

HAN

Share Price	868p
NAV	1157.6p
NAV (undiluted)	1157.6p
Discount (-) / Premium (+)	
Now	-25.0%
Average	-22.3%
Low	-12.7%
High	-28.4%
Z-Score	-0.8
Market Cap (m)	£ 69
Assets (m)	£ 278
No. Shares	8m
Net Gearing (% of net assets)	0.0%
Net Yield	1.8%

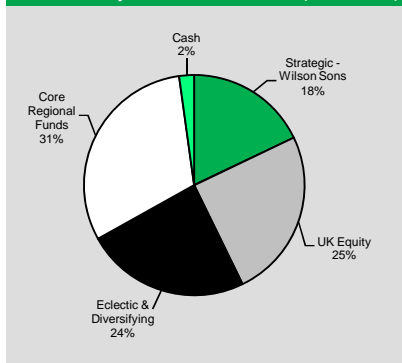
Source: Thomson Reuters, Bloomberg

Top 10	(% of NAV)
Ocean Wilsons Holdings	29.8%
Findlay Park American Fund	4.4%
DV4	4.1%
GAM Star Technology	4.1%
NCC Group	3.5%
Adelphi Euro Select Equity	3.3%
Hansteen Holdings	3.2%
UBM	3.1%
Vulcan Value Equity Fund	3.0%
Select Equity Offshore	3.0%
	61.3%

Date: 30 June 2015

Source: Hansa Trust Plc

Sector Analysis (% of NAV)



Date: 30 June 2015

Source: Hansa Trust Plc

Hansa Trust *

20 July 2015

On 16 July we attended Hansa Trust's AGM. This included a presentation by **Alec Letchfield** (AL), Chief Investment Officer at Hansa Capital Partners, the fund's investment manager.

Background

- Following the strategic review announced last year the portfolio retains its equity bias, but is now split into four broadly equal sub-portfolios: **UK Equities** (25% of NAV), which comprises directly held special situations and smaller companies; **Core Regional Funds** (31%), third party vehicles providing non-UK equity exposure; **Eclectic & Diversifying Funds** (24%), which includes more specialist mandates; and **Strategic Assets** (18%); including **Wilson Sons**.

- To provide greater transparency, Hansa's interest in **Ocean Wilsons Holdings** is now shown on a 'look through' basis as two separate investments. The Strategic Assets sub-portfolio represents the fund's exposure to **Wilson Sons**, the Brazilian operating business, while **Ocean Wilsons'** investment portfolio is included within the Eclectic & Diversifying Funds segment of the portfolio.

Performance

- The fund has a strong long-term performance record, having generated a NAV total return of 121% over the 10 years to 30 June compared with a 106% return from the FTSE All share. However, more recent performance has been quieter, having been negatively impacted by the fund's exposure to Wilson Sons.

- Over the 15 months to the end of June 2015, since the adoption of the new strategy, three of the portfolio's four silos have outperformed the FTSE All Share, although the Strategic Assets allocation has been a drag on performance. **Wilson Sons'** share price is up 18% over that period in local currency terms, although in Sterling terms it is down 9%. William Salomon acknowledged that the investment had been a drag on performance over recent years and attributed this to emerging markets being out of favour and problems in Brazil and the impact that this has had on the Brazilian Real. However, he remains positive on its long-term prospects and stressed that it is a very strong business with an excellent management team. He also noted that despite Brazil's political problems, the country benefits from a large middle class and positive demographics and he believes that it still has huge growth potential.

- He also noted the problems at **Petrobras**, one of **Wilson Sons** customers, although stressed that the company had not had any problems with payment from Petrobras and that the services they were providing were business essential.

Portfolio & Outlook

- When selecting managers within their Core Regional Funds and Eclectic & Diversifying Funds portfolios the investment team look for robust investment processes and alignment of interests. However, they are also wary of fund's getting too large and he highlighted **Findlay Park American Fund** as an investment that has performed very well, but which is now getting to the point where its size might begin to impact upon the potential to generate performance.

- The managers believe that valuations are generally at elevated levels and this is reflected in an increasing allocation to more defensive / absolute return type investments. This includes a recent seed investment in **BlackRock's Global Long / Short Event-Driven Fund**, which they expect will preserve capital and should remove a lot of market risk. Other recent investments include **Hanjo Fund**, a long only Japanese equities fund and **Adelphi Select Equity**, a focused European long-only equities fund.

Winterflood View

In our opinion last year's changes to Hansa Trust's investment strategy made sense, broadening the portfolio's exposure and bringing it closer to funds such as RIT Capital Partners or Caledonia Investments*. It is also encouraging that its two funds portfolios and its UK equities portfolio appear to be performing well. However, the strategic stake in Ocean Wilsons obviously remains a key driver of returns and has proved a drag on performance over recent years. This has resulted in a widening of the fund's discount, which now stands at 25% on the Ordinary shares and 28% on the non-voting 'A' shares. However, Ocean Wilsons Holdings has been an excellent long-term investment and William Salomon remains positive on its future prospects. He also notes that the Salomon Family's stake in the fund means that his own interests are aligned with other shareholders in the fund. While Hansa Trust has been out-of-favour over recent years, we believe that it does offer considerable value at its current discount and it could be re-rated, particularly if sentiment towards Brazil improves.

	Capital Only			Total Return		
	1m	3m	6m	1y	3y	5y
NAV	0.0%	-1.4%	1.7%	-4.2%	24.7%	42.1%
Share Price	-0.3%	3.3%	-4.6%	-9.9%	23.0%	25.8%
FTSE All Share	1.2%	-2.3%	4.8%	6.3%	40.1%	64.4%

Source: Thomson Reuters, Bloomberg

* This Investment Trust is a corporate broking client of Winterflood Securities

This research note is produced by Winterflood Securities which is authorised and regulated by the Financial Conduct Authority (FCA).
This is NON-INDEPENDENT RESEARCH and is a MARKETING COMMUNICATION as defined in the FCA's Conduct of Business Sourcebook.

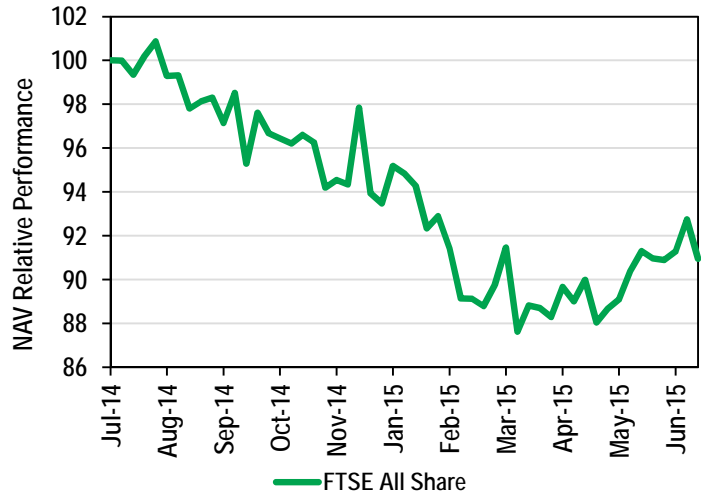
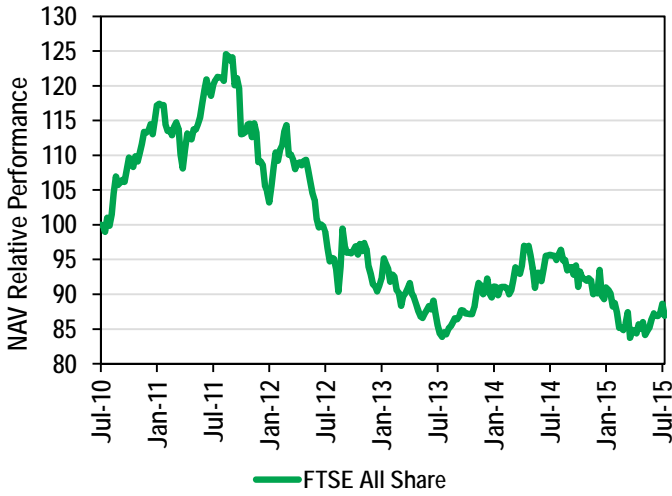
HAN

Hansa Trust *

20 July 2015

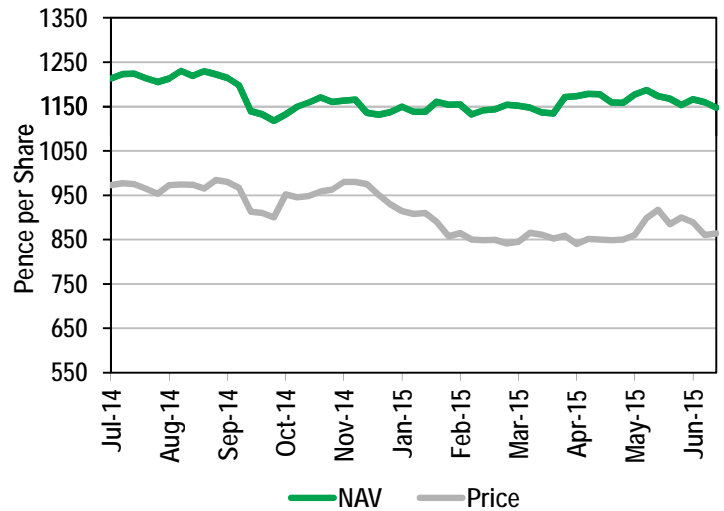
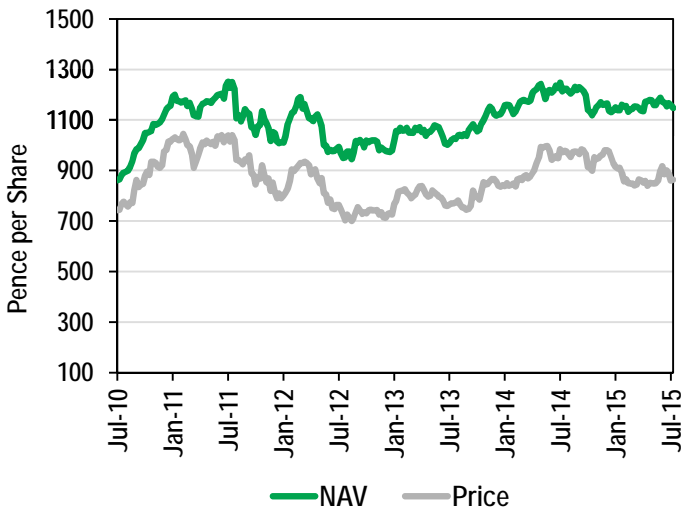
5 Year NAV Relative Performance

1 Year NAV Relative Performance



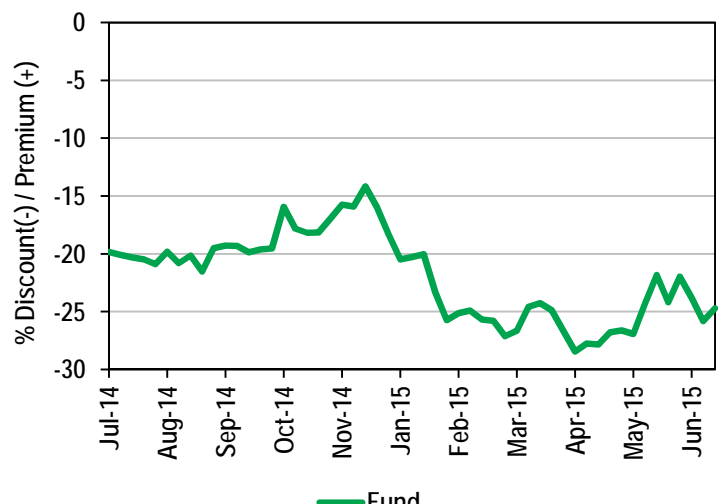
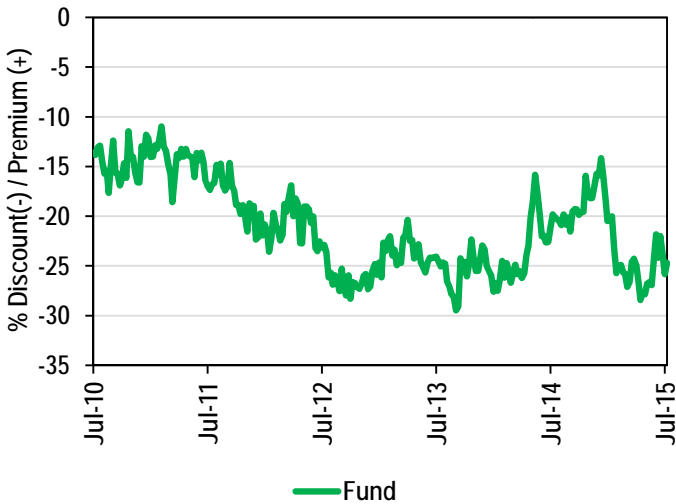
5 Year Absolute NAV & Price Performance

1 Year Absolute NAV & Price Performance



5 Year Discount History with Peer Group

1 Year Discount History with Peer Group



* This Investment Trust is a corporate broking client of Winterflood Securities

Disclaimer

Winterflood Securities Ltd (“WINS” or the “Company”) a financial services company incorporated in the United Kingdom with limited liability, is authorised and regulated by the Financial Conduct Authority (“FCA”) for the conduct of investment business in the UK. All electronic communications with the Company may be monitored in the UK in accordance with applicable law, including the UK Regulation of Investigatory Powers Act and Lawful Business Practice Regulations, 2000. Please note that the provision of investment services may be restricted in certain jurisdictions. You are required to acquaint yourself with any local laws and restrictions on the usage of this document and the availability of any services herein. This document and the information contained within it is not intended for distribution to or use by any person or entity in any jurisdiction or country where such distribution would be contrary to local law or regulation. WINS does not conduct investment business in the United Kingdom with private customers and accordingly services and products mentioned or referred to in this document are not available to such persons via WINS. This document contains information of a general nature and does not address the circumstances of any particular individual or entity. Nothing in this document constitutes or shall be implied to constitute advice, including legal, tax, financial and/or other professional advice, and nor does this document constitute a comprehensive or complete statement of the matters discussed or the law relating thereto.

For the purpose of UK regulation this research is classified as being a ‘marketing communication’. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research. However, WINS operates a conflict of interest policy in regard to research which prevents dealing ahead. The policy also includes the physical segregation of the corporate team, electronic systems segregation, a Personal Account Dealing policy and the operation of a cultural Chinese wall. A copy of the policy can be obtained by contacting the WINS compliance team on +44 20 3100 0000.

Information in this document may not be accurate or current. In particular (but without limitation) information may be rendered inaccurate by changes in applicable laws and other regulations and/or by differences in foreign laws and regulations. The prices of the investments referred to in this document (if any) and the income from them are indicative only and may go down as well as up and investors may realise losses on them. Investments denominated in foreign currencies are exposed to changes in exchange rates which may have a negative as well as a positive effect on their value. Past performance is not indicative of future results. Levels and bases of taxation may change. In the case of investments for which there is no recognised market, it may be difficult for investors to sell their investments or to obtain reliable information about its value or the extent of the risk to which it is exposed. Before entering into an agreement in respect of an investment referred to in this document, you should consult your own investment advisers as to its suitability for you and should understand that statements regarding future prospects may not be realised. WINS and its affiliates and/or their officers, directors and employees may have positions in any securities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such securities (or investment).

WINS and its affiliates may act as market maker or have assumed an underwriting commitment in the securities of companies discussed in this document (or in related investments), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform investment banking or underwriting services for or relating to those companies. Where WINS acts as corporate broker to a company, WINS may have undertaken to provide independent research coverage of the relevant company. Nothing herein excludes or restricts any duty or liability to a customer which WINS has under the Financial Services & Markets Act 2001, under the Rules of FCA, or to the extent liability cannot be excluded or restricted under applicable law. This document has been issued for the information of customers of WINS and is intended for professional investors. Research reports are not intended to provide the basis for any evaluation of an investment decision. Your attention is drawn to the date of issue of this document and of the opinions expressed herein. Any opinions are those of the research team and are subject to change without notice. This document is based on information obtained from sources believed to be reliable but which have not been independently verified and are not guaranteed as being accurate. This document is not and should not be construed as or forming a part of any offer for sale or subscription of, or any invitation to offer to buy or subscribe for, any securities or other financial instruments, nor should it or any part of it form the basis of, or be relied upon in any connection with any contract or commitment whatsoever. This document is made available without responsibility on the part of WINS, who neither assumes nor accepts any responsibility or liability (including for negligence) in relation thereto. No action should be taken or omitted to be taken in reliance upon information in this document. Advice from a suitably qualified professional should always be sought in relation to any particular matter or circumstances. None of the above shall be taken to exclude liability for fraud or for negligence causing death or personal injury on the part of WINS. WINS is, unless otherwise stated, the owner of copyright over this document. Except for personal use only (including saving to an individual storage medium and printing such extracts from this document as are necessary for such use) or as permitted by the Copyright Designs and Patents Act 1988, no part of this document may be published, distributed, extracted, re-utilised, or reproduced in any material form (including photocopying or storing it in any medium by electronic means and whether or not transiently or incidentally to some other use of this publication). WINS reserves the right at any time at its discretion to withdraw or modify the licenses set out above. The above permissions do not apply to any content supplied by third parties. For permitted use of third party content apply to the relevant content owner.

The investments and investment services described in this material may not be suitable for all people. Before entering into an agreement in respect of an investment referred to in this material, you should consult your own investment advisers as to its suitability for you and should understand that statements regarding future prospects may not be realised.

Source: FTSE International Limited (“FTSE”) © FTSE [2015]. “FTSE®” is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. All rights in the FTSE indices and / or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and / or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE’s express written consent