, the date of signing of this Annual Report, the management and staff of the Portfolio Manager's group, excluding the holding of William Salomon, shown above, were interested in c. 2.1m shares in the Company – a mixture of Ordinary and 'A' non-voting Ordinary shares.

ANNUAL GENERAL MEETING

A special resolution relating to the following items will be proposed at the forthcoming AGM.

Authority to repurchase 'A' non-voting Ordinary shares

A resolution (Special Resolution 10) will be proposed at the forthcoming AGM, seeking shareholder approval for the renewal of the authority for the Company to repurchase its own 'A' non-voting Ordinary shares. The Board believes the ability of the Company to repurchase its own 'A' non-voting Ordinary shares in the market could potentially benefit all equity shareholders of the Company in the long-term. The repurchase of 'A' non-voting Ordinary shares at a discount to the underlying NAV would enhance the NAV per share of the remaining equity shares.

The Company's Articles are drafted in such a way that the Company may from time to time purchase and cancel its own shares. However, company law requires that shareholders' approval to repurchase shares be sought. At the AGM the Company will therefore seek the authority to purchase up to 2,398,400 'A' non-voting Ordinary shares (representing 14.99% of the Company's issued 'A' non-voting Ordinary share capital, the maximum permitted under the FCA Listing Rules), at a price not less than 5p per share (the nominal value of each share) and not more than 5% above the average of the middle-market quotations for the five business days preceding the day of purchase or, where a series of transactions have taken place the higher of the last independent trade and current highest independent bid on the trading venue where the purchase(s) will be carried out. The authority being sought, the full text of which can be found in Special Resolution 10 in the Notice of Meeting, will last until the date of the next AGM.

The Company is seeking authority to use its realised capital reserve to allow repurchase of shares in the market. The decision as to whether the Company repurchases any shares will be at the absolute discretion of the Board. Any shares purchased will be cancelled.

STRATEGIC REPORT

Shareholder Profile and Engagement *Continued*

Notice Period for General Meetings

The EU Shareholder Rights Directive increased the notice period for general meetings of companies to 21 days unless certain conditions are met, in which case it may be 14 days' notice. A shareholders' resolution is required to permit that the Company's general meetings (other than AGMs) may be held on 14 days' notice. Accordingly, Special Resolution 11 will propose that the period of notice for general meetings of the Company (other than AGMs) shall not be less than 14 days' notice.

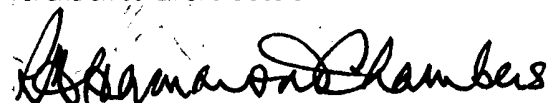
The Directors consider that the above highlighted resolutions, and all the resolutions to be proposed at the forthcoming AGM as set out in the Notice of Meeting, are in the best interests of shareholders as a whole and unanimously recommend all shareholders to vote in favour, by ticking the appropriate boxes on the enclosed Form of Proxy. This form should be returned to the Company's Registrar as soon as possible, but in any event so as to arrive no later than 48 hours before the time of the AGM.

If the Board considers a significant proportion of votes have been cast against a resolution at the AGM, the Company will explain, when announcing the results of voting, what action it intends to take to understand the reasons behind the results of the vote.

APPROVAL OF THE DIRECTORS

The Directors consider the Annual Report and Accounts, 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.

For and on behalf of the Board



Alex Hammond-Chambers
Chairman
20 June 2019

Report of the Directors

The Companies Act 2006 requires the Directors to report on a number of items within the Annual Report. With the introduction of the Strategic Report, the Directors have chosen to report on some of those items within the body of the Strategic Report, while others remain within the Report of the Directors.

ITEMS INCLUDED WITHIN THE STRATEGIC REPORT

The following items are listed within the Strategic Report:

- Statement of the existence of qualifying indemnity provisions for Directors – see page 16.
- Dividend policy and payments made during the year are summarised in the Organisation & Objectives section – see page 15.
- Names of Directors, at any time in the year – see pages 6 to 8 for the Directors' details and attendance at Company meetings.
- Greenhouse Gas Emissions – see page 17.
- Policy on Diversity – see page 8 within "The Board".

ITEMS REPORTED WITHIN THE DIRECTORS' REPORT

Disclosure to the Auditor of Relevant Audit Information

The Directors confirm that, so far as they are aware, having made such enquiries and having taken such steps as they consider they reasonably ought, they have provided the Auditor with all the information necessary for it to be able to prepare its report. In doing so each Director has made himself aware of any information relevant to the audit and established that the Company's Auditor is aware of that information. The Directors are not aware of any information relevant to the audit of which the Company's Auditor is unaware.

Capital Structure

The Company's Capital Structure is described in the "Investor Information Section" on page 70.

Corporate Governance Report

The Corporate Governance Report, including the Financial Risk Management Review of the Company, is included in this document starting on page 34.

Future Developments and Post Balance Sheet Events

The Company does not have any imminent future developments or post balance sheet events to report.

APPROVAL OF THE DIRECTORS

The Directors consider the Annual Report and Accounts, 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. Further details demonstrating the Company's performance, business model and strategy have been included within the Strategic Report on pages 2 to 32.

For and on behalf of the Board



Alex Hammond-Chambers
Chairman
20 June 2019

Corporate Governance Report

UK CORPORATE GOVERNANCE CODE

Internal Controls

The UK Corporate Governance Code ("UK Code") (issued April 2016 Code for accounting periods beginning on or after 17 June 2016), which can be found on the website of the Financial Reporting Council ("FRC") (www.frc.org.uk), requires the Directors to review the effectiveness of the Company's risk management and system of internal controls on an annual basis. The Directors, through the procedures outlined below, keep the system of risk management and internal controls under review. The Board has identified risk management controls in the key areas of business objectives, accounting, compliance, operations and secretarial as areas to be included in the extended review.

The Board recognises its ultimate responsibility for the Company's system of risk management and internal controls and for monitoring their effectiveness. In order to perform this responsibility the Board receives regular reports on all aspects of risk management and internal control from the Company's service providers (including financial, operational and compliance controls; risk management and relationships with other service providers); the Board will authorise necessary action in response to any significant failings or weaknesses identified by these reports. However, it must be noted this system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The UK Code was revised in July 2018 for accounting periods beginning on or after 1 January 2019. Therefore, the new UK Code will apply to the Company for its year ended 31 March 2020.

Financial Reporting

The Board has a responsibility to present a fair, balanced and understandable assessment of annual, half-year and other price sensitive public reports and reports to regulators, as well as to provide information required to be presented by statutory

requirements. To ensure this responsibility is fulfilled, all such reports are reviewed and approved by the Board prior to their issue.

The Board confirms there have been no important events since 31 March 2019, of which the Board is aware, which would have a material impact on the Company.

COMPLIANCE WITH THE PROVISIONS OF THE UK CORPORATE GOVERNANCE CODE

The Board has considered the principles and recommendations of the AIC Code of Corporate Governance ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the relevant principles of the UK Code, as well as setting out additional principles and recommendations on issues of specific relevance to investment companies such as Hansa Trust PLC.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Code), will provide more appropriate information to shareholders.

The Company has complied with the recommendations of the AIC Code, thereby the UK Code.

The Board confirms, with the exception of the position of a senior independent Director and the need to involve the Chairman early in the process for structuring a new share launch (as it is not relevant for this Company), that it has in all respects followed the AIC Code in meeting its obligations under the Listing Rules and the UK Code. The AIC Code can be found on its website at www.theaic.co.uk.

In response to the Issuance of the new UK Code, the AIC Code was revised and re-issued in February 2019 effective for accounting periods beginning on or after 1 January 2019. Therefore, the new AIC Code (the "New Code") will apply to the Company for its year ended 31 March 2020.

ASSOCIATION OF INVESTMENT COMPANIES CODE

The AIC Code has 21 principles, the vast majority of which the Board has been following for many years. However, modern corporate governance requires that boards not only govern their companies sensibly and responsibly, but that they are seen to do so. Hence there is a requirement to follow a check list of principles, which in our case is drawn from the AIC Code. They include:

The Board

- The Chairman should be independent
Alex Hammond-Chambers has been assessed by the Board to be independent.
- A majority of the Board should be independent of the Manager
All the Directors are subject to an annual independence review and with the exception of William Salomon, who is a partner of the Portfolio Manager, all are adjudged to be independent and to have performed their duties in an independent manner.
- Directors should be submitted for re-election at regular intervals. Nomination for re-election should not be assumed, but be based on disclosed procedures and continued satisfactory performance
All Directors resign at each AGM and where appropriate offer themselves for re-election.
- The Board should have a policy on tenure which is disclosed in the Annual Report
The Board has determined that neither age nor length of service necessarily compromise independence, rather that experience and knowledge gained in service normally strengthen independent performance. All Directors have service contracts, details of which are contained in the Directors' Remuneration Report on page 43.
- There should be full disclosure of information about the Board
A brief biography of each member of the Board can be found on pages 6 and 7. The Company's Chairman chaired the Board and Remuneration Committee during the year. Jonathan Davie was Chairman of the Audit Committee for the full year.
- The Board should aim to have a balance of skills, experience, length of service and knowledge of the company
The Board regularly reviews its requirements to direct the affairs of the Company. When and where appropriate, individuals are identified who would strengthen the Board and are put forward as candidates for Board membership.
- The Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual Directors
The Board undertakes a formal written evaluation every three years. In the other years the Board carries out an evaluation of the independence and suitability of each Director, by means of a written response from each Director on his fellow Directors, the progress of the actions resulting from the previous reviews and any new ideas for improving the returns to shareholders, by enhancing the effectiveness of the Board. The Chairman is evaluated by another Director on behalf of the Board. As part of the evaluation process, suitability for each of the Director's roles on other committees as relevant – notably the Audit Committee – is also considered.
- Directors' remuneration should reflect their duties and responsibilities and the value of their time spent
The level of Directors' fees is monitored annually and formally reviewed every three years, in light of their duties, responsibilities and their time committed to the interests of the Company; note is taken of fees paid by other comparable companies. A note of the Company meetings attended by each Director is included with their biographies on pages 6 and 7.

Corporate Governance Report *Continued*

- The Independent Directors should take a lead in the appointment of new directors and the process should be disclosed in the Annual Report
The identification and appointment of a new Board member is a matter for the whole Board. The Chairman, as the de facto senior independent Director, is charged with taking the lead in all the processes with respect to the appointment of a new director.
- Directors should be offered relevant training and induction
When a new Director is appointed, he/she attends an induction seminar held by the Company Secretary and the Chairman. Directors are also provided on a regular basis with industry, regulatory and investment updates. Directors regularly participate in industry seminars and training courses where appropriate. In addition, the Company maintains a membership of its trade body, the AIC, to ensure it has reliable access to technical resources and good practice.

Board meetings and the relationship with the Manager

- Boards and managers should operate in a supportive, co-operative and open environment
The Board is primarily responsible for the running of the Company and maintains specific duties and responsibilities. Where the Board has delegated certain duties to the AIFM and Portfolio Manager, the Board, the AIFM and the Portfolio Manager operate in an environment of mutual trust and respect, both at formal Board meetings and during the year when ad hoc communications are instigated by any party.
- The primary focus at regular Board Meetings should be the review of the investment performance and associated matters such as gearing, asset allocation, marketing/investor relations, peer group information and industry issues
At the regular Board meetings, discussions are held and reports and papers reviewed, all of which cover the above mentioned aspects.
- Boards should give sufficient attention to overall strategy
The Board holds an annual strategy meeting with the Portfolio Manager, specifically to discuss the Company's future investment and corporate strategies. However, macro trends, the drivers for the wider economy and their potential for impact on the portfolio are discussed at every Board Meeting.

- The Board should regularly review both the performance of and contractual arrangements with the Portfolio Manager
The Board formally reviews the performance of the Portfolio Manager each quarter, at which Board Meeting the Portfolio Manager presents a written report. At the annual review of the Portfolio Manager all aspects of its service to the Board are reviewed, particularly the long-term returns to shareholders and the terms and conditions of its contract. This review is conducted by the independent Directors only.
- The Board should agree policies with the Manager covering key operational issues
Within the agreement, service levels are defined between the AIFM, Portfolio Manager and the Company. In addition the Board determines certain investment restrictions and guidelines for the Portfolio Manager, on which the Portfolio Manager reports monthly and the AIFM also monitors.
- Boards should monitor the level of share price discount or premium (if any) and, if desirable, take action to reduce it
The Board monitors the levels of discount or premium and comments on it at its regular meetings. The Board also seeks authority to purchase up to 14.99% of the Company's 'A' non-voting Ordinary shares at the Company's AGM. The Board, through the Chairman, ensures that shareholders are fully aware of the Company's policy with regard to share buybacks and, additionally, states its discount policy in the Annual Report.
- The Board should monitor and evaluate other service providers
The Board, through its Audit Committee, receives independent reports from the auditors of the main service providers; these reports are called either AAF 01/06 or ISAE3402 reports.

Shareholder Communication

- The Board should regularly monitor the shareholder profile of the Company and put in place a system for canvassing shareholder views and for communicating the Board's views to shareholders
The Board reviews the shareholder profile at its regular meetings. The Company, through its Portfolio Manager and Company Secretary, has regular contact with its shareholders. The Board supports the principle that the AGM

should be used to communicate with all shareholders and promotes its website to them. The Company Secretary and/or the Chairman handle communications from shareholders. These communications are received by letter, email or telephone. Any matter requiring the Board's attention is referred to it for action.

- The Board should normally take responsibility for, and have a direct involvement in, the content of communications regarding major corporate issues even if the Manager is asked to act as spokesman
The Board is responsible for all major corporate issues and as such would have a direct involvement in both the issue and the content of its communications.
- The Board should ensure shareholders are provided with sufficient information for them to understand the risk:reward balance to which they are exposed by holding the shares
The Board, through the issuance of the Annual and Half-Year Reports, and monthly factsheets, aims to ensure both shareholders and prospective shareholders are made fully aware of the investment aims and KPIs of the Company, the types of investments the Company is likely to enter into, the disposition of those investments in the portfolio, the risks shareholders are exposed to, including the gearing of the Company and the period over which its performance should be judged.

UK STEWARDSHIP CODE

The aim of the Stewardship Code is to enhance the quality of engagement between institutional investors and companies, to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities.

The seven principles of the Code are that institutional investors should:

- Publicly disclose their policy on how they will discharge their stewardship responsibilities.
- Have a robust policy on managing conflicts of interest in relation to stewardship which should be publicly disclosed.
- Monitor their investee companies.

- Establish clear guidelines on when and how they will escalate their stewardship activities.
- Be willing to act collectively with other investors where appropriate.
- Have a clear policy on voting and disclosure of voting activity.
- Report periodically on their stewardship and voting activities.

Discharging stewardship responsibilities

The Company, in conjunction with the AIFM, has delegated to its Portfolio Manager, Hansa Capital Partners LLP, the day to day operation of the Company's policy, which is to operate a due diligence process when considering any investment.

The process includes a number of key factors in the establishment of whether an investment is suitable for its portfolio and will include:

- Competent management.
- Likelihood of offering an acceptable return for the risk undertaken.
- Financial and structural soundness.
- Regular reporting.
- Sound business plans.
- Compliance with current governance and regulatory requirements.

The Portfolio Manager will engage the Board on controversial matters arising from the operations of the policy.

The Portfolio Manager has publicly stated that it pursues a global macro investment strategy on behalf of Hansa Trust, involving a significant proportion of the Company's assets being invested in open ended managed funds with a minority being invested in global equities. Consequently, while the Portfolio Manager supports the objectives that underlie the Code, the provisions of the Code are not relevant to many of the elements of investment undertaken by the Company.

Corporate Governance Report

Continued

COMPLIANCE WITH THE COMPANIES ACT AND FINANCIAL CONDUCT AUTHORITY UKLA LISTING RULES

In discharging its responsibilities of stewardship the Board is governed by the Companies Act and the Financial Conduct Authority UKLA Listing Rules.

The Company's Articles of Association include a general power for the Directors to authorise any matter which would or might constitute or give rise to a breach of the duty of a director under s.175 of the Companies Act 2006. Procedures have been established for the disclosure of any such conflicts and also, where relevant, for the consideration and authorisation of these conflicts by the Board.

Under UK Company Law the Directors are responsible for ensuring that:

- Adequate accounting records are kept, 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 comply with the Companies Act 2006.
- The assets of the Company are safeguarded; and for taking reasonable steps for the prevention and detection of fraud and other irregularities.
- The Report of the Directors and other information included in the Annual Report is prepared in accordance with Company Law in the UK. The Directors are also responsible for ensuring the Annual Report includes information required by the Listing Rules of the FCA.
- The Company has effective internal control systems, designed to ensure that adequate accounting records are maintained; and that financial information on which the business decisions are made, which is issued for publication, is reliable. Such a system of internal control can provide only reasonable, but not absolute, assurance against material misstatement or loss.
- The Company Financial Statements for each financial year are prepared in accordance with IFRS, as adopted by the EU. Under Company Law directors must not approve the

financial statements unless they are satisfied they give a true and fair view of the state of affairs and profit or loss of the Company for that period.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume the Company will continue in business.

Under the FCA UKLA Listing Rules and the UK Code, the Board is responsible for:

- Disclosing how it has applied the principles and complied with the provisions of the AIC Code and, thereby, the UK Code, or where not, to explain the reasons for divergence.
- Reviewing the effectiveness of the Company's systems of risk management and internal controls.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website: www.hansatrust.com. Visitors to the website need to be aware that legislation in the UK governing the preparation and dissemination of the Financial Statements may differ from legislation in their own jurisdictions.

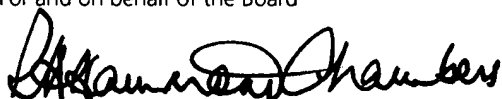
RESPONSIBILITY STATEMENT

The Directors confirm that to the best of their knowledge:

- The Financial Statements, prepared in accordance with applicable international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company.
- The Strategic Report, including the Chairman's Report to the Shareholders and the Report of the Directors 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 it faces.

The Directors consider the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable. Further detail demonstrating the Company's performance, business model and strategy has been included within the Strategic Report on pages 2 to 32.

For and on behalf of the Board



Alex Hammond-Chambers
20 June 2019

Audit Committee Report

The Financial Reporting Council's guidance emphasises the need for audit committee arrangements to be proportionate to the task and proportionate to the size, complexity and risk profile of the company and as such our Board does not consider the establishment of an internal audit function appropriate for the size and complexity of the organisation.

To meet the requirements of the AIC Code, as endorsed by the FRC, the Audit Committee is required to have at least three independent directors, one of whom has recent and relevant financial experience. The Board considers that, given the size of the Company and the range of experience brought by each director, the Company would be best served by all five directors being members of the Audit Committee whilst noting that Mr Salomon is not considered independent. Therefore, the Audit Committee, which meets at least twice a year, consists of all five Directors and Edwin Teideman, a former director, whose skills and experience of the Company strengthen the Committee. The Audit Committee must have at least one member with relevant and recent financial experience. Whilst all the Directors have experience in various guises of the financial industry, more specifically, Jonathan Davie is a Fellow of the Institute of Chartered Accountants and Edwin Teideman has previously been a finance director. During the Company's year to 31 March 2019, and to date, the Committee was chaired by Jonathan Davie.

Going forwards, the Company will be subject to the next version of the AIC Code of Corporate Governance (published in February 2019 and applicable to Companies for their financial year starting on or after 1 January 2019, the "New Code"). The guidance within the New Code is subtly different to that of the previous AIC Code. The New Code recommends that Audit Committee members are all considered independent. The Board continues in its view that, given the size of the Company and the range of experience brought by each director, the Company would still be best served by all directors being party to the proceedings of the Audit Committee. However, the Board also wishes, where possible, to abide by the New Code. Therefore, for the Company's year ending 31 March 2020 (and, therefore, in effect at the time of signing of this report), Mr Salomon will continue to attend the Audit Committee's meetings but will not be a member of the Audit Committee. Mr Salomon will continue to hear the Audit Committee's recommendations as a member of the Company's Board.

The Committee is authorised by the Board to investigate any activity within its terms of reference, to seek any information it requires from any officer or service provider to the Company, to obtain outside legal or other independent professional advice and to secure the attendance of third parties with relevant experience and expertise if it considers this necessary.

The Chairman of the Audit Committee formally reports to the Board following each Audit Committee meeting and on other occasions as requested by the Board.

A separate evaluation of Committee members is not conducted. Rather, their suitability is considered as part of the annual evaluation process which is described within the Corporate Governance Report on page 35.

The terms of reference of the Committee are determined by the Committee and approved by the Board and include, but are not restricted to, the following:

- To consider and make a recommendation to the Board as to the appointment of the external Auditor, tendering of the audit services, the audit fee and any questions relating to the resignation or dismissal of the Auditor.
- To determine with the external Auditor the nature and scope of the audit.
- To review and monitor the independence of the external Auditor and the provision of additional services to the Company.
- To review the Half-Year and Annual Financial Reports before submission to the Board, focusing particularly on:
 - any changes in accounting policies and practices;
 - major judgemental areas;
 - significant adjustments resulting from the audit;
 - the going concern assumption;
 - compliance with Accounting Standards and Governance Codes;
 - compliance with FCA Listing Rules and legal requirements; and
 - valuation of unquoted investments.
- To discuss issues and reservations arising from the annual audit and any matters the Auditor may wish to discuss.
- To review the Auditor's audit findings and responses to it.

- To review and monitor the effectiveness of the Company's Internal Control and Risk Systems prior to endorsement by the Board.
- To review the processes and procedures that monitor compliance with s.1158 CTA 2010.
- To review service providers' AAF 01/06 or ISAE 3402 reports.

In discharging its duties and, in particular, matters relating to the approval of the Annual Report, Half-Year Report and the review of the Company's Internal Controls, the Committee considers reports and presentations made by the Company's Auditor, Administrators, Company Secretary and Legal Advisers.

In its review of the Annual Report the Committee pays particular attention to the ownership of assets, the valuations of the portfolio, recognition of income and outstanding liabilities, if applicable, which it considers to be of significant importance in establishing its opinion on it, all of which are covered by the Auditor in its report and fully discussed with the Auditor.

With regard to the ownership of assets, the Company's Depositary and Administrator have confirmed the ownership of all assets to the Audit Committee's satisfaction. With regard to the valuations, the Audit Committee notes that 61% of the portfolio by value is held in assets that are listed and traded on an exchange, hence forming the basis of the valuation. Further, of the remaining 39% unquoted, the majority relate to unquoted fund investments where valuations are supplied by third party managers. The Committee is satisfied with the valuation process. With regard to revenue recognition, the Audit Committee reviewed the external Auditor's approach to the audit prior to the commencement of the audit. The results of the audit in this area were discussed with the external Auditor and there were no significant issues arising in relation to the recognition of revenue.

The Audit Committee, having considered its responsibilities and its reporting to the Board, confirms it is not aware of any matter which it should bring to the attention of either the Board or the Auditor and considers 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.

The Audit Committee considers the external Auditor's independence, objectivity and the cost effectiveness of the

audit process through a process of feedback from the Company advisors, including the Company Secretary and Portfolio Manager. The Committee also meet with the Auditor directly to discuss the Annual Report, the work the Auditor has carried out as part of its review and any matters raised. The current audit partner is Andrew Heffron who has overseen the audit and non-audit work relating to the Company on behalf of Grant Thornton UK LLP since October 2016.

The level of non-audit services provided to the Company by the Auditor is monitored, as is the Auditor's objectivity in providing such services, to ensure that the independence of the audit team from the Company is not compromised. Non-audit services provided by Grant Thornton UK LLP were, historically, in relation to taxation services and also the review of the Company's Half-Year Report. A change of regulation in the accounting industry following the new rules on Auditor Independence in 2017 has meant Grant Thornton UK LLP is no longer able to provide tax compliance services to the Company and continue to act as Auditor. Therefore, the Company appointed BDO LLP as a replacement tax adviser to provide tax compliance services for the year ended 31 March 2017 onwards. Grant Thornton continue to act as the Company's Auditor as well as reviewing the Half-Year Report. For the year ended 31 March 2019, fees for non-audit services comprised 10% (2018: 10%) of the total fees charged by Grant Thornton during the year. The Committee considers that non-audit fees are sufficiently small to not compromise Auditor objectivity and also that the familiarity with the Company made Grant Thornton the best choice to review the Half-Year Report. Further information on fees paid to Grant Thornton UK LLP is contained in "Other Expenses" within Note 4 of the Financial Statements.

AUDIT TENDER

Grant Thornton UK LLP has been the Company's Auditor for nine years. Prior to that, and before its merger with Grant Thornton, RSM Robson Rhodes LLP was the Company's auditor since 1989. As the Committee previously indicated, the statutory audit and associated non-audit services are being tendered for the year ended 31 March 2020 as Grant Thornton is required to rotate away from acting as the Company's auditor before the 31 March 2020 audit would be complete. The Committee would like to take this opportunity on behalf of itself, the Board and all shareholders to thank Grant Thornton for its professional and constructive service over the years.

Audit Committee Report *Continued*

The Committee has conducted an audit tender process and will recommend the appointment of PwC. PwC has expressed its willingness to act as Auditor to the Company, subject to the completion of its client take-on procedures, and a resolution to appoint PwC as Auditor to the Company will be proposed at the forthcoming AGM.

For and on behalf of the Audit Committee



Jonathan Davie
Audit Committee Chairman
20 June 2019



Directors' Remuneration Report

Despite the inclusion of the Strategic Report, the Companies Act continues to require the Company to produce a separate report on the Directors' Remuneration and that the Board approves the Report and signs it to confirm its accuracy. There are elements of the Directors' Remuneration Report that are audited, by law, by the Company's Auditor. The Auditor's opinion is included in its report on page 46.

The Board has prepared this Report in relation to all Directors who have served during the year and in accordance with the requirements of s.420-422 of the Companies Act 2006. Ordinary resolutions for the approval of this Report will be put to shareholders at the forthcoming AGM.

ANNUAL STATEMENT

The Company has five non-executive Directors. The Board as a whole fulfils the function of a Remuneration Committee. The Chairman has prepared this statement on behalf of the Board.

There have been no changes to remuneration during the year to 31 March 2019, either on an individual basis or for the Board as a whole. The most recent update to Directors' remuneration was made in the year to 31 March 2016 when Jonathan Davie became Chairman of the Audit Committee. All Directors have served for the full year, although all retired at the AGM on 27 July 2018 as is the Company policy and were subsequently re-elected.

POLICY ON DIRECTORS' REMUNERATION

The Board's policy is that the remuneration of non-executive Directors should include a basic pay level and should reflect the experience of the Board as a whole, be appropriate for the work carried out and the responsibilities, financial and reputational risks undertaken, including additional remuneration for any roles in addition to the responsibilities of the non-executive director role – for example, the chairman. The remuneration does not include a performance related element and Directors do not receive bonuses, share options, pensions or long-term incentive schemes. The total remuneration of the Board will be kept within the limits set out in the Company's Articles of Association, as amended from time to time.

The fees for the non-executive Directors are within the limits (maximum total fee of £175,000) set. This policy was approved at the AGM held on 28 July 2017 with 99.99% of the votes cast being In Favour of the policy and the remaining 0.01% being Against. The policy was approved for a period of three years from 1 July 2017.

DIRECTORS' SERVICE CONTRACTS

It is the Board's policy that every Director has a service contract. None of the service contracts is for a fixed term. The terms of appointment provide that a Director shall retire and be subject to re-election at the first AGM after appointment. The Board has decided each Director will retire annually at the AGM and seek re-election as appropriate. The terms also provide that either party may give three months' notice. In certain circumstances a Director may be removed without notice and compensation will not be due on leaving office. There are no agreements between the Company and its Directors concerning compensation for loss of office.

REMUNERATION COMMITTEE

The Board fulfils the function of a Remuneration Committee and considers that the specific appointment of such a committee is not appropriate for an investment trust company such as Hansa Trust. The level of Directors' fees is monitored, annually and formally reviewed every three years in the light of the level of their responsibilities, duties and other circumstances including the level of fees in other comparable companies. The Company Secretary provides relevant information when the Directors consider the level of Directors' fees. The Directors' Remuneration Policy was approved by shareholders at the AGM on 28 July 2017 such that the previous overall cap of £175,000 was maintained on annual Directors' fees.

FUTURE POLICY TABLE

All of the Directors are non-executive, whose only remuneration is a fee. The implementation of the above policy could give rise to the following increase in fees:

	Current total fee £000	Potential future total fee £000
Non-executive Director fees	141	175

Directors' Remuneration Report

Continued

The Board has appointed the Company Secretary to provide relevant information when the Directors consider the level of Directors' fees.

If, in the future, recruitment of another non-executive director is deemed necessary by the Board, the remuneration would be managed within the overall limit of £175,000. If this were not possible, it would be necessary to return a revised remuneration policy to shareholders for their consideration. As above, the Company Secretary provides relevant information when the Directors consider the level of Directors' fees. The criteria for agreeing the fees of any incoming non-executive director would be the same criteria used to assess the remuneration of existing Directors.

POLICY FOR NOTICE PERIODS

The current Directors' service contracts stipulate three months' written notice to be given by either the Director or the Company to terminate the services of a Director. The Board consider this is sufficient notice to ensure an orderly hand over between the parties.

SHAREHOLDERS' VIEWS ON REMUNERATION POLICY

The formal views of unconnected shareholders have not been sought in the preparation of this policy.

EMPLOYEES

The Company does not have any employees and, therefore, no Chief Executive Officer. Accordingly, the disclosures required under paragraphs 18(2), 19, 38 and 39 of Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 are not required.

ANNUAL REPORT ON REMUNERATION

Directors' Emoluments (Audited)

The Company does not have any employees, only non-executive Directors who receive only a basic fee, plus repayment of expenses incurred in the course of performing their duties. Therefore, the use of the detailed remuneration table, as prescribed in the legislation, is not appropriate here. A condensed table showing the information relevant to the Directors' remuneration is shown in its place.

The Directors who served in the year received the following emoluments in the form of fees:

	2019 Fee £000	2019 Total £000	2018 Fee £000	2018 Total £000
Alex Hammond-Chambers (Chairman)*	38	38	38	38
Jonathan Davie	30	30	30	30
Raymond Oxford	25	25	25	25
William Salomon	23	23	23	23
Geoffrey Wood	25	25	25	25
	141	141	141	141

*The amounts due in respect of Alex Hammond-Chambers' fees are paid to his service company.

The Company pays National Insurance contributions on the Directors' emoluments where applicable. This amounted to £6,564 (2018: £6,707). The Company also pays the expenses of the Directors to attend the Board Meetings.

DIRECTORS' INTERESTS (AUDITED)

Directors must seek permission from the Chairman before trading in shares, taking note of any Closed Periods. Other than that, there are no specific rules on Directors' shareholdings.

The interests of Directors and their connected parties in the Company at 31 March 2019 are shown below.

	2019	Ordinary shares of 5p each 2019	'A' non-voting Ordinary shares of 5p each 2018	2018	Nature of interest
Alex Hammond-Chambers	4,900	4,900	10,600	10,600	Beneficial
Jonathan Davie	4,000	4,000	26,000	26,000	Beneficial
Raymond Oxford	1,850	1,850	1,850	1,850	Beneficial
William Salomon	2,115,869	2,115,869	98,700	98,700	Beneficial
Geoffrey Wood	1,000	1,000	2,000	2,000	Beneficial

As at 20 June 2019, the date of signing of these Annual Accounts, there were no changes to report to the Directors' holdings.

William Salomon is the senior partner of Hansa Capital Partners LLP. Fees payable to Hansa Capital Partners LLP amounted to £2,335,435 (2018: £2,238,104). The fees outstanding at the year-end amounted to £197,735 (2018: £189,575). During the year, no rights to subscribe to the shares of the Company were granted to, or exercised by Directors, their spouses or infant children.

YOUR COMPANY'S PERFORMANCE

The graph below shows the ten year cumulative total return to shareholders:

TEN YEAR NET ASSET VALUE AND SHARE PRICE TOTAL RETURN



DIRECTORS' ATTENDANCE

The Directors meet as a Board on a quarterly basis and at other times as necessary and the table below sets out the number of meetings and the attendance at them by each Director.

	Strategic	Board	Audit Committee
Number of meetings held	1	7	2
Number of meetings attended:			
Alex Hammond-Chambers	1	7	2
Jonathan Davie	1	7	2
Raymond Oxford	1	6	2
William Salomon	1	7	2
Geoffrey Wood	1	7	2

STATEMENT OF VOTING AT THE AGM

The Directors' Remuneration Report for the year ended 31 March 2018 was presented at the AGM held on 27 July 2018. At that meeting, the Directors' Remuneration Report was approved by 99.48% of the votes cast.

The Directors' Remuneration Report for the year ended 31 March 2019 will be presented to the AGM on 29 July 2019.

On behalf of the Board, and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), I confirm that the above Report on Directors' Remuneration summarises, as applicable, for the year ended 31 March 2019:

- (a) the major decisions on Directors' remuneration;
- (b) any substantial changes relating to Directors' remuneration made during the year; and
- (c) the context in which those changes occurred and decisions have been taken.

For and on behalf of the Board

Alex Hammond-Chambers
Chairman

20 June 2019

FINANCIAL STATEMENTS

Independent Auditor's Report to the Members of Hansa Trust PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HANSA TRUST PLC

Our opinion on the financial statements is unmodified

We have audited the financial statements of Hansa Trust PLC (the 'company') for the year ended 31 March 2019, which comprise the income statement, the balance sheet, the statement of changes in equity, the cashflow statement 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
 - have been properly prepared in accordance with IFRSs as adopted by the European Union; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

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 are 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 public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report set out on pages 14-15 and 61-63 that describe the principal risks and explain how they are being managed or mitigated;
 - the directors' confirmation, set out on page 14 of the annual report that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity;
 - the directors' statement, set out on page 16 of the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
 - whether the directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
 - the directors' explanation, set out on page 16 of the annual report as to how they have assessed the prospects of the company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.
-

Overview of our audit approach



- Overall materiality: £3,373,000, which represents 1% of the company's Net Assets;
 - Key audit matters were identified as existence and valuation of quoted and unquoted investments; and occurrence and completeness of investment income.
 - Our audit approach was a risk based substantive audit focused on investments at the year end and investment income recognised during the year. There was no change in our approach from prior year.
-

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were 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 these matters.

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
<p>Risk 1 – Existence and valuation of quoted and unquoted investments</p> <p>The company's business is to achieve a growth of shareholder value, from a concentrated, long-term, non-index correlated investment portfolio. The investment portfolio is a significant, material item in the financial statements and the main driver of the company's performance.</p> <p>Incorrect asset pricing or a failure to maintain proper legal title of the investments held by the company could have an impact on the portfolio valuation and, therefore, the return generated for Shareholders.</p> <p>We therefore identified the existence and valuation of unquoted investments as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>For unquoted investments, our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> Assessing whether the company's accounting policy for unquoted investments is in accordance with IFRSs and the Association of Investment Companies "Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts" (AIC SORP) and testing whether the company has accounted for unquoted investments in accordance with the policy; Assessing whether the valuations were performed in accordance with the International Private Equity and Venture Capital Valuation guidelines; Obtaining an understanding of the investment valuation process for Private Equity funds by testing the fund's latest available audited financial statements and by reviewing the fund's latest quarterly reports; Obtaining a direct confirmation of the investments held by the company at the year-end from the respective fund administrators. Testing the additions and disposals on a sample basis to determine the additions and disposals were accurately recorded and occurred. <p>For quoted investments, our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> Assessing whether the company's accounting policy for quoted investments is in accordance with the requirements of IFRS 9 Financial instruments and the AIC SORP and testing whether the company has accounted for such investments in accordance with the policy; Agreeing the existence of investments holdings to the confirmation from the company's custodian; Testing the additions and disposals on a sample basis to determine the additions and disposals were accurately recorded and occurred, and Comparing the valuation to an independent source of market prices. <p>The company's accounting policy on non-current investments is shown in Note 1(d) to the financial statements and related disclosures are included in Note 10.</p> <p>Key observations</p> <p>Our audit work did not identify any material misstatements concerning the valuation and existence of quoted and unquoted investments.</p>

FINANCIAL STATEMENTS

Independent Auditor's Report to the Members of Hansa Trust PLC, *continued*

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Risk 2 – Occurrence and completeness of investment income Investment income is the company's major source of revenue and a significant material balance in the Statement of Comprehensive Income. We therefore identified the occurrence and completeness of investment income as a significant risk which was one of the most significant assessed risks of material misstatement.	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> Assessing whether the company's accounting policy for revenue recognition is in accordance with IFRSs and the AIC SORP; Testing that income transactions were recognised in accordance with the company's policy by selecting a sample of investments and agreeing the relevant associated income to third party sources For a sample of investments, obtaining the respective dividend rate entitlements from independent sources, checking against the amounts recorded in the company's accounting records maintained by the administrator and agreeing the receipt of the dividend to bank statements; Evaluation of correct categorisation of any material items that may be capital in nature. <p>The company's accounting policy on investment income is shown in Note 1(f) to the financial statements and related disclosures are included in Note 2.</p> <p>Key observations Our audit work did not identify any material misstatements concerning the occurrence and completeness of investment income.</p>

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our work and in evaluating the results of that work.

We determined materiality for the audit of the financial statements as a whole to be £3,373,000, which is 1% of the company's net assets. This benchmark is considered the most appropriate because Net Assets, which is primarily composed of the company's investment portfolio, is considered to be the key driver of the company's total return performance.

Materiality for the current year is higher than the level that we determined for the year ended 31 March 2018 to reflect the increase in net assets value this year.

We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality.

We also determine a lower level of specific materiality for certain areas such as management fees, directors remuneration and related parties. We determined the threshold at which we will communicate misstatements to the Audit Committee to be £168,650. In addition, we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

An overview of the scope of our audit

Our audit approach was a risk-based approach founded on a thorough understanding of the company's business, its

environment and risk profile. The day-to-day management of the company's investment portfolio, the custody of its investments and the maintenance of the company's accounting records is outsourced to third-party service providers. Accordingly, our audit work included:

- Obtaining an understanding of, and evaluating, internal controls at the company and relevant third-party service providers. This included obtaining and reading controls reports prepared by third-party auditors on the description and assessing the design of internal controls at the custodian and administrator.
- Undertaking substantive testing on significant classes of transactions, account balances and disclosures, the extent of which was based on a number of factors such as our overall assessment of the control environment, the design effectiveness of controls over individual systems and the management of specific risks.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- Fair, balanced and understandable set out on page 32 – the statement given by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- Audit committee reporting set out on pages 40-42 – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or
- Directors' statement of compliance with the UK Corporate Governance Code set out on page 39 – the parts of the directors' statement required under the Listing Rules relating to the company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Our opinions on other matters prescribed by the Companies Act 2006 are unmodified

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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 those reports have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in

compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and

- information about the company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are required to report under the Companies Act 2006

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; or
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules.

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; or
- a Corporate Governance Statement has not been prepared by the company.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 35, 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

Independent Auditor's Report to the Members of Hansa Trust PLC, *continued*

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.

We are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). Our audit approach is a risk-based approach and is explained more fully in the 'An overview of the scope of our audit' section of our audit report.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following laws and regulations were most significant: IFRS, section 1158 to section 1164 of the Corporation Tax Act 2010, Companies Act 2006 and AIC SORP

We understood how the company is complying with those legal and regulatory frameworks by, making inquiries to management and the corporate secretary. We corroborated our inquiries through our review of board minutes and papers provided to the Audit Committee

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- challenging assumptions and judgments made by management in its significant accounting estimates
- designing audit procedures to identify unusual journal transactions during the period and testing journal entries posted at the period end

- assessing the extent of compliance with the relevant laws and regulations as part of our audit procedures

We did not identify any key audit matters relating to irregularities, including fraud, as a result of our audit procedures

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

Other matters which we are required to address

Grant Thornton UK LLP has been the Company's auditor for nine years. Prior to that, and before its merger with Grant Thornton, RSM Robson Rhodes LLP was the Company's auditor. RSM Robson Rhodes were first appointed by the members in 1990 for the year ended 31 March 1989. The period of total uninterrupted engagement including the preceding RSM Robson Rhodes tenure, previous renewals and reappointments of the firm is 30 years.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

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.



Andrew Heffron
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

21 June 2019

Income Statement

For the year ended 31 March 2019

	Notes	Revenue 2019 £000	Capital 2019 £000	Total 2019 £000	Revenue 2018 £000	Capital 2018 £000	Total 2018 £000
Gains on investments held at fair value through profit or loss	10	–	15,845	15,845	–	16,825	16,825
Exchange gains on currency balances		–	37	37	–	92	92
Investment income	2	6,669	–	6,669	6,062	–	6,062
		6,669	15,882	22,551	6,062	16,917	22,979
Investment management fees	3	(2,335)	–	(2,335)	(2,238)	–	(2,238)
Other expenses	4	(2,041)	–	(2,041)	(1,253)	–	(1,253)
		(4,376)	–	(4,376)	(3,491)	–	(3,491)
Profit before finance costs and taxation		2,293	15,882	18,175	2,571	16,917	19,488
Finance costs	5	–	–	–	–	–	–
Profit before taxation		2,293	15,882	18,175	2,571	16,917	19,488
Taxation	6	(11)	(75)	(86)	(38)	–	(38)
Profit for the year		2,282	15,807	18,089	2,533	16,917	19,450
Return per Ordinary and 'A' non-voting Ordinary share	8	9.2p	66.2p	75.4p	10.6p	70.5p	81.1p

The Company does not have any income or expense not included in the above statement. Accordingly the "Profit for the year" is also the "Total comprehensive income for the year", as defined in IAS 1 (revised) and no separate Statement of Comprehensive Income has been presented.

The total column of this statement represents the Company's Income Statement, prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The supplementary revenue and capital return columns are both prepared under guidance published by the AIC.

All revenue and capital items in the above Statement derive from continuing operations.

The accompanying notes on pages 54 to 65 are an integral part of this Statement.

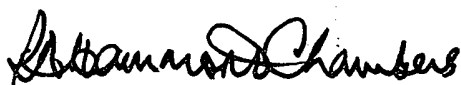
FINANCIAL STATEMENTS

Balance Sheet

As at 31 March 2019

	Notes	2019 £000	2018 £000
Non-current assets			
Investment in subsidiary at fair value through profit or loss	9	629	629
Investments held at fair value through profit or loss		335,162	322,322
	10	335,791	322,951
Current assets			
Trade and other receivables	12	1,118	55
Cash and cash equivalents	13	2,474	1,102
		3,592	1,157
Current liabilities			
Trade and other payables	14	(2,033)	(1,007)
Net current assets		1,559	150
Net assets		337,350	323,101
Capital and reserves			
Called up share capital	15	1,200	1,200
Capital redemption reserve	16	300	300
Retained earnings	17	335,850	321,601
Total equity shareholders' funds		337,350	323,101
Net asset value per Ordinary and 'A' non-voting Ordinary share	18	1,405.6p	1,346.3p

The Financial Statements of Hansa Trust PLC, registered number 00126107, set out on pages 51 to 65 were approved by the Board of Directors on 20 June 2019 and were signed on its behalf by



Alex Hammond-Chambers
Chairman

The accompanying notes on pages 54 to 65 are an integral part of this Statement.

Statement of Changes in Equity

For the year ended 31 March 2019

Notes	Share capital 2019 £000	Capital redemption reserve 2019 £000	Retained earnings 2019 £000	Total 2019 £000	Share capital 2018 £000	Capital redemption reserve 2018 £000	Retained earnings 2018 £000	Total 2018 £000
Net assets at 1 April	1,200	300	321,601	323,101	1,200	300	305,980	307,480
Profits for the year	–	–	18,089	18,089	–	–	19,450	19,450
Dividends	7	–	(3,840)	(3,840)	–	–	(3,829)	(3,829)
Net assets at 31 March	1,200	300	335,850	337,350	1,200	300	321,601	323,101

Cash Flow Statement

For the year ended 31 March 2019

Notes	2019 £000	2018 £000
Cash flows from operating activities		
Gain before finance costs and taxation*	18,175	19,488
Adjustments for:		
Realised (gains) on investments	10 (718)	(12,670)
Unrealised (gains) on investments	10 (15,127)	(4,155)
Effect of foreign exchange rate changes	(37)	(92)
(Increase)/decrease in trade and other receivables	12 (1,063)	4,051
Increase in trade and other payables	14 1,026	22
Taxes paid	6 (86)	(38)
Purchase of non-current investments	(34,598)	(59,284)
Sale of non-current investments	37,603	53,458
Net cash inflow from operating activities	5,175	780
Cash flows from financing activities		
Dividends paid	7 (3,840)	(3,829)
Net cash outflow from financing activities	(3,840)	(3,829)
Decrease/(increase) in cash and cash equivalents	1,335	(3,049)
Cash and cash equivalents at 1 April	1,102	4,059
Effect of foreign exchange rate changes	37	92
Cash and cash equivalents at end of year	2,474	1,102

*Includes dividends received of £6,516,000 (2018: £6,080,000) and interest received of £7,000 (2018: £5,000).

The accompanying notes on pages 54 to 65 are an integral part of this Statement.

FINANCIAL STATEMENTS

Notes to the Financial Statements

1 ACCOUNTING POLICIES

(a) Basis of preparation

The Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"), together with interpretations of the International Accounting Standards and Standing Interpretations Committee approved by the International Accounting Standards Committee ("IASC") that remain in effect, to the extent that IFRS have been adopted by the European Union.

These Financial Statements are presented in Sterling because that is the currency of the primary economic environment in which the Company operates.

The Financial Statements have been prepared on an historical cost and going concern basis in line with the assertion of the Board on page 16, except for the valuation of investments and in accordance with the AIC Statement of Recommended Practice ("SORP") for investment trusts, issued by the AIC in November 2014, as updated in February 2018, to the extent that the SORP does not conflict with IFRS. The principal accounting policies adopted are set out below.

(b) Basis of non-consolidation

IFRS10 stipulates that subsidiaries and associates of Investment Entities are not consolidated but, rather, stated at fair value unless the conditions for certain exemptions from this treatment are met. Hansa Trust meets all three characteristics of an Investment Entity as described by IFRS10. More details regarding its subsidiary Consolidated Investment Funds Limited ("CIFL"), are included in Note 9 of the Financial Statements. On 18 June 2019, CIFL was dissolved.

(c) Presentation of Income Statement

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue and capital nature, has been presented alongside the Income Statement. The Company's Articles of Association allow net capital returns to be distributed by way of dividend, in addition to revenue returns. Additionally, the net revenue is the measure the Directors believe to be appropriate in assessing the Company's compliance with certain requirements set out in s.1158/1159 CTA 2010, adjusted for details of Reporting and Non-Reporting Funds where appropriate.

(d) Non-current investments

As the Company's business is investing in financial assets, with a view to profiting from their total return in the form of income received and increases in fair value, investments are classified at fair value through profit or loss on initial recognition in accordance with IFRS 9. The Company manages and evaluates the performance of these investments on a fair value basis, in accordance with its investment strategy and information about the investments is provided on this basis to the Board of Directors.

Investments are recognised and derecognised on the trade date. For listed investments fair value is deemed to be bid market prices, or closing prices for SETS stocks sourced from the London Stock Exchange. SETS is the London Stock Exchange's electronic trading service, covering most of the market including all FTSE 100 constituents and most liquid FTSE 250 constituents, along with some other securities.

Fund investments are stated at fair value through profit or loss as determined by using the most recent available valuation. In some cases, this will be by reference to the most recent valuation statement supplied by the fund's manager. In other cases, values may be available through the fund being listed on an exchange or via pricing sources such as Bloomberg.

Unquoted investments are stated at fair value through profit or loss as determined by using various valuation techniques, in accordance with the International Private Equity and Venture Capital Valuation Guidelines. These include using recent arms-length market transactions between knowledgeable and willing parties where available. The investment in the Company's subsidiary undertaking is stated at fair value.

Gains and losses, arising from changes in fair value, are included in net profit or loss for the period as a capital item in the Income Statement and are ultimately recognised in the Capital Reserves.

1 ACCOUNTING POLICIES (CONTINUED)

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, short-term deposits and cash funds with an original maturity of three months or less and are subject to an insignificant risk of changes in capital value.

(f) Investment Income and return of capital

Dividends receivable on equity shares are recognised on the ex-dividend date. Where no ex-dividend date is quoted, dividends are recognised when the Company's right to receive payment is established. UK dividends, overseas dividends and Real Estate Investment Trusts' ("REIT") income are all stated gross.

When an investee company returns capital to the Company, the amount received is treated as a reduction in the book cost of that investment and is classified as sale proceeds.

(g) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue column of the Income Statement except as follows:

- (i) expenses which are incidental to the acquisition or disposal of an investment are charged to the capital column of the Income Statement; and
- (ii) expenses are charged to the capital reserves, via the capital column of the Income Statement, where a connection with the maintenance or enhancement of the value of the investments can be demonstrated.

(h) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the Income Statement, because it excludes items of income or expenses 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 have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent it is probable that taxable profits will be available, against which deductible temporary differences can be utilised.

Approved Investment Trusts under s.1158 CTA 2010 are not liable for taxation on capital gains.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity or other comprehensive income.

(i) Foreign Currencies

Transactions denominated in foreign currencies are recorded in the local currency, at the actual exchange rates as at the date of the transaction. Assets and liabilities denominated in foreign currencies at the year end are reported at the rate 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 the capital or revenue column of the Income Statement, depending on whether the gain or loss is of a capital or revenue nature respectively.

FINANCIAL STATEMENTS

Notes to the Financial Statements

1 ACCOUNTING POLICIES (CONTINUED)

(j) Reserves

Capital Reserves – Other

The following are credited or charged to this reserve via the capital column of the Income Statement:

- gains and losses on the disposal of investments;
- exchange differences of a capital nature; and
- expenses charged to the capital column of the Income Statement in accordance with the above accounting policies.

Capital Reserves – Investment Holding Gains/(Losses)

The following are credited or charged to this reserve via the capital column of the Income Statement:

- increases and decreases in the valuation of investments held at the year end.

Revenue Reserves

The following are credited or charged to this reserve via the revenue column of the Income Statement:

- net revenue recognised in the revenue column of the Income Statement.

(k) Significant Judgements and Estimates

The key significant estimate to report, concerns the Company's valuation of its holding in DV4 Ltd. DV4 is valued using the most recent estimated NAV as advised to the Company by DV4, adjusted for any further drawdowns, distributions or redemptions between the valuation date and 31 March 2019. The most recent valuation statement was received on 8 February 2019 stating the value of the Company's holding as at 31 December 2018. It is believed the value of DV4 as at 31 March 2019 will not be materially different but this valuation is based on historic valuations by DV4, does not have a readily available third party comparator and, as such, is an estimate. There are no significant judgements.

(l) Adoption of new and revised standards

The following amendments to standards effective this year, being relevant and applicable to the Company, have been adopted, although they have no impact on the financial statements:

- IFRS 7 Financial Instruments (IFRS 9 Disclosures)
- IFRS 9 Financial Instruments

IFRS 9, 'Financial instruments' became effective for annual periods beginning on or after 1 January 2018. It addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement model in IAS 39.

IFRS 9 uses business model and contractual cash flow characteristics to determine whether a financial asset is measured at amortized cost or fair value, replacing the four category classification in IAS 39. The determination is made at initial recognition. The approach is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets.

2 INCOME

	Revenue 2019 £000	Revenue 2018 £000
Income from quoted investments		
UK dividends	688	653
Overseas and other dividends	5,756	5,105
Property income distributions	218	300
	6,662	6,058
Other income		
Interest receivable on AAA rated money market funds	7	4
Total income	6,669	6,062

3 PORTFOLIO MANAGEMENT FEE

	Revenue 2019 £000	Revenue 2018 £000
Portfolio management fee	2,335	2,238
Total management fee	2,335	2,238

Note: Details of the Portfolio Management Agreement are disclosed in the Strategic Report – Service Providers on page 11.

4 OTHER EXPENSES

	Revenue 2019 £000	Revenue 2018 £000
Administration fees*	135	132
AIFM fees*	131	127
Directors' remuneration*	141	141
Auditor's remuneration for:		
– audit of the Company's Annual Report	36	36
Fees payable to the Auditor for other services:		
– Audit Related Assurance Services: review of the Half-Year Report	4	4
Irrecoverable VAT on audit fees	8	8
Printing fees	36	29
Marketing	102	102
Registrar's fees	58	61
Banking charges*	152	145
Secretarial services	150	128
Other**	1,088	340
	2,041	1,253

* Denotes services that do not incur VAT. VAT on other costs, where incurred, forms part of the irrecoverable VAT cost.

** The significant increase in 'Other' fees during the year to March 2019 is due to professional fees incurred on behalf of a number of projects totalling circa £680,000 including VAT. The largest of these was relating to the preparatory work for the re-domicile project.

5 FINANCE COSTS

	Revenue 2019 £000	Revenue 2018 £000
Interest payable	–	–
	–	–

6 TAXATION**(a) Taxation on Ordinary Activities**

	Revenue 2019 £000	Capital 2019 £000	Total 2019 £000	Revenue 2018 £000	Capital 2018 £000	Total 2018 £000
UK Corporation Tax at 19% (2018: 19%)						
Irrecoverable foreign tax	86	–	86	38	–	38
Tax relief on gain arising from disposal of Non-Reporting Offshore Fund	(75)	75	–	–	–	–
	11	75	86	38	–	38

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6 TAXATION (CONTINUED)

(b) Factors affecting tax charge for the year

Approved investment trusts are exempt from tax on capital gains. The tax charge for the year is lower than the standard rate of Corporation Tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £000	2018 £000
Total profit before taxation	18,175	19,488
Profit multiplied by standard rate of Corporation Tax	3,453	3,703
Effects of:		
– Non-taxable capital	(3,018)	(3,214)
– Gain arising on disposal of Non-Reporting Offshore Fund	75	–
– Non-taxable investment income	(1,224)	(1,094)
– Excess administration expenses unused	714	605
– Irrecoverable foreign tax	86	38
Current tax charge	86	38

(c) Provision for deferred taxation

There is no requirement to make a provision for deferred taxation in the current or prior accounting year.

(d) Factors that may affect future tax charges

As at 31 March 2019 the Company had unutilised management expenses and loan relationship deficits of £31,439,000 (2018: £27,454,000) after taking into account unrealised gains of £928,000 (2018: £1,156,000) on Non-Reporting Offshore Funds. The expenses will only be utilised to the extent that there is sufficient future taxable income, or if the tax treatment of the capital, gains made by the Company, or the Company's investment profile, changes. Presently only the capital gains on Non-Reporting Funds are subject to tax. No deferred tax liability has been recognised in relation to the unrealised gains on these funds due to the excess of unutilised management expenses.

7 DIVIDENDS PAID

	2019 £000	2018 £000
Amounts recognised as distributed to shareholders in the year are as follows:		
Second interim dividend for 2018 (paid May 2018): 8.0p (2017: 8.0p)	1,920	1,920
First interim dividend for 2019 (paid November 2018): 8.0p (2018: 8.0p)	1,920	1,920
Unclaimed dividends refunded	–	(11)
	3,840	3,829

Set out below are the total dividends paid and proposed in respect of the current financial year, which is the basis on which the requirements of s.1158 CTA 2010 are considered. The Company's revenue available for distribution by way of dividend for the year is £2,207,000 (2018: £2,533,000).

	Revenue 2019 £000	Revenue 2018 £000
First interim dividend for 2019 (paid November 2018): 8.0p (2018: 8.0p)	1,920	1,920
Second interim dividend for 2019 (paid May 2019): 8.0p (2018: 8.0p)	1,920	1,920
	3,840	3,840

The Board has announced two interim dividends, each of 8.0p per Ordinary and 'A' non-voting Ordinary share, relating to the year ended 31 March 2019. No final dividend is proposed for the year ended 31 March 2019.

8 RETURN ON ORDINARY SHARES (EQUITY)

	Revenue 2019	Capital 2019	Total 2019	Revenue 2018	Capital 2018	Total 2018
Returns per share	9.2p	66.2p	75.4p	10.6p	70.5p	81.1p

8 RETURN ON ORDINARY SHARES (EQUITY) (CONTINUED)

Returns

Revenue return per share is based on the revenue attributable to equity shareholders of £2,282,000 (2018: £2,533,000).

Capital return per share is based on the capital profit attributable to equity shareholders of £15,882,000 (2018: Profit of £16,917,000).

Total return per share is based on the combination of revenue and capital returns attributable to equity shareholders, amounting to a net profit of £18,089,000 (2018: net profit of £19,450,000).

Both revenue and capital return are based on 8,000,000 Ordinary shares (2018: 8,000,000) and 16,000,000 'A' non-voting Ordinary shares (2018: 16,000,000), in issue throughout the year.

9 INVESTMENT IN SUBSIDIARY

As at 31 March 2019, the Company owns 100% of the ordinary share capital and voting rights of Consolidated Investment Funds Limited, an investment dealing company, registered and operating in England. The fair value at 31 March 2019 was £629,000 (2018: £629,000). During the year to 31 March 2019, Consolidated Investment Funds Limited was dormant and held no investments except for an intercompany loan. As of 18 June 2019, Consolidated Investment Funds Ltd was dissolved.

10 INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	Listed £000	AIM & OFEX £000	Unquoted £000	2019 Total £000	2018 Total £000
Cost at 1 April 2018	89,464	–	105,988	195,452	176,956
Investment holding gains at 1 April 2018	106,683	–	20,816	127,499	123,344
Valuation at 1 April 2018	196,147	–	126,804	322,951	300,300
Movements in the year:					
Purchases at cost	20,249	–	14,349	34,598	59,284
Sales – proceeds	(21,423)	–	(16,180)	(37,603)	(53,458)
Gains/(losses) on sales	1,235	–	(517)	718	12,670
Movement in investment holding gains	7,375	–	7,752	15,127	4,155
Valuation as at 31 March 2019	203,583	–	132,208	335,791	322,951
Cost	89,525	–	103,640	193,165	195,452
Investment holding gains	114,058	–	28,568	142,626	127,499
	203,583	–	132,208	335,791	322,951

	2019 £000	2018 £000
Gains on sales	718	12,670
Movement in investment holding gains	15,127	4,155
Gains on investments held at fair value through profit or loss	15,845	16,825

Transaction costs

During the year expenses were incurred in acquiring and disposing of investments classified as fair value through profit or loss. These have been expensed through capital and are included within gains on investments in the Income Statement. The total costs were as follows:

	2019 £000	2018 £000
Purchases	68	77
Sales	16	45
	84	122

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11 SIGNIFICANT HOLDINGS

The Company's holdings of 10% or more of any class of shares in investment companies and 20% or more of any class of shares in non-investment companies as at 31 March 2019 are detailed below:

					Exc. Minority Interest	
	Country of incorporation or registration	Class of capital	% of class held	Latest available accounts	Total capital and reserves	Profit after tax for the year
Ocean Wilsons Holdings Limited	Bermuda	Ordinary	26.5	31.12.18	\$554,225,000	\$13,308,000
Consolidated Investment Funds Limited	UK	Ordinary	100.0	31.03.18	£628,887	–

Ocean Wilsons Holdings Limited is included as part of the investment portfolio in accordance with IAS 28 – Investment in Associates.

The Company has material holdings in the following companies which represent more than 3% of any particular class of equity share capital:

Company	Class of Capital	% of class held
Ocean Wilson Holdings Limited	Ordinary	26.5
Helesi Plc	Ordinary	3.8
All Leisure Group Plc	Ordinary	3.6

12 TRADE AND OTHER RECEIVABLES

	2019 £000	2018 £000
Amounts due from brokers	184	–
Overseas withholding tax recoverable	6	6
Prepayments and accrued income	138	49
Cash committed to purchase SR Global Fund Inc. Frontier Markets Class M	790	–
	1,118	55

13 CASH AND CASH EQUIVALENTS

	2019 £000	2018 £000
Cash at bank	2,474	1,102
	2,474	1,102

14 TRADE AND OTHER PAYABLES

	2019 £000	2018 £000
Amounts due to brokers	694	–
Due to subsidiary undertaking	629	629
Other creditors and accruals	710	378
	2,033	1,007

15 CALLED UP SHARE CAPITAL

	2019 £000	2018 £000
8,000,000 Ordinary shares of 5p	400	400
16,000,000 'A' non-voting Ordinary shares of 5p	800	800
	1,200	1,200

The 'A' non-voting Ordinary shares do not entitle the holders to receive notices or to vote, either in person or by proxy, at any general meeting of the Company, but in all other respects rank pari passu with the Ordinary shares of the Company.

16 CAPITAL REDEMPTION RESERVE

	2019 £000	2018 £000
Balance at 31 March	300	300

17 RETAINED EARNINGS

	Revenue*	Reserves		Total retained earnings	Revenue*	Reserves		Total retained earnings
	2019 £000	Capital – Other* 2019 £000	Capital – Investment holding profits** 2019 £000	2019 £000	2018 £000	Capital – Other* 2018 £000	Capital – Investment holding profits** 2018 £000	2018 £000
Opening balance at 1 April	1,565	192,537	127,499	321,601	2,861	179,775	123,344	305,980
Profit for the year	2,282	680	15,127	18,089	2,533	12,762	4,155	19,450
Dividend paid	(3,840)	–	–	(3,840)	(3,829)	–	–	(3,829)
Closing balance at 31 March	7	193,217	142,626	335,850	1,565	192,537	127,499	321,601

* These reserves are able to be distributed by way of dividends.

** Where holding gains relate to liquid investments that can be realised at their fair value, such gains are also distributable.

18 NET ASSET VALUE

	2019	2018
NAV per Ordinary and 'A' non-voting Ordinary share	1,405.6p	1,346.3p

The NAV per Ordinary and 'A' non-voting Ordinary share is based on the net assets attributable to equity shareholders of £337,350,000 (2018: £323,101,000) and on 8,000,000 Ordinary shares (2018: 8,000,000) and 16,000,000 'A' non-voting Ordinary shares (2018: 16,000,000) in issue at 31 March 2019.

19 COMMITMENTS AND CONTINGENCIES

The Company has no outstanding commitments as at 31 March 2019 (2018: £nil).

20 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

The Company's financial instruments comprise securities, cash balances, debtors and creditors. These assets are classified in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss; and
- those to be measured at amortised cost.

The financial assets held at amortised cost include trade and other receivables, cash and cash equivalents.

Risk Objectives and Policies

The objective of the Company is to achieve growth of shareholder value commensurate with the risks taken, bearing in mind that the protection of long-term shareholder value is paramount. The policy of the Board is to provide a framework within which the Portfolio Manager can operate and deliver the objectives of the Company. In pursuing its investment objective, the Company is exposed to a variety of risks that could result in either a reduction in the Company's net assets and/or a reduction of the profits available for dividends.

These risks include those identified by the accounting standard IFRS 7, being market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. The Directors' approach to the management of these are set out below. The Board, in conjunction with the Portfolio Manager and Company Secretary, oversees the Company's risk management.

The objectives, policies and processes for managing the risks and the methods used to measure them are set out below; these have not changed from the previous accounting period.

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20 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

Risks Associated with Financial Instruments

Foreign currency risk

Foreign currency risks arise in two distinct areas which affect the valuation of the investment portfolio. 1) the direct exposure where an investment is denominated and paid for in a currency other than Sterling; and 2) the indirect exposure where an investment has substantial non-Sterling underlying investment and/or cash flows. The Company does not normally hedge against foreign currency movements affecting the value of the investment portfolio, but takes account of this risk when making investment decisions.

Some of the fund investments into which the Company invests will, in part or in whole, hedge some of their underlying currency risk, but this will be known at the time of investment and will form part of the investment decision. In those cases, the hedging will not remove the exposure to the underlying country or market sector. The Portfolio Manager monitors the effect of foreign currency fluctuations through the pricing of the investments by the various markets.

	Direct foreign currency risk 2019 £000	No direct foreign currency risk 2019 £000	Total 2019 £000	Direct foreign currency risk 2018 £000	No direct foreign currency risk 2018 £000	Total 2018 £000
Investments	113,164	221,998	335,162	95,982	226,340	322,322
Investment in subsidiary	–	629	629	–	629	629
Other receivables including prepayments	184	934	1,118	–	55	55
Cash at bank	–	2,474	2,474	–	1,102	1,102
Current liabilities	–	(2,033)	(2,033)	–	(1,007)	(1,007)
	113,348	224,002	337,350	95,982	227,119	323,101

Note: Direct foreign currency risk includes direct exposure to USD and Euro currencies.

Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits and the interest payable on the Company's variable rate borrowings.

The Company has banking facilities amounting to £30m (2018: £30m) which are available for the Portfolio Manager to use in purchasing investments; the costs of which are based on the prevailing LIBOR rate, plus an agreed margin. The Company does not normally hedge against interest rate movements affecting the value of the investment portfolio, but takes account of this risk when an investment is made utilising the facility. The level of banking facilities used is monitored by both the Board and the Portfolio Manager on a regular basis. The impact on the returns and net assets of the Company for every 1% change in interest rates, based on the amount drawn down at the year end under the facility, would be £nil (2018: £nil). The level of banking facilities utilised at 31 March 2019 was £nil (2018: £nil).

Interest rate changes usually impact equity prices. The level and direction of change in equity prices is subject to prevailing local and world economic conditions as well as market sentiment, all of which are very difficult to predict with any certainty. The Company has floating rate financial assets, consisting of bank balances and cash funds that have received average rates of interest during the year of 0.0% on bank balances.

	Cash flow interest rate risk 2019 £000	No interest rate risk 2019 £000	Total 2019 £000	Cash flow interest rate risk 2018 £000	No interest rate risk 2018 £000	Total 2018 £000
Investments	–	335,162	335,162	–	322,322	322,322
Investment in subsidiary	–	629	629	–	629	629
Other receivables including prepayments	–	1,118	1,118	–	55	55
Cash at bank	2,474	–	2,474	1,102	–	1,102
Current liabilities	–	(2,033)	(2,033)	–	(1,007)	(1,007)
	2,474	334,876	337,350	1,102	321,999	323,101

20 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

Other price risk

By the nature of its activities, the Company's investments are exposed to market price fluctuations. NAV is calculated and reported daily to the London Stock Exchange. The Portfolio Manager and the Board monitor the portfolio valuation on a regular basis and consideration is given to hedging the portfolio against large market movements.

The Company's investment in Ocean Wilsons is large both in absolute terms, £104.8m as valued at 31 March 2019 (2018: £100.1m) and as a proportion of the NAV, 31.1% (2018: 31.0%). Shareholders should be aware that if anything of a severe and untoward nature were to happen to this company, it could result in a significant impact on the NAV and share price. However, it should also be noted that the exposure of Hansa Trust to the currency, country and market based risk exposure of Ocean Wilsons is, to an extent, mitigated by the diverse nature of the two investments within Ocean Wilsons. Wilson Sons, corresponding to 60.2% of Ocean Wilsons' NAV, has a direct exposure to the Brazilian economy, whereas Ocean Wilsons Investments is not exposed to Brazil and corresponds to the other 39.8%. It is an investment the Board pays close attention to and it should be pointed out that the risks associated with it are very different from those of the other companies represented in the portfolio. The Board itself regularly undertakes a thorough review of its business and prospects and has determined that its future holds a lot of promise. As a consequence the Board believes the risk involved in the investment is worthwhile.

The performance of the portfolio as a whole is not designed to correlate with that of any market index. Should the portfolio of the Company, as detailed on pages 28 and 29, rise or fall in value by 10% from the year end valuation, the effect on the Company's profit and equity would be an equal rise or fall of £33.7m (2018: £32.2m).

Credit Risk

The Company only transacts with regulated institutions on normal market terms, which are trade date plus one to three days in the case of equities. Fund investment settlement periods will vary from fund to fund and are defined by the individual managers. The levels of amounts outstanding from brokers and fund managers are regularly reviewed by the Portfolio Manager. The duration of credit risk associated with the investment transactions is the period between the date the transaction took place, the trade date, the date the stock and cash were transferred and the settlement date. The level of risk during the period is the difference between the value of the original transaction and its replacement with a new transaction. The amounts due to/(from) brokers at 31 March 2019 are shown in Note 12 and Note 14 on page 60.

The Company's maximum exposure to credit risk on cash is £2.5m (2018: £1.1m) and on cash funds is £nil (2018: £nil). Surplus cash is on deposit with the Depositary/Custodian.

Liquidity Risk

The liquidity risk to the Company is that it is unable to meet its obligations as they fall due, as a result of a lack of available cash and an inability to dispose of investments in a timely manner. A substantial proportion of the Company's portfolio is held in liquid quoted investments; however, there is a large holding in Ocean Wilsons of 31.1% (2018: 31.0%), unquoted equity investments of 2.9% (2018: 3.6%) and investments into open-ended investment funds with varying liquidity terms of 45.6% (2018: 43.4%).

The Portfolio Manager takes into consideration the liquidity of each investment when purchasing and selling, in order to maximise the returns to shareholders, by placing suitable transaction levels into the market. Special consideration is given to investments representing more than 5% of the investee company. A detailed list of the investments, split by silo, held at 31 March 2019 is shown on pages 28 and 29. This can be used broadly to ascertain the levels of liquidity within the portfolio, although liquidity will vary with each investment – particularly the funds.

The Company had no financial liabilities at 31 March 2019 arising from its bank loan facility (2018: £nil). This loan is part of a total revolving credit facility with BNP of £30m (2018: £30m) that would bear interest based on the prevailing LIBOR rate, plus an agreed margin. The facility is a committed facility repayable on or before 30 March 2020 and subject to a covenant requirement of a minimum adjusted NAV of £80m. The Company has undrawn loans from this facility of £30m (2018: £30m). The Company holds this facility for use at short notice for its investment activities. If fully drawn the loan would form 10.0% (2018: 10.0%) of the current value of the investment portfolio.

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20 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

Capital Management

The Company considers its capital to be its issued share capital and reserves and whilst the Company has access to loan facilities it is not considered or used as core capital, but primarily to meet the cash timing requirements of opportunistic investment strategies and thereby enhance shareholder returns. The Board regularly monitors its share discount policy and the level of discounts and whilst it has the option to repurchase shares, it considers the best means of attaining a good rating for the shares is to concentrate on good shareholder returns.

However, the Board believes the ability of the Company to repurchase its own 'A' non-voting Ordinary shares in the market may potentially enable it to benefit all equity shareholders of the Company. The repurchase of 'A' non-voting Ordinary shares, at a discount to the underlying NAV, would enhance the NAV per share of the remaining equity shares and might also enable the Company to address more effectively any imbalance between supply and demand for the Company's 'A' non-voting Ordinary shares.

21 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair Value Hierarchy

IFRS 13 'Fair Value Measurement' requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability not based on observable market data (unobservable inputs).

The financial assets and liabilities, measured at fair value, in the statement of financial position, grouped into the fair value hierarchy and valued in accordance with the accounting policies in Note 1, are detailed below:

31 March 2019	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets at fair value through profit or loss				
Quoted equities	171,501	–	–	171,501
Unquoted equities	–	–	9,764	9,764
Fund investments	3,109	150,788	–	153,897
Investment in subsidiary	–	–	629	629
Net fair value	174,610	150,788	10,393	335,791

31 March 2018	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets at fair value through profit or loss				
Quoted equities	162,060	–	–	162,060
Unquoted equities	–	–	11,783	11,783
Fund investments	8,335	140,144	–	148,479
Investment in subsidiary	–	–	629	629
Net fair value	170,395	140,144	12,412	322,951

The Company's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

21 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

A reconciliation of fair value measurements in Level 3 is set out in the following table:

	2019 Equity investments £000	2018 Equity investments £000
Opening Balance	12,412	12,489
Transferred from Level 1	–	–
Purchases	–	–
Sales	(2,432)	–
Total gains or losses included in gains on investments in the Income Statement:		
– on assets sold	22	–
– on assets held at year end	391	(77)
Closing Balance	10,393	12,412

As at 31 March 2019, the investment in DV4 has been classified as Level 3. The investment has been valued using the most recent estimated NAV as advised to the Company by DV4, adjusted for any further drawdowns, distributions or redemptions between the valuation date and 31 March 2019. The most recent valuation statement was received on 8 February 2019. It is believed the value of DV4 as at 31 March 2019 will not be materially different. If the value of the investment was to increase or decrease by 10%, while all other variables remained constant, the return and net assets attributable to shareholders for the year ended 31 March 2019 would have increased or decreased by £976,400.

22 RELATED PARTIES

Details of the relationship between the Company and Hansa Capital Partners LLP, including amounts paid during the year and owing at 31 March 2019, are disclosed in the Strategic Report – Shareholder Profile and Engagement on pages 30 to 32 and in Note 3 on page 57. Details of the relationship between the Company and the Directors, including amounts paid during the year to 31 March 2019, are disclosed in the Strategic Report – The Board on page 8 and also in the Directors' Remuneration Report on pages 43 to 45.

At 31 March 2019 the Company had one subsidiary, Consolidated Investment Funds Limited, which was dormant and, as at the year end, was in the process of being wound up. This process was completed on 18 June 2019 with Companies House confirming that the subsidiary had been dissolved. However, as at 31 March 2019, Alex Hammond-Chambers and William Salomon were directors of CIFL as well as Hansa Trust. There was an interest-free intercompany loan from CIFL to its parent of £629,000. The Board considers that the par value and fair value of the loan to be £629,000 as it is repayable on demand and does not have a fixed term. CIFL does not maintain a bank account and so, in previous years, the Company has paid any costs incurred by CIFL adjusting the intercompany loan accordingly. During the current year, CIFL has not incurred any costs and so no changes to the intercompany loan have occurred.

23 CONTROLLING PARTIES

At 31 March 2019 Victualia Limited Partnership and Nomolas Ltd each held 25.9% of the issued Ordinary shares. Additional information is disclosed in the Strategic Report – Substantial Shareholders on page 30.

Notice of the Annual General Meeting

Notice is hereby given that the Annual General Meeting of Hansa Trust PLC will be held at The Washington Mayfair Hotel, 5 Curzon Street, London W1J 5HE on 29 July 2019 at 1.00pm, for the following purposes:

Ordinary Business

- 1 To receive and consider the audited Financial Statements and the Reports of the Directors and Auditor for the year ended 31 March 2019.
- 2 To re-elect Alex Hammond-Chambers (a biography and Board endorsement can be found on page 6) as a Director of the Company.
- 3 To re-elect Jonathan Davie (a biography and Board endorsement can be found on page 6) as a Director of the Company.
- 4 To re-elect Raymond Oxford (a biography and Board endorsement can be found on page 7) as a Director of the Company.
- 5 To re-elect William Salomon (a biography and Board endorsement can be found on page 7) as a Director of the Company.
- 6 To re-elect Geoffrey Wood (a biography and Board endorsement can be found on page 7) as a Director of the Company.
- 7 To approve the Directors' Remuneration Report.
- 8 To approve the Company's Dividend Policy as can be found on page 15 of the Annual Report.
- 9 To appoint PricewaterhouseCoopers as Auditor of the Company and to authorise the Directors to determine the remuneration of the Auditor.

Special Business

To consider, and if thought fit, pass the following resolutions which will be proposed as special resolutions:

- 10 Authority to repurchase up to 14.99% of the 'A' non-voting Ordinary shares of 5p each in the issued shares capital of the Company (the "Shares").

THAT the Company be and hereby is unconditionally authorised, in accordance with s.701 of the Companies Act 2006, to make market purchases up to an aggregate of 2,398,400 shares at a price (exclusive of expenses) which is:

- a) not less than 5p per share; and
- b) not more than the higher of: i) 5% above the average of the middle-market quotations (as derived from and calculated by reference to the Daily Official List of the London Stock Exchange) for 'A' non-voting Ordinary shares of 5p each in the five business days immediately preceding the day on which the share is purchased; and ii) the higher of the last independent trade and the then current highest independent bid.

AND

THAT the authority conferred by this resolution shall expire on the date of the next AGM (except in relation to the purchase of shares, the contract for which was concluded before such date and which might be executed wholly or partly after such date) unless the authority is renewed or revoked at any other general meeting prior to such time.

- 11 THAT the period of notice required for general meetings of the Company (other than AGMs) shall be not less than 14 days.

By order of the Board
Hansa Capital Partners LLP
Company Secretary
20 June 2019

Notes

- 1 Ordinary shareholders, proxies and authorised representatives of corporations which are ordinary shareholders, are entitled to attend the meeting. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members by close of business on 25 July 2019 ('the specified time') pursuant to Regulation 41 of the Uncertified Securities Regulations 2001. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- 2 If the meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If, however, the meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members at the time which is 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.
- 3 A member entitled to attend and vote and present in person or by proxy, shall have one vote on a show of hands. On a vote by poll every member entitled to vote shall have one vote for every Ordinary share of which he/she is the holder.
- 4 A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and, upon a poll, to vote instead of him/her provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not also be a member. To appoint more than one proxy, the proxy form should be photocopied and completed for each proxy holder. The proxy holder's name should be written on the proxy form together with the number of shares in relation to which the proxy is authorised to act. All proxy forms should be enclosed in the same envelope.
- 5 In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the register of members in respect of the joint holding (the first-named being the most senior).
- 6 To be valid any proxy form or other instrument appointing a proxy must be received by post (during normal business hours only), or by hand at Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, or a proxy can be lodged electronically at www.signalshares.com, in each case no later than 1.00pm on 25 July 2019.
- 7 The return of a completed Proxy Form, other such instrument or any CREST Proxy Instruction (as described overleaf) will not prevent a shareholder from attending the Annual General Meeting and voting in person if he/she wishes to do so.
- 8 Any corporation which is a member can appoint one or more corporate representatives, who may exercise on its behalf all of its powers as a member provided they do not do so in relation to the same shares.
- 9 As at 20 June 2019 (being the last practicable date prior to the publication of this Notice) the Company's issued voting share capital consists of 8,000,000 Ordinary shares of 5p each, carrying one vote each. Therefore, the total voting rights in the Company as at 20 June 2019 are 8,000,000.
- 10 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- 11 In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the

Notice of the Annual General Meeting

Continued

information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent ID RA10 by 1.00pm on 25 July 2019. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST, in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

12 CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

13 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

14 Any member entitled to attend, vote or their duly appointed representative attending the meeting, has the right to ask questions. In accordance with s.319A of the Companies Act 2006, the Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer

may be given if: (a) to do so would interfere unduly with the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

15 A copy of this notice, and other information required by s.311A of the Companies Act 2006, can be found at www.hansatrust.com.

16 The following documents will be available for inspection at the registered office of the Company during usual business hours on any business day (except public holidays) until the date of the AGM and at the place of the AGM for a period of 15 minutes prior to and during the meeting:

- a) a copy of the current Articles of Association; and
- b) a copy of all Directors' Service Contracts.

17 A person to whom this notice is sent who is a person nominated under s.146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies in Notes 1 and 2 on page 67 do not apply to a Nominated Person. The rights described in those Notes can only be exercised by registered members of the Company entitled to attend and vote at the meeting.

A person authorised by a corporation is entitled to exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company (provided, in the case of multiple corporate representatives of the same corporate shareholder, they are appointed in respect of different shares owned by the corporate shareholder or, if they are appointed in respect of those same shares, they vote those shares in the same way). To be able to attend and vote at

the meeting, corporate representatives will be required to produce, prior to their entry to the meeting, evidence satisfactory to the Company of their appointment.

On a vote on a resolution on a show of hands, each authorised person has the same voting rights to which the corporation would be entitled. On a vote on a resolution on a poll, if more than one authorised person purports to exercise a power in respect of the same shares:

- a) if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way; and
- b) if they do not purport to exercise the power in the same way as each other, the power is treated as not exercised.

- 18 Members should note it is possible, pursuant to requests made by members of the Company under s.527 of the Companies Act 2006 (the "Act"), the Company may be required to publish on a website a statement setting out any matter relating to:

- a) the audit of the Company's Accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the AGM; or
- b) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which Annual Accounts and Reports were laid in accordance with s.437 of the Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with s.527 or 528 of the Act. Where the Company is required to place a statement on a website under s.527 of the Act, it must forward the statement to the Company's Auditor no later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement the Company has been required under s.527 of the Act to publish on a website.

Investor Information

The Company currently manages its affairs so as to be a qualifying investment trust for ISA purposes, for both the Ordinary and 'A' non-voting Ordinary shares. It is the present intention that the Company will conduct its affairs so as to continue to qualify for ISA products. In addition, the Company currently conducts its affairs so that the shares issued by Hansa Trust PLC can be recommended by independent financial advisers to ordinary retail investors, in accordance with the FCA's 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. Finally, Hansa Trust is registered as a Reporting Financial Institution with the US IRS for FATCA purposes and complies with its reporting requirements under FATCA, C-DOT and CRS regimes.

Investor Disclosure

AIFMD

The Company's AIFM, Maitland Institutional Services Limited, hosts a Hansa Trust Investor Disclosure document on their website. The document is a regulatory requirement and summarises key features of the Company for investors.

It can be viewed at:

<https://www.maitlandgroup.com/wp-content/uploads/2017/08/Hansa-Investor-Disclosure-Documents-MISL-21-01-2019-1.pdf>

Packaged Retail and Insurance-based Investment Products ("PRIIPs")

The Company's AIFM, Maitland Institutional Services Limited, is responsible for applying the product governance rules defined under the MiFID II legislation on behalf of Hansa Trust PLC. Therefore, the AIFM is deemed to be the 'Manufacturer' of Hansa Trust's two share classes. Under MiFID II, the Manufacturer must make available Key Information Documents ("KIDs") for investors to review if they so wish ahead of any purchase of the Company's shares. Maitland have done this as required. The PRIIPs KIDs can be found at:

https://documents.feprecisionplus.com/priip/MAIT/PRP/MAIEPT-FE42_en-GB.pdf and https://documents.feprecisionplus.com/priip/MAIT/PRP/MAIEPT-FE43_en-GB.pdf

and links to these documents can also be found on the Company's website for good measure: <https://www.hansatrust.com/shareholder-information/regulatory-information.aspx>

Capital Structure

The Company has 8,000,000 Ordinary shares of 5p each and 16,000,000 'A' non-voting Ordinary shares of 5p each in issue. The Ordinary shareholders are entitled to one vote per Ordinary share held. The 'A' non-voting Ordinary shares do not entitle the holders to vote or receive notice of meetings, but in all other respects they have the same rights as the Company's Ordinary shares.

Contact Details

Hansa Trust PLC
50 Curzon Street, London W1J 7UW
Telephone: +44 (0) 207 647 5750
Fax: +44 (0) 207 647 5770
Email: hansatrustenquiry@hansacap.com
Website: www.hansatrust.com

The Company's website includes the following:

- Monthly factsheets
- Stock Exchange announcements
- Details of the board statements
- Annual and Half-Year Reports
- Share price data reports
- Peer group listing

Please contact the Portfolio Manager, as below, if you have any queries concerning the Company's investments or performance.

Hansa Capital Partners LLP
50 Curzon Street
London W1J 7UW
Telephone: +44 (0) 207 647 5750
Email: hansatrustenquiry@hansacap.com
Website: www.hansagrp.com

Please contact the Registrars, as below, if you have a query about a certificated holding in the Company's shares.

Link Asset Services
34 Beckenham Road
Beckenham
Kent BR3 4TU
Telephone: 0871 664 0300

* Calls cost 12p per minute plus your phone company's access charge. If you are outside the United Kingdom, please call +44 371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 9.00am – 5.30pm, Monday to Friday excluding public holidays in England and Wales.

Email: enquiries@linkgroup.co.uk
www.linkassetservices.com

Share Price Listings

The price of your shares can be found on our website and in the Financial Times under the heading Investment Companies.

In addition, share price information can be found under the following:

ISIN	Code
Ordinary shares	GB0007879728
'A' non-voting Ordinary shares	GB0007879835

SEDOL	
Ordinary shares	787972
'A' non-voting Ordinary shares	787983

Reuters	
Ordinary shares	HAN.L
'A' non-voting Ordinary shares	HANA.L

Bloomberg	
Ordinary shares	HAN LN
'A' non-voting Ordinary shares	HANA LN

SEAO	
Ordinary shares	HAN
'A' non-voting Ordinary shares	HANA

Legal Entity Identifier: 213800AIF87JWGLA1L74

Useful Internet Addresses

Association of Investment Companies	www.theaic.co.uk
London Stock Exchange	www.londonstockexchange.com
TrustNet	www.trustnet.com
Interactive	www.iii.co.uk
Morningstar	www.morningstar.com
Edison	www.edisongroup.com

Financial Calendar

Company year end	31 March
Annual Report sent to shareholders	28 June
Annual General Meeting	29 July
Half-Year Report sent to shareholders	December
Interim dividend payments	November & May

INVESTOR INFORMATION

Company Information

Registered in England & Wales number: 00126107

BOARD OF DIRECTORS

Alex Hammond-Chambers
Jonathan Davie
Raymond Oxford
William Salomon
Geoffrey Wood

COMPANY SECRETARY AND REGISTERED OFFICE

Hansa Capital Partners LLP
50 Curzon Street
London W1J 7UW

PORTFOLIO MANAGER

Hansa Capital Partners LLP
50 Curzon Street
London W1J 7UW

AUDITOR (for year ended 31 March 2019)

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

AUDITOR (proposed, for year ended 31 March 2020)

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh EH3 8EX

SOLICITORS

Dentons LLP
1 Fleet Place
London EC4M 7WS

REGISTRAR

Link Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

TAX ADVISOR

BDO LLP
55 Baker Street
London W1U 7EU

DEPOSITARY

BNP Paribas Securities Services
10 Harewood Avenue
London NW1 6AA

STOCKBROKER

Winterflood Investment Trusts
The Atrium Building
Cannon Bridge
25 Dowgate Hill
London EC4R 2GA

ADMINISTRATOR

Maitland Administration Services Limited
Springfield Lodge
Colchester Road
Chelmsford
Essex CM2 5PW

ALTERNATIVE INVESTMENT FUND MANAGER

Maitland Institutional Services Limited
Springfield Lodge
Colchester Road
Chelmsford
Essex CM2 5PW

Glossary of Terms

AIC

The Association of Investment Companies ("AIC") is the UK trade association for closed-ended investment companies.

Alternative Investment Fund Managers Directive ("AIFMD")

The AIFMD is a regulatory framework for alternative investment fund managers ("AIFMs"), including managers of hedge funds, private equity firms and investment trusts. Its scope is broad and, with a few exceptions, covers the management, administration and marketing of alternative investment funds ("AIFs"). Its focus is on regulating the AIFM rather than the AIF.

Annual Dividend/Dividend

The amount paid by the Company to shareholders in dividends (cash or otherwise) relating to a specific financial year of the Company. UK Investment Trusts are required to distribute a minimum amount each year based upon a minimum allowed level of retention of revenue income. The Company's dividend policy is to announce its expected level of dividend payment at the start of each financial year. Barring unforeseen circumstances, the Company then expects to make two interim dividend payments each year – the first at the end of November during that financial year and the second at the end of May following the end of the financial year.

Bid Price

The price at which you can sell shares determined by supply and demand.

Capital Structure

The stocks and shares that make up a trust's capital i.e. the amount of ordinary and preference shares, debentures and unsecured loan stock etc. which are in issue.

Closed-ended

A company with a fixed number of shares in issue.

Depository/Custodian

A financial institution acting as a holder of securities for safekeeping.

Discount

When the share price is lower than the Net Asset Value, it is referred to as trading at a discount. The discount is expressed as a percentage of the Net Asset Value.

Expense Ratio

An expense ratio is determined through an annual calculation, where the operating expenses are divided by the average NAV. Note that there is also a description of an additional PRIIPs KID Ongoing Charges Ratio explained on page 13.

Five Year Rolling NAV Return (per annum)

The rate at which, compounded for five years, will equal the five year NAV total return to end March, assuming dividends are always reinvested at pay date.

Five Year NAV and Share Price Total Return

Rebased from 0% at the start of the five year period, this is the rate at which the Company's NAV and share prices would have returned at any period from that starting point assuming dividends are always reinvested at pay date.

Gearing

Gearing refers to the level of borrowing related to equity capital.

Hedging

Strategy used to reduce risk of loss from movements in interest rates, equity markets, share prices or currency rates.

Investment Trust

An Investment Trust is a company that is a form of collective investment vehicle. The company is a closed-end fund and is constituted as a public limited company listed on a Stock Exchange. In the UK, Investment Trusts that meet the approval criteria from HMRC benefit from certain beneficial tax allowances – most notably not paying tax on Capital Gains. Their taxation status is governed by s.1158 of the Corporate Tax Act 2010.

Issued Share Capital

Issued share capital is the total number of shares subscribed to by the shareholders.

Glossary of Terms *Continued*

Key Performance Indicators/KPIs

A set of quantifiable measures that a company uses to gauge its performance over time. These metrics are used to determine a company's progress in achieving its strategic and operational goals and also to compare a company's finances and performance against other businesses within its industry.

Market Capitalisation

The market value of a company's shares in issue. This figure is found by taking the stock price and multiplying it by the total number of shares outstanding.

Mid Price

The average of the Bid and Offer Prices of a particular traded share.

Net Asset Value/NAV

The value of the total assets minus liabilities of the company.

Net Asset Value Total Return

See Total Return.

Offer Price

The price at which you can buy shares determined by supply and demand.

Ordinary Shares

Shares representing equity ownership in a company allowing investors to receive dividends. Ordinary shareholders have the pro-rata right to a company's residual profits. In other words, they are entitled to receive dividends if any are available after payments to financial lenders and dividends on any preferred shares are paid. They are also entitled to their share of the residual economic value of the company should the business unwind.

Hansa Trust has two classes of Ordinary share. The Ordinary (8m shares) and the 'A' non-voting Ordinary shares (16m shares). Both have the same financial interest in the underlying assets of the Company and receive the same dividend, but differ only in that only the former shares have voting rights, whereas the latter do not. They trade separately on the London Stock Exchange, nominally giving rise to different share prices at any given time.

Premium

When the share price is higher than the Net Asset Value it is referred to as trading at a premium. The premium is expressed as a percentage of the Net Asset Value.

Packaged Retail and Insurance-based Investment Product ("PRIIP")

Packaged retail investment and insurance-based products (PRIIPs) make up a broad category of financial assets that are regularly provided to consumers in the European Union. The term PRIIPs, created by the European Commission to regulate the underlying market, is defined as any product manufactured by the financial services industry, to provide investment opportunities to retail investors, where the amount repayable is subject to fluctuation because of exposure to reference values or the performance of underlying assets not directly purchased by the retail investor.

Public Limited Company ("PLC")

A Public Limited Company in the UK is a company limited by shares with an authorised share capital of over £50,000.

Shareholders' Funds/Equity Shareholders' Funds

This equates to the Net Asset Value of the Company.

Spread

The difference between the Bid and Ask price.

TIDM

Tradable Instrument Display Mnemonics ("TIDM"). A short, unique code used to identify UK-listed shares. The TIDM code is unique to each class of share and to each company. It allows the user to ensure that they are referring to the right share. Previously known as EPIC.

Total Return

When measuring performance, the actual rate of return of an investment or a pool of investments over a given evaluation period. Total return includes interest, capital gains, dividends and distributions realised over a given period of time.

Total Return – Shareholder

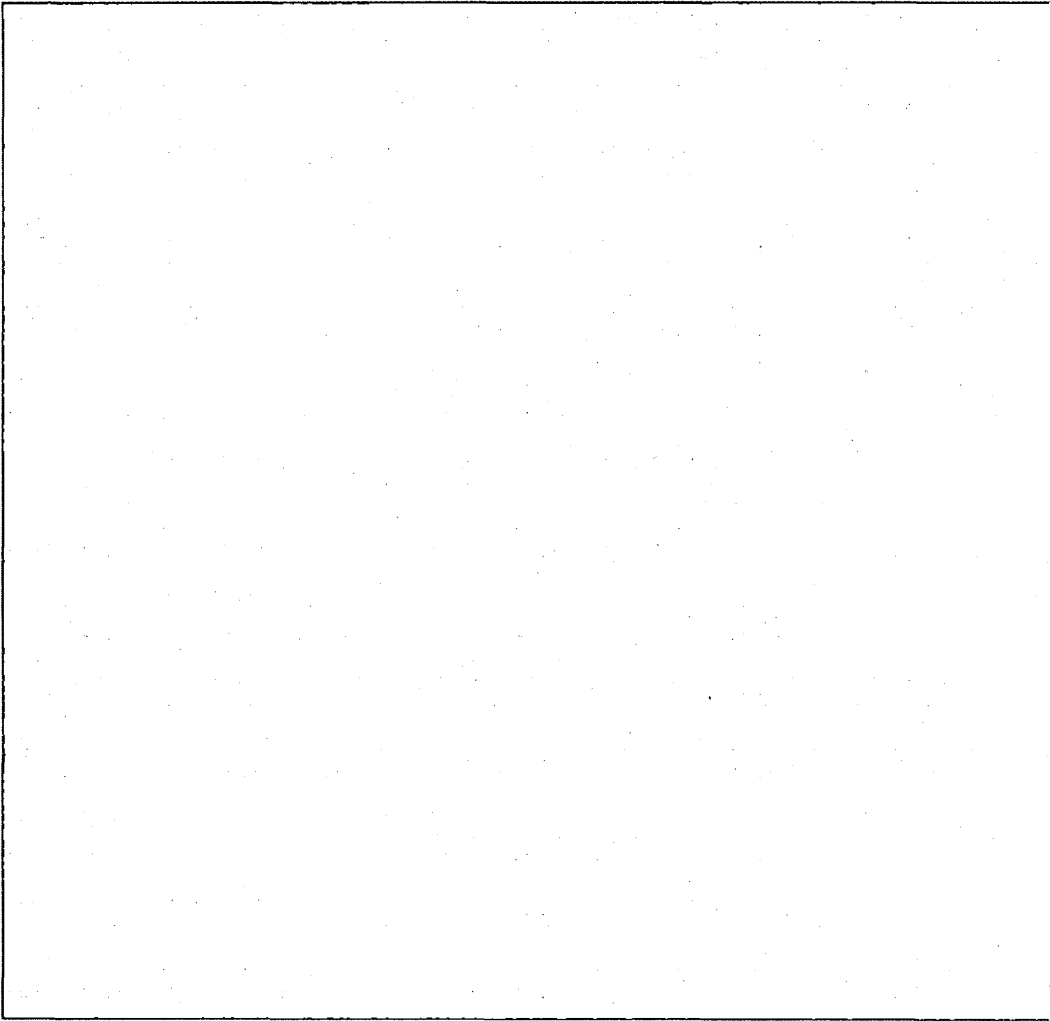
The Total Return to a shareholder is a measure of the performance of the company's share price over time. It combines share price appreciation/depreciation and dividends paid to show the total return to the shareholder expressed as an annualised percentage.

VIX Index

The VIX, or the CBOE Volatility Index, is a widely used measure of the implied volatility of the stock market, based on S&P 500 index options. It is calculated and published by the Chicago Board Options Exchange.

Notes







HANSA TRUST PLC



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W1J 7UW

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