HANSA TRUST PLC

As at 30 September 2018

Company Fact Sheet

HEADLINE DATA

	Share Price (p)	NAV (p)	(Discount)/Premium (%)	Gross Yield (%)
Ordinary Shares	1,070.0	1,414.9	(24.4)	1.5
'A' non voting Ordinary Shares	1,010.0	1,414.9	(28.6)	1.6

SHARE PRICE TOTAL RETURN PERFORMANCE ON £100 (£)

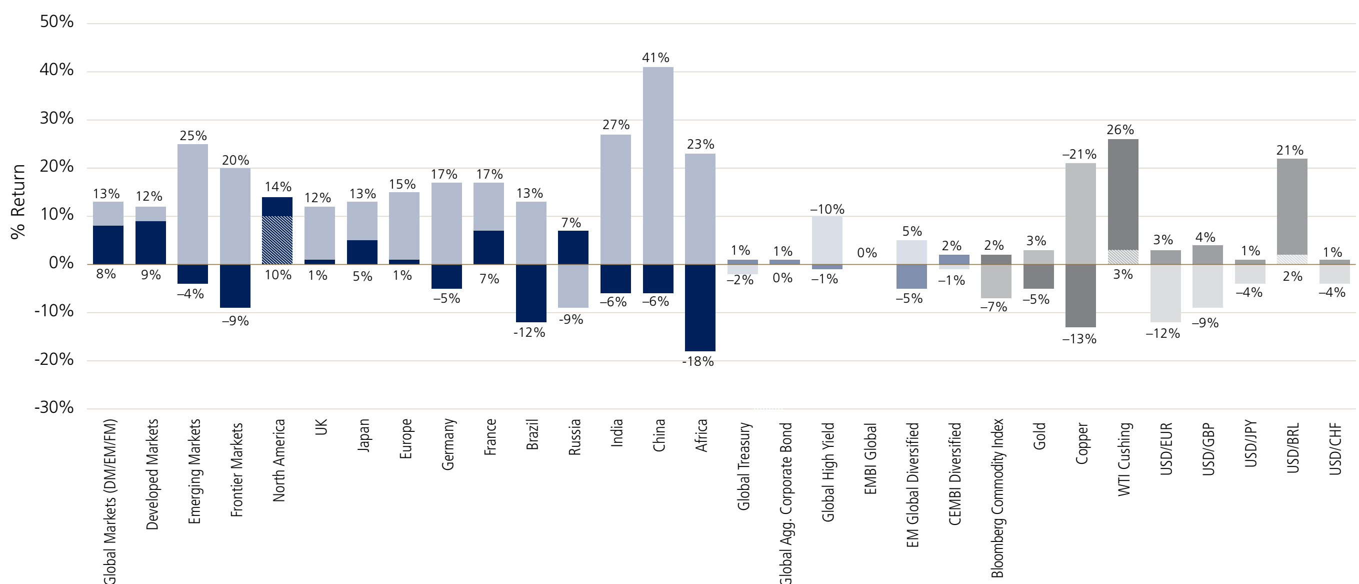
	1 Year	3 Years	5 Years	10 Years
Ordinary Shares	112.4	139.0	146.9	171.9
'A' non voting Ordinary Shares	107.2	136.5	142.2	164.6

ARE WE NEARING A TURNING POINT?

Market backdrop

They say a picture is worth a thousand words and we particularly like the one depicted in chart 1 below. Highlighting the difference a year can make in stock markets, the lighter bars illustrate just how strong performance was in 2017 and the darker bars the more challenging performance experienced so far this year.

Chart 1: 2017 versus 2018 stock market performance (GBP)



Source: Bloomberg, Morningstar

Underlying this performance, 2017 really was a case of everything coming good at the same time. Economic growth improved in both developing and developed markets. This in turn fed through to better corporate profitability with analysts revising up their forecasts for the first time in many years (something that has been conspicuously absent in the current stock market cycle). Geopolitical issues were clearly rumbling on in the background with speculation that we would see more populist governments being elected in a number of European countries. These, however, ultimately failed to materialise and whilst President Trump seemed content to talk tough on China little was seen in the way of action (at least in 2017). The net result was strong performance across equity markets, with both developed and developing markets rising, and across the asset class spectrum with bonds, equities and commodities performing well.

In contrast, 2018 has seen something of a perfect storm albeit with a twist. Unlike 2017, this year has been characterised by weaker than expected economic growth in much of the world with the one notable exception being the US. Unusually, and many would argue imprudently, the US administration decided to cut taxes at a late stage in the cycle and in the process boosted both economic and corporate growth at a time when the rest of the

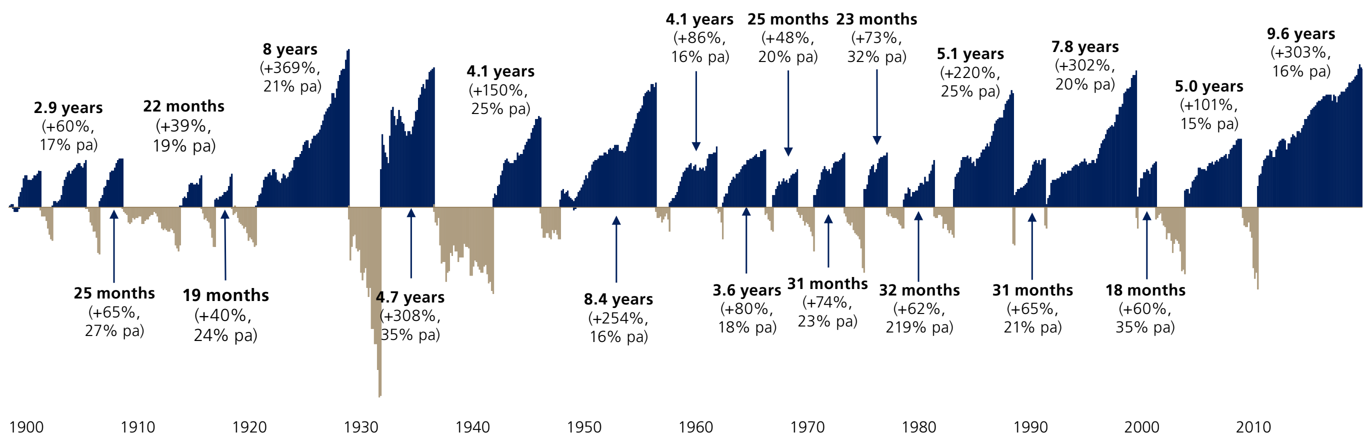
world was slowing. The geopolitical picture has deteriorated with the election of a populist, anti-EU, coalition government in Italy and the seemingly unflappable Angela Merkel has struggled to control her power base in Germany. Brexit, to be blunt, looks like a slow motion train crash. Trump has also flip-flopped from waging war on North Korea to holding the first summit between a US and North Korean leader. At the same time he has antagonised old allies by waging trade wars with Canada, Europe and Mexico, as well as with China. All of this, perhaps unsurprisingly, has seen global stock markets fall with the exception of the US. Perversely, in light of the large weighting of the US in the MSCI World index, this has driven up the overall index despite weakness exhibited elsewhere. We think this represents a real pain trade for many global fund managers who are typically underweight the US in light of its higher valuation and more mature stock market cycle.

Market outlook …

For the past 18 months or so we have painted a picture of a maturing business and stock market cycle and have described our readiness to start shifting assets from riskier investments to safer assets. Although markets have had their setbacks during this time, it has generally proved correct to maintain exposure to equities. The question now is for how long will this remain the case?

We will start by making the case for why it is right to become more defensive and then we'll put forward some counterarguments. Many commentators have pointed to the increasing maturity of the current cycle which is now the longest in recent stock market history. As we have noted many times in the past, stock markets don't die of old age but, by definition, the longer the cycle the more likely that we are near an end point.

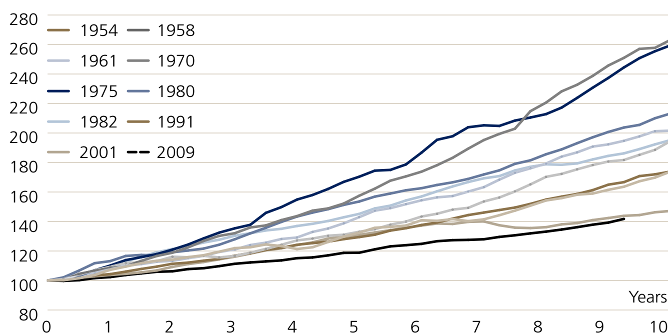
Chart 2: We are in the longest equities bull market without a 20% drawdown (S&P 500)



Source: GFD, Bloomberg, Goldman Sachs Global Investment Research

The counterargument to this relates to the depth of the preceding Global Financial Crisis and the unusual nature of the subsequent recovery. Looking at past cycles the common feature is that the magnitude of a downturn is typically mirrored in the rebound as markets recover. Hence with the Global Financial Crisis representing one of the largest market setbacks in the past century an extended recovery would not be unusual. Furthermore, the current recovery has been notable by its lack of strength with many global economies barely above their pre-GFC economic peaks. Indeed, unless we expect the world to become like Japan (which we don't!), it would be unusual if the recovery didn't carry on for longer.

Chart 3: The current economic recovery has been muted versus past history (US nominal GDP following recessions)



Source: Goldman Sachs Global Investment Research

More worrying is the decline in economic growth. As mentioned above, we have gone from a picture of growth being in fine fettle to one where it has started to slip outside of the US. Our retort though is that it would be unusual if it didn't slow at some point. Economic growth is always noisy and naturally waxes and wanes throughout a cycle. We believed that much of the weakness experienced in the first half of the year was temporary and recent economic data would appear to vindicate this.

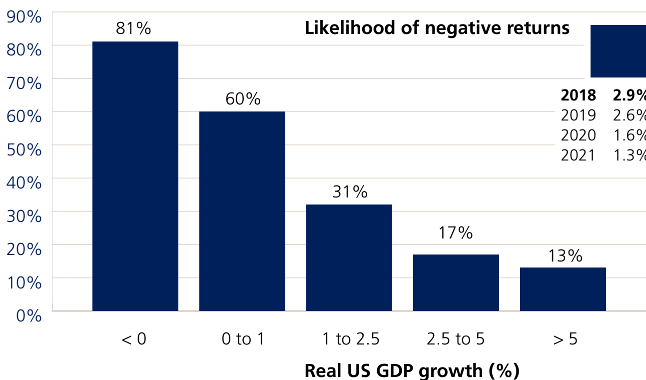
There are, however, a couple nuances. Firstly, Emerging Markets (EM) do appear to be showing more persistent weakness. Partly this is a function of what is going on in China. China typically operates to its own cycle, dictated by whether government policy is expansionary or contractionary. Currently economic growth in China is slowing as policy is tightened following a period of expansion. There have been some tentative signs that the authorities are looking to ease again but the jury is out as to the effectiveness of this given the current trade war between the US and China. Compounding this, it is unclear at this stage just how significant the current trade war will be for the broader region and the strength of the dollar has started to put pressure on many EM companies who have borrowed in dollars in recent years. We are still of the view that this is a wobble rather than the start of something more sinister but certainly we are watching events unfold carefully to see if that view is wrong.

The second point relates to US growth. Undoubtedly US growth has been the standout area of strength globally. However, as hinted at above, pump-priming growth is a questionable thing to do at a mature point in the cycle. It removes one of the policy options when economies start to slow and likely accelerates the pace with which the Federal Reserve raises interest rates to head off inflation. At some point we would also expect the benefits of this policy to annualise out of analyst forecasts potentially leading to disappointment.

To summarise on growth, we do not see the normal factors in play that would lead to a recession in the near term, despite the mature age of the recovery. That is not to say that the picture is rosy across the board. Clearly growth is patchy with the US robust, Europe rather lacklustre and EM okay but declining. Also whilst we would expect US growth to fall back from its current extended level this does not mean it will become contractionary and act as the catalyst for a bear market (at least for now).

Chart 4: At the current pace of GDP growth the probability of negative returns is reasonably low

Source: 500 annual real total returns: 2Q lag for GDP growth

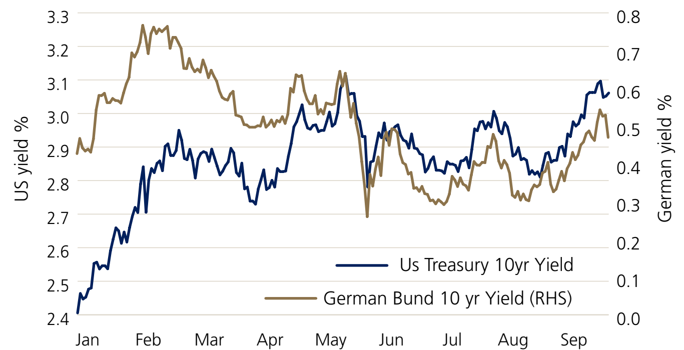


Source: Goldman Sachs Global Investment Research

Another area that we watch closely is that of interest rates and bond yield curves. Whilst markets invariably do something different to one's core forecasts, at this point we see the current cycle ultimately ending in a fairly conventional fashion. Interest rates start to rise as economies grow, capacity becomes tight, and inflation starts to take grip. A tipping point is then reached whereby higher rates impact both corporates and consumers and, in the process, slow growth, catalyse a recession and cause a bear market.

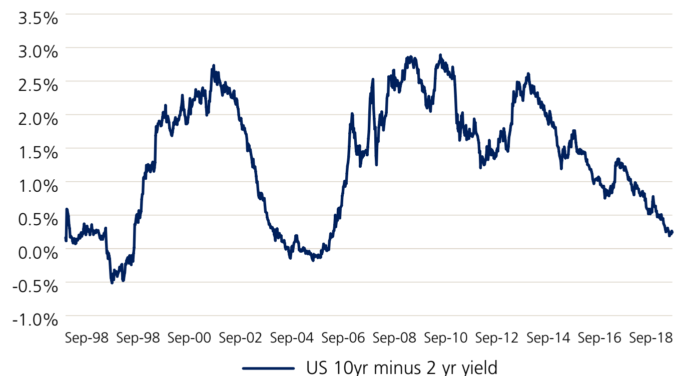
This process is already underway in the US and UK with both countries raising their base rates. The question though is at what point do interest rates start to bite and impact growth? There is much debate on this neutral rate of interest albeit it is undoubtedly lower than it was in prior cycles. As we write we have seen some developments on this front. The US Federal Reserve appears to be shifting from being accommodative in its policy actions to having a bias towards tighter rates. At the same time the 10 year US Treasury yield has started to move up. Hence we have some slightly contradictory messages. On the one hand higher bond yields are bearish for equities with equities ultimately being priced off the risk-free rate. On the other this rise in 10 year yields is indicative of an improving growth picture and has led to a modest steepening in yield curves – typically an inverting curve is a precursor to a recession and bear market. Again, without sounding blasé, we do not see US treasury yields at just above 3% as being sufficient to kill off the equity bull market (and in fact remain very accommodative at current levels) but clearly if they keep moving up we would have to re-evaluate our view.

Chart 5: US & German 10 year yields



Source: Bloomberg

Chart 6: Yield curve steepness



Source: Bloomberg

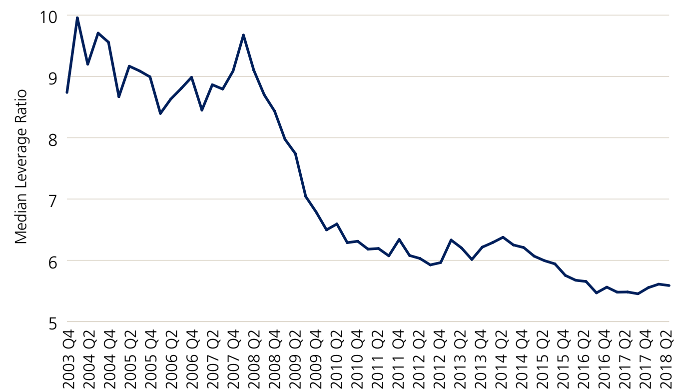
Something that is harder to assess but equally important is exuberance and excess. Peaks in markets go hand-in-hand with increases in animal spirits and here we see only tentative signs that these are picking up. Bitcoin demonstrated many of the characteristics of a bubble earlier in the year as its price rose exponentially and retail investors flooded in, but there was little fundamental support. In practice, however, crypto currencies probably lack the size to be of any real danger to the wider financial system. This bubble appears to have now burst with Bitcoin prices collapsing from their peak above $18,000 in December 2017 to around $6,600 now.

A sector that does have the capacity to cause more systemic damage is banking. Banks have an uncanny habit of finding the next black hole, typically allowing their lending standards to decline as markets peak, dabbling in complex instruments in which they have little experience and introducing leverage at just the wrong time in the cycle! Even here though the normal signs that one would look for do not appear to be in place. Post the GFC, banks have tightened their lending standards considerably, ring-fenced many of their retail businesses and leverage is significantly lower than it was historically.

Chart 7: Bitcoin

Source: Bloomberg

Chart 8: Bank leverage (median leverage ratio of global investment banks)



Source: Bloomberg

Whilst we do not see any problems in the banks at this stage, the financial system is a little like plumbing with water normally leaking out somewhere. One suspects that it will be corporate debt this time around. The ease with which corporates have been able to able to issue debt in a zero interest rate world has almost certainly led to some excesses and shored up those zombie companies that should have died off long ago. We're sure that as rates shift higher and quantitative easing turns to quantitative tightening some of these companies will be found to have been swimming with no clothes on. They normally are.

Portfolio Review and Activity

Your Company has returned 1.9% for the second quarter of the financial year, following a return of 4.3% in the first quarter. Year to date your Company has therefore returned 6.2%. The key performance indicators for this quarter are 5.5% for the MSCI ACWI NR Index and -1.7% for the FTSE UK Gilts All Stocks TR Index. The performance this quarter has held up well given that global markets have continued to be volatile. The Trust's net asset value per share increased over the quarter from 1,392 pence at the end of June 2018 to 1,413 at the end of September 2018. This compares to a level of 1,345 pence at the end of September 2017.

Core and Thematic Funds

In the second quarter of the year the Core Regional bucket had a 2.6% return while the Thematic bucket had a return of 3.4%. This quarter emerging and frontier markets continued to underperform developed markets with holdings in those areas being the main detractors.

In the Core Regional bucket, the largest contributor to the performance was again the **Findlay Park American Fund** which closed the quarter up 6.7%. The performance of this fund was largely driven by its holdings in the technology sector, namely Microsoft, as well as American Express and Berkshire Hathaway continuing to perform well. Another US focused fund, **Select Equity**, was the second largest contributor ending the quarter up 6.9%. This small-mid cap fund's largest holding, life science equipment supplier PerkinElmer, performed particularly well off the back of strong quarterly results announced in August. Other good performers include the technology company Gartner and the insurer Cincinnati Financial, both large holdings for the fund.

Adelphi European Select Equity Fund performed well this quarter, returning 3.6%. This European fund performed particularly well against its benchmark of the MSCI Europe TR Index in August, led largely by positive stock selection in the consumer discretionary and health care sectors. Adidas and Almirall were names that performed well in these sectors, as did Worldpay in the technology sector.

As previously mentioned, the emerging and frontiers holdings, such as **Prince Street Institutional** (down 5.1%), **SR Global Fund Frontier Markets** (down 4.7%) and **BlackRock Frontiers Investment Trust** (down 3.8%), continued to be the main detractors. This was largely due to contagion fears of the weakness in Turkey and Argentina spreading to other emerging markets and concerns over the impact of the US-China trade war.

GAM Star Technology Fund continued to be the largest contributor in the Thematic bucket, returning 2.8% over the quarter as the technology sector continued to perform well. Its largest holdings in Microsoft, Alphabet and Visa all enjoyed strong quarters, with Visa performing particularly well this year with strong revenue, payment volume and processed transactions growth. Another strong performer in this bucket was the **Worldwide Healthcare Trust** which was up 9.2% for the quarter. This was due, in part, to several of its pharmaceutical company holdings beating their sales performance targets in the US in the second quarter of the year.

Diversifying Funds

The Diversifying segment ended this quarter with a positive return of 1.1%. The holdings in this segment of the portfolio are designed to show lower correlation to the equity market, so it is expected that they will lag behind the equity market when it is strong, such as in this quarter.

The strongest performer in this segment of the portfolio was **DV4 Ltd**, a property development vehicle managed by Delancey, which was up 2.6% in the quarter. DV4 made several disposals during the quarter, including the sale of a site in west London known as The Kensington, all of which have produced healthy returns. **Hudson Bay International Fund** was also a positive contributor, up 2.7% in the quarter, as was the **JLP Credit**

Opportunity Fund that was up 1.8%. These are both dollar denominated funds so a large part of their performance will be down to the continued strength of the dollar. We have been gradually reducing the position in JLP Credit over the last couple of years as we feel high yield debt has been getting increasingly expensive, and the position was fully exited at the quarter's end. **Schroder GAIA BlueTrend** and **GAM Systematic Core Macro** funds both had disappointing quarters, declining 1.8% and 1.9% respectively. The continued market volatility has meant that these trend-following CTAs have struggled, with both reporting significant losses on FX and commodity positions in July before recovering slightly later in the quarter.

Global Equities
It is a generally accepted truth that the stock market adores certainty and abhors uncertainty. This is why businesses with a loyal customer base or long term contracts tend to trade at premiums to the market. There are, however, points in a business's life cycle when the future prospects appear less clear, and this can result in premiums associated with quality, which had been relatively entrenched, being eroded or lost altogether. As investors with a preference for buying companies with margins of safety, this presents us with opportunities.

The market has become increasingly certain that "new world" technology businesses will dominate the future, and, on this basis, has ascribed them large valuation premiums. This approach has led to a market of "haves" and "have nots", which can be crudely seen in the differential of performance between value and growth stocks over the past twelve months; the MSCI World Growth index is up 20.5% whilst the MSCI World Value index has returned just 8.0%.

Unsurprisingly, we are finding more compelling investment opportunities in the latter group, where in some cases, the market is pricing in a continuation of recent negative trends in perpetuity. As a result of this, we have been more active than normal over the quarter. We have added to our positions in **Bayer**, **Exor**, **Berkshire Hathaway**, **Interactive Brokers**, **Technicolor** and **TripAdvisor**, and we have initiated new positions in **KT Corp** and **C&C**. **Informa**, **CBRE** and **Liberty Global** have been sold.

Take **C&C**, an Irish beverage company best known for making Bulmers, Magners and Tennent's. It has suffered from material uncertainty over its future prospects following three years of declining sales and a challenging operating environment which has seen them face falling alcohol consumption, an increase in the availability of competing products (from home and abroad), unfavourable weather conditions and consolidation of the UK pub sector. It also made a misguided US acquisition. All this was largely priced into the stock at the end of the first quarter; over five years, its price had declined by almost 40%, leaving it 75% behind the sector average and 110% behind the World Index.

In our view, it has been abandoned by growth investors just as it approaches a potential inflection point in volumes and improving earnings, thanks to a rather shrewd, opportunistic acquisition. The purchase of the alcohol distribution business from the bankrupt retailer, Conviviality has the potential to be transformational; diversifying the earnings stream into a steadier, albeit lower margin business. C&C paid only £1 for the business, taking on £102m of debt, which equates to less than 4x EV/EBITDA; arguably a bargain. Whilst the acquisition could increase the uncertainty further over the next twelve months, it should be very accretive to the bottom line and it offers potential revenue synergies over the longer term.

There are also potential catalysts in its core brands (Bulmers, Magners and Tennent's) which could lead to some long-awaited organic growth. Tennent's returned to growth last year and the introduction of minimum unit pricing should lead to higher unit margins this year. In England, Magners growth accelerated in the second half of last year after the distribution agreement with AB InBev ramped up and we expect this momentum to continue. The weather can also have an impact, and after two below par summers, we would expect this summer to have been positive for the Bulmers cider brand in particular.

The stock is trading on a PE of just 11x. We believe that within two years it could be earning 35c a share in net income and 33c in free cash flow. This implies a forward PE of 9.4x and a free cash flow yield of 10% at the current price of €3.30. If it returned to its historic 30% discount to the sector it would trade at €5.40.

This has the potential to be "heads we win, tails we don't lose much" situation; if the stock does not re-rate or return to growth, we should be paid the 4.5% dividend yield for waiting for the activist investors that currently hold a quarter of the shares to encourage management to realize the value of the business.

Looking at the equity portfolio over the quarter, the largest contributors to performance were **Iridium Communications, Berkshire Hathaway** and **CVS Health**, whilst **Coca-Cola Bottlers Japan**, **Interactive Brokers** and **Bayer** were the biggest detractors.

Ocean Wilsons Holdings
The company's holding in Wilson Sons continues to face a challenging economic environment in Brazil, but the firm has put itself in a position to reap the rewards of its $1bn investment plan over the last ten years, while remaining committed to the Tecon Salvador container terminal expansion project. The Brazilian political environment remains uncertain, with the second round of the Presidential election due to take place at the end of October, although markets have taken positively the strong showing of Jair Bolsonaro in the first round. On 16 July 2018 the Board of Wilson Sons announced that it had initiated a process of assessing the future of the company's container terminals and logistics assets. This process is part of the evaluation of strategic alternatives that the management is carrying out, which may include divestment of such assets as well as attracting strategic partners. 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 second quarter results for Wilson Sons, which were released in August, showed the negative impact of the nationwide truck drivers' strike protesting against high fuel prices, as well as the effect of the weakening currency which adversely impacted container terminals revenues. Earnings fell by 18.1% to $36.6m in the second quarter compared to the same period the year before. Operating volumes in the terminals business fell as a result of the truck drivers' strike, although Rio Grande inland navigation flows increased significantly, denoting the efficiency and safety of the route.

Results in the towage division suffered from the very competitive environment affecting volumes and pricing, and revenues were down 20% from the prior year. However, the division was awarded a $48.3m financing priority by the Merchant Marine Fund to be used for the repair and maintenance of 35 tugboats over the next two years, a first step to contracting with a financial agent. The company has been able to partially mitigate weakened offshore vessel demand through alternative vessel solutions. For example, in July the offshore joint venture commenced two contracts for shallow-water diving support services and one for oil spill recovery services.

The Ocean Wilsons Investment subsidiary was valued at $272.5m at the end of June 2018, which represented a decrease of $2.2m (0.8%) from the valuation at the end of December 2017 ($274.7m), 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.

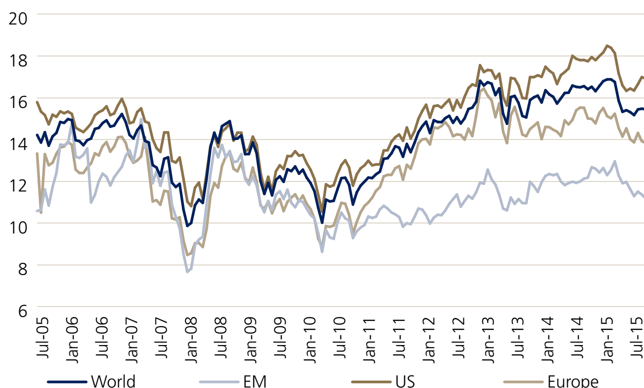
The Ocean Wilsons Holdings share price was more volatile than usual over the quarter, most likely on account of the announcement in July from the Board of Wilson Sons, but at the end of the quarter the share price was up 2.5% over the three month period. Over the past twelve months the share price has declined 5.0%, but on a total return basis its return has been -0.6%, taking account of the 51.7 pence dividend that was paid to the Trust in June. The share price represents a discount to the look-through NAV of 30.4%, based on the market value of the Wilson Sons shares together with the latest valuation of the investment portfolio.

Summary

Clearly the current picture for global stock markets is a mixed one. We are of the view, however, that this is a normal situation for a maturing stock market cycle and whilst the best days are almost certainly behind us that does not mean that more modest returns cannot be achieved albeit with more volatility. This view is supported by current valuations. These are undoubtedly above their historic averages but are not at previous peaks. Pinpointing peaks in valuations is nigh on impossible but what we can say is that if a bear market were to start at current valuation levels it is likely to be a modest one. More likely valuations move higher as in previous cycles before we move into a bear market.

There is also the question of what else do you do with your money. As highlighted previously, whilst equity valuations are getting fuller, bond valuations are even more expensive by historic standards, even in the US following the recent uplift in yields. So yes, we acknowledge that the next move is almost certainly more defensive, we just don't think we're there quite yet.

Chart 9: PEs for World, EM, US, Europe



Source: Bloomberg

Chart 10: US 10 year yield long-term chart

Source: Bloomberg

Alec Letchfield
October 2018

TOP TEN HOLDINGS (%)

Holding	%
Ocean Wilsons Holdings Limited (OWHL)*	28.4
Findlay Park American Fund	5.4
GAM Star Fund PLC - Technology	4.6
Vulcan Value Equity Fund	4.2
Select Equity Offshore, Ltd	3.9
Goodhart Partners: Hanjo Fund	3.5
DV4 Ltd	3.1
Indus Japan Long Only Fund	2.9
Adelphi European Select Equity Fund	2.8
Global Event Partners Ltd	2.3
TOTAL	**61.1**
*comprising Wilson Sons	17.3
Ocean Wilsons (Investments)	11.1

SECTOR ANALYSIS (%)

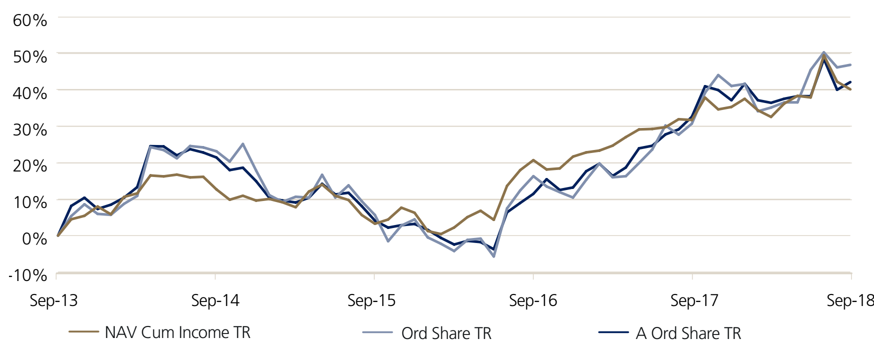
Sector	%
Core & Thematic Funds	41.7
a) Core	35.5
b) Thematic	6.1
Global Equities	17.3
Diversifying Assets	10.0
Strategic (Wilson Sons & Ocean Wilsons Investments)	28.4
Cash	2.7
Total	**100.0**
No. of Holdings	56

ANALYSIS OF ASSETS (£M)

Item	£M
Total Investment	331.0
Net current assets/(liabilities)	6.6
Total assets	337.6
Short-term borrowing	0.0
YTD revenue	2.0
Net assets	**339.6**
Gearing	0.0

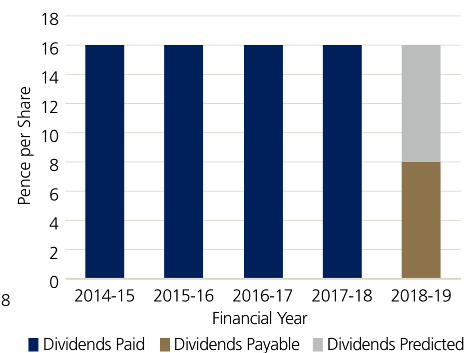
*OWHL operates through two principle subsidiaries: Wilson Sons Ltd and Ocean Wilsons Investments Ltd (OWIL). The fair value of Hansa Trust's holding in OWHL has been apportioned across the two subsidiaries in the ratio of the latest reported NAV of OWIL, that being the NAV of OWIL shown per the 30 June 2018 OWHL quarterly update, 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 30 September 2018.

5 YEAR TOTAL RETURN



Sources: Hansa Trust internal, unaudited data

ANNUAL DIVIDEND PAYMENTS



PERFORMANCE STATISTICS (%)

	Last Month	Financial YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Net Asset Value	-1.5	5.1	5.2	30.6	31.3	73.3
Total Return on Net Asset Value	-1.5	5.7	6.4	35.8	40.2	101.3
Share Price – Ordinary Shares	0.5	7.8	10.6	31.5	34.2	41.7
Total Return on Ordinary Shares	0.5	8.7	12.4	39.0	46.9	71.9
Share Price – 'A' non voting Ordinary Shares	1.5	3.3	5.5	29.1	29.7	35.1
Total Return on 'A' non voting Ordinary Shares	1.5	4.2	7.2	36.5	42.2	64.6
Total Return MSCI All Country World Index GBP	-0.3	12.2	12.6	68.4	87.2	198.5

Sources: Hansa Trust internal, unaudited data; MSCI

STANDARDISED PERFORMANCE INFORMATION

12-month Period	2013Q3 to 2014Q3	2014Q3 to 2015Q3	2015Q3 to 2016Q3	2016Q3 to 2017Q3	2017Q3 to 2018Q3
Total Return on Ordinary Shares	23.2	-14.2	10.1	12.4	12.4
Total Return on 'A' non voting Ordinary Shares	21.5	-14.3	7.1	19.0	7.2

Sources: Hansa Trust internal, unaudited data

HANSA TRUST PLC

LAUNCH DATE:	1912 (name changed to Hansa Trust in October 2001)
AIC INVESTOR SECTOR:	Flexible
CAPITAL STRUCTURE:	8,000,000 Ordinary shares of 5p and 16,000,000 'A' non voting Ordinary shares of 5p. 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.
YEAR END:	31st March
DIVIDEND POLICY:	The current dividend policy is to announce at the start of the financial year the expected amount of two interim dividends, to be paid each Financial Year. For financial year to 31 March 2019, First Interim Dividend of 8.0 pence per share to be paid on 30 November 2018, Second Interim predicted to be 8.0 pence per share payable in May 2019. Final (if required) - ex date June and payment date August.
DIRECTORS:	Chairman – R.A. Hammond-Chambers J. Davie, Lord Oxford, W.H. Salomon, Prof. G.E. Wood.
OWNERSHIP:	Board of Directors and Related Holdings parties own or are interested in 26.60% of the Ordinary shares and 0.87% of the 'A' non voting Ordinary Shares at 30 September 2018.
PORTFOLIO MANAGER:	Alec Letchfield, Hansa Capital Partners LLP authorised and regulated by the Financial Conduct Authority (FCA).
ALTERNATIVE INVESTMENT FUND MANAGER:	Maitland Institutional Services Limited authorised and regulated by the FCA.
MANAGEMENT FEE:	1% p.a. of NAV (excluding the holding in OWHL) payable monthly.
KEY PERFORMANCE INDICATORS:	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. Therefore the Board considers the following KPIs when assessing the performance of the Company: UK CPI, MSCI ACWI TR GBP and FTSE Gilts All Stocks TR.
INVESTMENT POLICY:	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, 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 and 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.
LISTING NOTIFICATIONS:	The Board does not limit investments in listed closed-ended investment funds to no more than 15% of total assets.
	Listed closed-ended investment funds held by the Company which themselves do not have stated investment policies to invest no more than 15% of their total assets in other listed closed-ended investment funds: **NONE**
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 Financial Conduct Authority's (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. FATCA - Hansa Trust is registered as a Reporting Financial Institution with the US IRS for FATCA purposes.

CONTACT DETAILS

For further information from
Portfolio Manager & Corporate Secretary
Hansa Capital Partners LLP
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London W1J 7UW

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Financial Conduct Authority
Phone: 020 7647 5750
Fax: 020 7647 5770
E-mail: hansatrustenquiry@hansacap.com
Website: www.hansagrp.com

INVESTMENT ROUTES	Hansa Trust PLC does not provide access for investment into the Company
AVAILABLE WITHIN WRAPPER PRODUCTS	ISA & Savings Schemes (through third party Plan Managers)
AVAILABLE OUTSIDE WRAPPER	Direct Dealing through investors own stockbroker/ bank facilities

Current and historic factsheets, current share prices and published reports are available on our website at **www.hansatrust.com**

FUND CODES	**ORDINARY SHARES**	**'A' NON VOTING ORDINARY SHARES**
SEDOL:	0787972	0787983
ISIN:	GB0007879728	GB0007879835
RIC Code:	HAN.L	HANA.L
TIDM Code:	HAN	HANA
Bloomberg Code:	HAN LN	HANA LN
LEI:	213800AIF87JWGLA1L74	

IMPORTANT INFORMATION Net Asset Values and returns are stated on a cum income basis in accordance with the practice of the Association of Investment Companies of which Hansa Trust PLC is a member. Total Returns on Net Asset Value and Shares have been sourced from unaudited internal management information. Prices quoted are mid price and performance returns are mid to mid.

Risk Warning: The information provided here has been issued by Hansa Trust PLC. Share and performance information has been compiled by Hansa Capital Partners LLP which is authorised and regulated by the Financial Conduct Authority. Past performance is not necessarily a guide to future performance as market and exchange rate movements may cause the value of shares and income from them to fall as well as rise, and an investor may not get back the amount invested. Investment Trust share prices may not fully reflect underlying net asset values. The spread on Investment Trusts typically averages 1-2% each way on the mid-market price (the price half way between the bid and offer prices). However, investors wishing to invest in Hansa Trust shares should note that the market for these shares is at times quite illiquid which leads to a large spread between the buying and selling prices, the bid to offer spread. For example, for the 'A' Shares, as at 30 September 2018 the bid offer spread was 4.0% (Bloomberg).

*Source: Bloomberg