The power of investing differently.

Half-Year Report
30 September

2024

Hansa Investment Company

The power of investing differently.

We are globally diversified, multi-asset class investors who seek to identify compelling investment opportunities in long funds, hedge funds, direct global equities and private assets. We operate without being constrained by benchmarks, but instead seek to conservatively grow capital over time through investing in a blend of best-in-class public and private equities balanced by more defensive all-weather investments.

Long-term, not short-term

In an investment world that is increasingly short-term in nature and momentum driven, we seek to invest for the longer term, playing to our multi-generational roots.

Access to the world's elite, best-in-class managers

Our long-term outlook, combined with our desire to form lasting multi-year relationships, makes us an attractive partner to many of the world's elite funds, many of which are unavailable to large institutions and retail investors.

Dare to be different

Rather than seeking to replicate indices, we look to identify those areas of the market that offer attractive upside, with careful consideration of risks that may incur a permanent impairment of capital, even if this means being unconventional. Importantly, we are nimble and act quickly when needed, priding ourselves on being flexible and independently-minded, as illustrated by our investment in Ocean Wilsons Holdings Limited.

Operating outside the bureaucracies of a large institution

By virtue of being a smaller, dedicated fund management group with significant internal investment, we share an alignment of interest and, importantly, are not driven by asset gathering for the sake of profit maximisation.

To see more: www.hansaicl.com

Arizona, USA

Hansa Investment Company Limited

Registered in Bermuda company number: 54752

Financial Summary

As at 30 September 2024

NAV per share
388.5p

Total assets
£466.2m

ORDINARY SHARES

Share price
227.0p

Discount
41.6%

Gross yield
1.4%

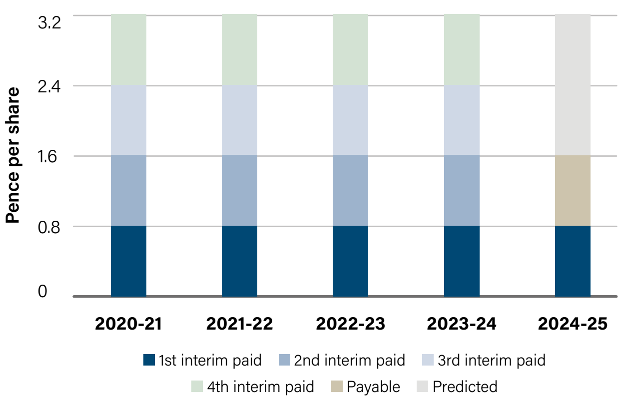
'A' NON-VOTING ORDINARY SHARES

Share price
221.0p

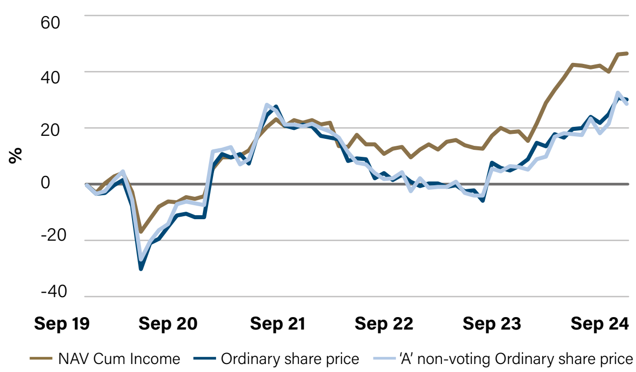
Discount
43.1%

Gross yield
1.4%

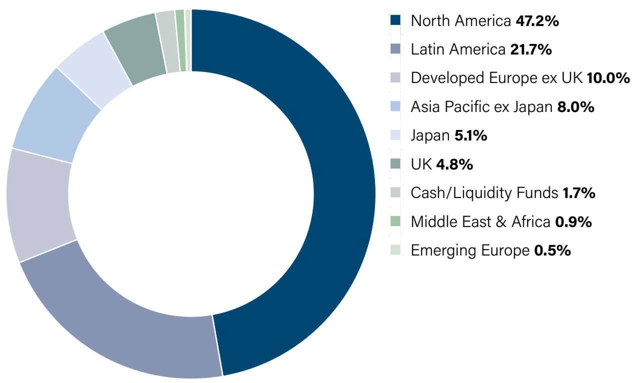
Annual dividend payments



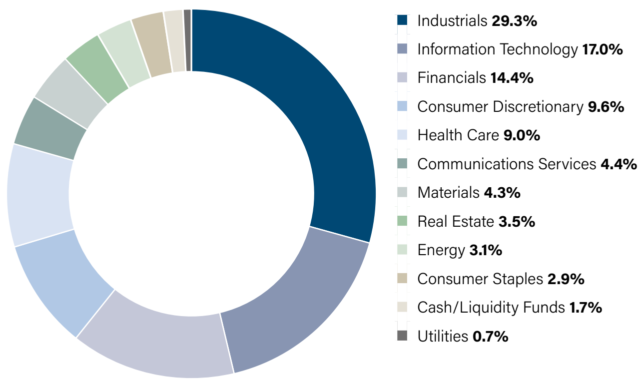
Five year total return cumulative performance



Geographic exposure



Sector exposure



Contents

Chairman's Report

Dear Shareholder

Jonathan Davie
Chairman

Shareholder returns

The past six months have shown an increase in net asset value (NAV) from 378.8p at 31 March 2024 to 388.5p per share at 30 September 2024. In addition, shareholders have also received dividends of 1.6p per share during the period.

There has been a reduction of the discount from 44.6% to 41.6% for the Ordinary shares and from 46.1% to 43.1% for the 'A' Ordinary shares. More details about our results and longer-term performance can be found on page 1 as well as in our Portfolio Manager's detailed review of markets and portfolio performance in his Report starting on page 6.

Strategy

Alec Letchfield and his team at Hansa Capital Partners, supported by the Board, continue to search for new investment themes and opportunities with a view to diversification in these more uncertain times, manifested by a combination of high stock market valuations and a number of actual and potentially new hotspots of military activity. His recent moves into insurance and Japan have proven to be judicious.

Ocean Wilsons Holdings Limited

I am sure all shareholders will have seen the announcement on 21 October 2024 that Ocean Wilsons Holdings Limited (OWHL, "Ocean Wilsons") has agreed to sell its 56.47% holding in Wilson Sons Limited ("Wilson Sons") to SAS Shipping Agencies Services, a wholly owned subsidiary of MSC Mediterranean Shipping Company for R$4.4bn – the equivalent of R$17.50 per share.

The OWHL board have indicated that they intend to return a 'meaningful' percentage of the proceeds to shareholders, whilst reinvesting the balance into new opportunities. I, like all interested parties, look forward to receiving further clarification as events unfold.

I should remind all shareholders that the proposed deal will not become a reality until all regulatory requirements are finalised, which will probably be the second half of next year. The OWHL board must be congratulated on getting a good result for shareholders after a very protracted process, with particular reference to the break fee of $80m in the event of the deal not being finalised.

I should also like to put the Hansa Investment Company Limited (HICL, "the Company") investment in OWHL into some historical perspective. The Company's investment in Ocean Wilsons was made in 1959. Modern market data systems did not exist at that time, but market data does exist for Wilson Sons from its listing in 2007. Between April 2007 and October 2024, Wilson Sons has generated a total return to its shareholders of 721% in R$ (annualised 12.8%) and 193% in USD (annualised 6.3%).

Market data for Ocean Wilsons exists for a longer period of time – since July 1992. Between July 1992 and October 2024, Ocean Wilsons has delivered a total return to its shareholders, in GBP, of 12,549% (annualised 16.2%). To put that excellent return into context, £10k invested in Ocean Wilsons in July 1992, with dividends reinvested, would now be worth a very respectable £1.25m, versus a mere £67k for the FTSE100.

Looking back to 1959, we do not know the exact date of, or initial price paid for, the investment into Ocean Wilsons but published evidence in the form of audited company accounts from around that time would indicate an initial cost of between £400k and £630k. Taking the latter value to be conservative, on a simple comparison of purchase price in 1959 to the current-day valuation, this would represent a 204x increase in the value of the OWHL holding and an annualised return of 8.5%. If we had modern data points available to us from the original purchase date, a total return could be calculated, which would be higher, but data with that level of granularity was simply not kept prior to 1992.

The past six months have shown an increase in net asset value (NAV) from 378.8p at 31 March 2024 to 388.5p per share at 30 September 2024. In addition, shareholders have also received dividends of 1.6p per share during the period.

Our return from OWHL (in GBP) has not been linear, in part because the value of Wilson Sons within OWHL's portfolio has, at times, fluctuated significantly due to movements in the relative value of the Brazilian currency, driven by the wider Brazilian economic and political landscape. However, it is clear that the Company's investment in OWHL has delivered significant returns for our shareholders over an extended period of time and the divestment of Wilson Sons by OWHL is an opportunity to crystalise the value of the investment.

Please rest assured that the HICL Board will be considering the options available following the OWHL announcement.

Prospects

As my fellow shareholders may recall, I have been too cautious about markets in the recent past. With credit spreads at historically very tight levels, the gold price at record highs and many stock markets at or near all time highs and the anticipation of further interest rate reductions, it does seem to me that everything is pretty much priced to perfection.

Although I anticipate one or perhaps two more interest rate cuts in the US, Torsten Slok of Apollo constantly reminds his readers that wage growth is accelerating, the unemployment rate declined in September, retail sales remain solid, debit card transactions continue to accelerate, default rates and bankruptcies continue to decline, whilst the GDP is forecast to increase by 2.4% in 2024. All in all, not much sign that a US recession is imminent.

If, by some chance, the anticipated rate cuts do not come to pass, there could be quite a setback in stock market and bond valuations.

The price of gold continues to advance further than most financial commentators had forecast. The oil price, whilst volatile on a daily basis, continues to be held up by all the difficulties in the Middle East and increasing global consumption.

All in all a very challenging time for investors. I remain very confident that our team led by Alec Letchfield and his team will continue to find interesting risk-adjusted opportunities for shareholders.

Discount Management

The Board remains disappointed that the discount has narrowed so little, particularly during a period of solid portfolio performance. Now that the potential sale of Wilson Sons by OWHL has become clearer, the Board will be giving active consideration to its present policy on this particular matter and will make an announcement on its deliberations as soon as practicable.

Dividends

The Board will continue with its existing policy of paying quarterly interim payments of 0.8p per share, being an annual total of 3.2p per share. As promised in my last Chairman's Report, as a result of the recent OWHL announcement about the potential sale of Wilson Sons, the Board will be reviewing its dividend policy. As I have mentioned before, the Board does not believe it to be in the Company's best interest to pay dividends out of capital.

As with our Discount Management policy, the Board will make an announcement on its deliberations as soon as practicable.

Bye-laws

Following shareholder approval of the Company's Bye-laws at the 2024 Annual General Meeting and as previously advised, from February 2025 the Company will change the way it pays dividends to shareholders and will no longer pay dividends by cheque. If you currently receive your dividends by cheque, you need to provide the Company's Registrar (Computershare Investor Services PLC) with your UK bank or building society details as soon as possible, but no later than 20 January 2025, to have your dividends paid directly to your UK bank or building society.

Computershare:

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol, BS99 6ZZ
Shareholder helpline: +44 (0)370 702 0000

It is clear that the Company's investment in OWHL has delivered significant returns for our shareholders over an extended period of time and the divestment of Wilson Sons by OWHL is an opportunity to crystalise the value of the investment.

We held a shareholder presentation event at Brown's Hotel on 25 September 2024. The presentation was live-streamed for those who were unable to attend in person, a recording of which can be viewed on the Company website.

Asset Reunification

The Company has engaged Georgeson (a trading name of Computershare Investor Services PLC) to locate and unite gone-away and lost shareholders with their shareholdings and any unclaimed dividends. Georgeson's services are voluntary and as such any shareholders may contact the Company's Registrar directly. If you are contacted, it is important you respond to Georgeson or Computershare to claim shareholdings and any unclaimed dividends. In accordance with its Bye-laws, the Company will sell the shares of those shareholders it was unable to reunite. The net proceeds from the sales and any unclaimed cash entitlements will be forfeited and will belong to the Company.

Georgeson:

Tel: 0800 953 0077
Int tel: +44 (0) 370 703 0067
Web: www.georgeson.com/unclaimed
Email: assetreunification@georgeson.com

New director search

Many investors will be aware that Nadya Wells left the Board at the last AGM. The Board is advanced in the process of appointing a new director to the Board.

Cost Disclosures

The Board welcomes the recently announced temporary exemption for most Investment Companies from select PRIIPs rules and MiFID cost disclosures, while the FCA considers the points that the industry has raised. The Board is in agreement that the previous rules were potentially misleading to current and prospective investors in closed-ended investment vehicles. The Board is considering guidance from the Association of Investment Companies (AIC) as to what changes it can make during this period of temporary exemption noting that, whilst many Independent Financial Advisors carry out their own research into companies, the majority of the platforms supporting retail investors automate their data gathering processes. As a result of the latter, it is not as simple a matter as to just remove the current Key Information Documents (KIDs) from circulation until new rules are in place.

Company Auditor

At the Company's most recent AGM, PricewaterhouseCoopers LLP was appointed to audit the Company for the financial year ended 31 March 2025.

Shareholder Event

Many of you will know we held a shareholder presentation event at Brown's Hotel on 25 September 2024. The presentation was live-streamed for those who were unable to attend in person, a recording of which can be viewed on the Company website.

The Board will hold a similar event in September 2025.

Jonathan Davie
Chairman
22 November 2024

Half-Year Review

Portfolio Manager's Report

"Be fearful when others are greedy and be greedy when others are fearful."

WARREN BUFFETT

Executive Summary

The first half of the year saw a broadening of the market with most equity markets performing well with China experiencing somewhat of a catch up after the government announced a substantial stimulus. Bonds somewhat lagged, although they picked up towards the end of the period, while commodities were stronger with oil the exception. Inflation continued to head downwards in most markets and central banks signalled rates may start to fall more quickly.

Despite having had another strong quarter continuing a good period of performance, it is at exactly these times when it usually pays to consider whether the market is getting complacent. We have split our thoughts into five questions we think are especially important to consider going forward.

Q1. Is it right to worry about complacency at this juncture?

The data gives a mixed picture here, with volatility largely being low and credit markets not showing any signs of concern about the economic outlook. Equity markets have broadly been very stable which often signals the calm before the storm.

Q2. Are geopolitical concerns misplaced?

Geopolitically, the backdrop has sharply worsened with significant conflicts in Europe and the Middle East. Trump's victory has been a boon for equity markets while bond yields have significantly increased in the US. Longer term, it is likely that Trump's desire for lower rates and more stimulus will lead to a boom/bust scenario, sending stock markets violently up and down in the process.

Q3. Economic outlook: Recession vs soft-landing and inflation vs deflation?

We still think a soft-landing is the most likely outcome, with inflation lower but not at the levels seen pre-COVID. We are of the view that we are late in the cycle, rather than heading for a recession. While inflation continues to fall in much of Europe, it is possible that inflation in the US may trend higher, particularly if import tariffs are increased post-election.

Q4. Will AI and the Magnificent 7 catalyse the next downturn just as tech companies did in the early 2000s?

We are broadly believers in the AI revolution but accept that everything has a price. Many of these companies are already very profitable (in contrast to the 1990s tech bubble) but the journey is unlikely to be linear.

Q5. Are the current market issues captured in valuations?

At face value markets look expensive, but when you dig down only pockets of the US market look excessively overvalued and indeed many countries and sectors look very cheap. Within the US only the Magnificent 7 (M7) are looking fully valued but most of these companies have huge cash reserves.

Discussing these risks and being aware of the impact they can have on portfolios is important at this point of the cycle, but we have not changed from our default position of being fully invested in markets. However, we acknowledge that the journey is likely to become more precarious going forward and have looked to diversify our portfolios by country, asset class and style to help to mitigate some of these risks. The opportunity cost of leaving markets too early towards the end of a cycle can be significant.

Alec Letchfield
Portfolio Manager

Market review

One of the most remarkable features of markets this year has been their strength and relative stability. Despite the volatile geopolitical backdrop, the US election, fears of a hard landing in the US and ongoing inflation/rates uncertainty, markets have continued to surge ahead. Partly this is a function of the distortions caused by the performance of the M7, with the market cap weighted S&P 500 rising by 21.7% this year reflecting the 44.4% rise in the M7 names, but even without this the equal-weighted index has risen by a more than credible 15.2%. Further, this is not just an equity phenomenon with other asset classes such as commodities and hedge funds also producing decent returns year-to-date.

Whilst pleasing that markets have produced another period of good returns, experience tells us that now is exactly the right time to pause and ask the question as to whether or not markets are slipping into complacency. Just as suggested by the old Buffett adage that one should “be fearful when others are greedy and be greedy when others are fearful”, we think now is the point to ask if investors are correct to be dismissive of the risks currently faced by global stocks markets.

Q1. Is it right to worry about complacency at this juncture?

On the face of it, a resounding yes! As noted above, markets have delivered robust returns despite an array of concerns, ranging from the geopolitical to economic to valuation. Moreover, the returns have been generated with little volatility as measured by indicators such as the VIX. The VIX, which measures the expected volatility of the US stock market and is commonly referred to as the ‘fear gauge’, is the most widely used measure of market risk, fear and stress. It would be natural to expect that the VIX would be elevated at this time, given the risks faced by markets, whereas in practice it currently sits at historically low levels suggesting a high degree of complacency.

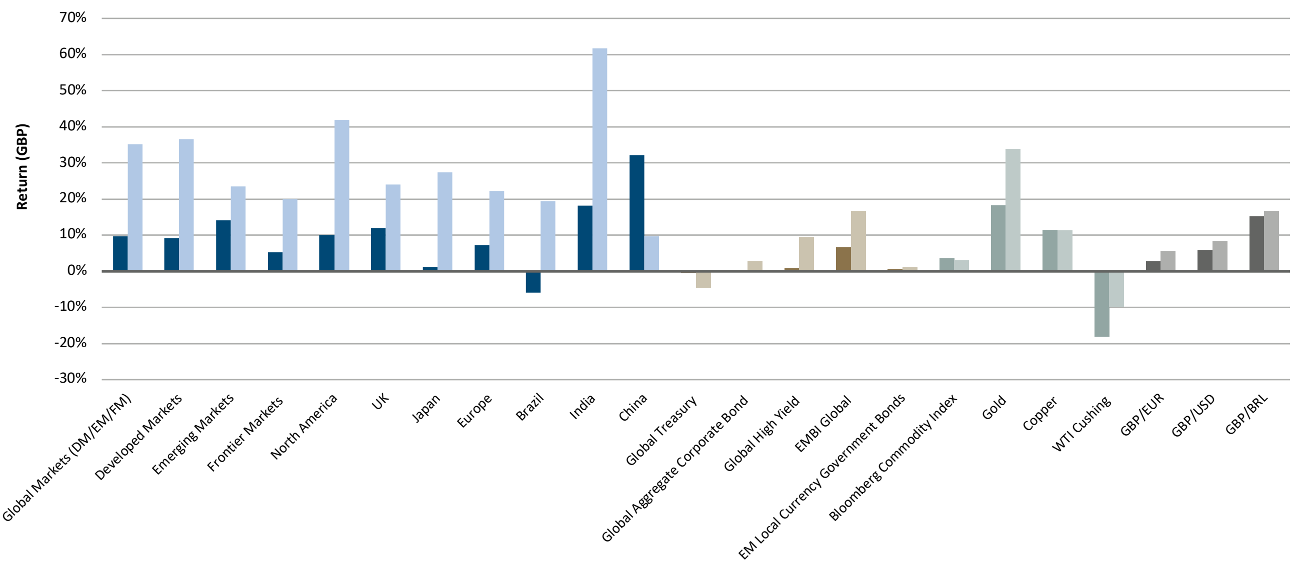
The VIX reading is not alone. Another measure reinforcing this view of complacency are the spreads between corporate credit yields and government bonds which are currently very tight by historic standards. Typically, when concerns are rising over recession, or markets get worried in general, spreads tend to widen as anticipated defaults rise and investors seek solace in government bonds for their defensive characteristics. Similarly, during periods of complacency stock markets usually do not exhibit major selloffs which has indeed been the case with the S&P 500 not having fallen by more than 2% in a day between February 2023 and July 2024.

Q2. Are geopolitical concerns misplaced?

Whilst most would accept that markets do currently appear complacent, the bulls typically respond by arguing that the risks are being overplayed and it is correct for markets to be complacent at this juncture.

The geopolitical backdrop, as we discussed in last quarter’s commentary, has been relatively benign for the past couple of decades, a period characterised by the absence of major military conflicts and led by US hegemony in its role as the global policeman. Free trade was the order of the day as countries sought to

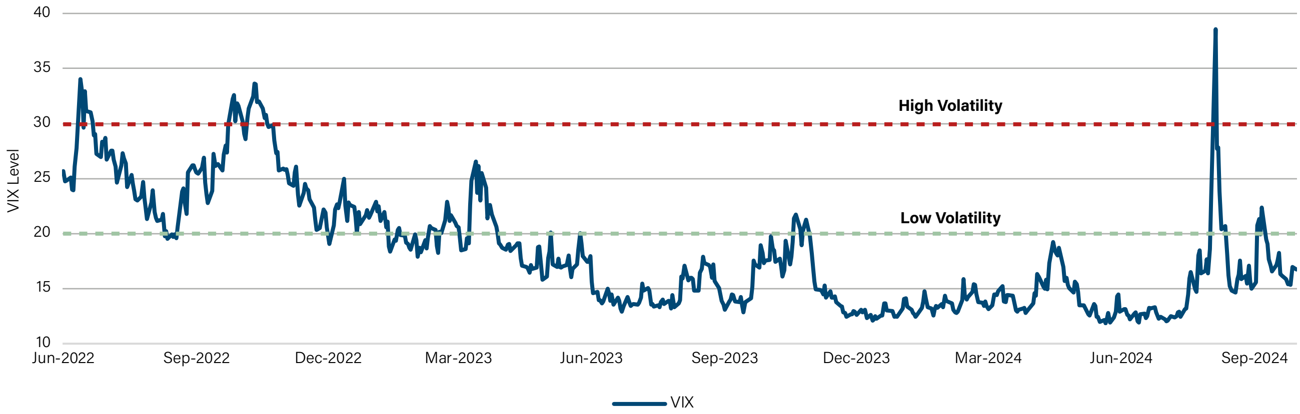
Chart 1: Performance of countries, sectors and asset classes.



Source: Bloomberg. Dark bars represent 6m GBP returns to 30 September 2024. Light bars represent 18m GBP returns to 30 September 2024.

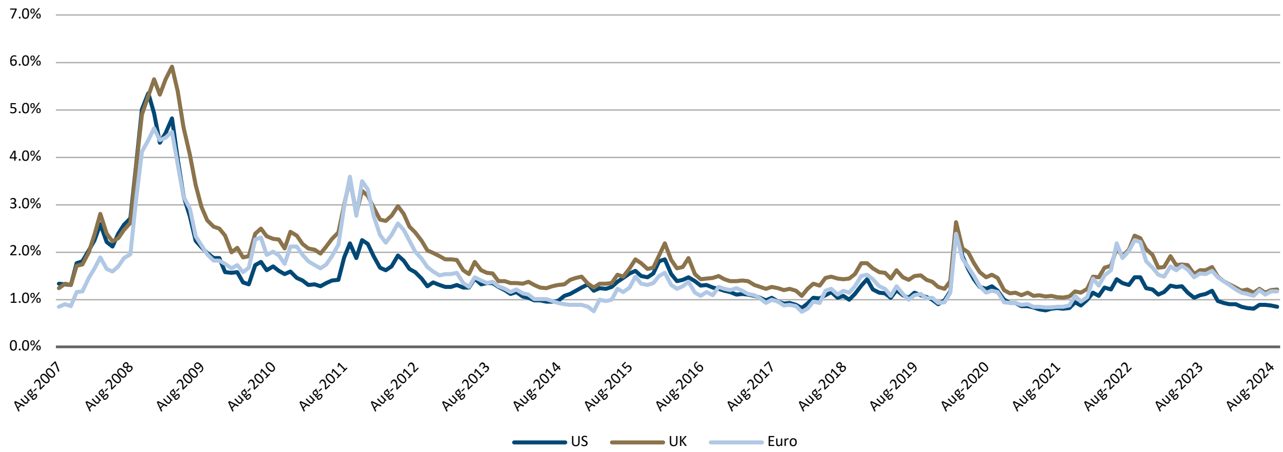
Chart 2: Volatility remains low.

VIX values greater than 30 are considered to signal heightened volatility, VIX values lower than 20 are considered to signal low volatility.



Source: Bloomberg

Chart 3: Credit spreads show no signs of stress.



Source: Bloomberg

become increasingly intertwined, with the developing nations becoming more prosperous and developed nations benefiting from the inflow of cheap goods and services. It appeared that the US capitalist, free trade model had become the blueprint for the emerging nations as they engaged with the wider world.

This backdrop has however taken a turn for the worst. Military conflict is happening in the heart of Europe and the Middle East is a tinderbox that has the potential to flare up into a wider regional war. Similarly, the US appears to be stepping back from its desire to extend its power globally and instead has taken a more hostile approach to the outside world through tariffs and trade wars to bolster its position as the globally dominant superpower. With China and India now of a size that they feel emboldened, alongside a nostalgic Russia, to exert themselves in an equally hostile fashion, the globally intertwined world which we have enjoyed over the last couple of decades appears to be unravelling.

What is unclear however, is how this changing backdrop affects world stock markets. With the US still the dominant superpower and stock market, this undoubtedly helps mitigate these dangers at the portfolio level, with the US currently around 70% of the MSCI World. The US dollar will remain the global reserve currency for the foreseeable future, with no real alternatives, and the dominance of its technology companies should ensure that the US, with its rule of law and capitalist model, remains the primary driver of world stock markets. Nonetheless, global trade is unlikely to drive returns with the same vigour as in the past, especially if countries such as the US look to onshore production – with a corresponding spike in inflation – and the escalation of military conflict is largely unknowable and hard to mitigate at the portfolio level.

The other major geopolitical risk is the US election. On first blush, another Trump presidency appears to be a major risk to markets. Almost inevitably he will impose further tariffs, not just on China but also more friendly regions such as Europe, with tighter immigration policies likely to ultimately be a negative for US growth and inflation. With Trump likely to adopt

Trump and Harris have very different ideas on how to manage the US economy:

> Foreign nations will be worried about losing their jobs to America.
>
> ***Donald Trump***

> [Harris will] deindustrialise the United States and destroy our country.
>
> ***Donald Trump***

> We have to recognize [Facebook] for what it is: It is essentially a utility that has gone unregulated. And as far as I'm concerned, that's got to stop.
>
> ***Kamala Harris*** *in 2019*

an even more vindicative stance on how he conducts policy, as he seeks retribution against those that he feels have wronged him, this doesn't bode well for global stock markets!

In practice, however, we suspect there would have been little difference at the stock market level between a Harris or Trump presidency, at least initially, with markets mainly wanting certainty on the outcome. Whilst there are undoubtedly micro differences, such as Trump taking a more free market approach to competition versus Kamala being largely anti-consolidation, most importantly both remained advocates of spending and showed no willingness to reduce the US debt overhang. With little desire to tackle this ticking bomb, at least in the near term, markets should remain underpinned by a wall of liquidity. Indeed, we would see the main risk as a Trump induced bubble, especially if he leans on Federal Reserve chair Jay Powell to reduce interest rates both faster and to a greater extent (and possibly replacing him with a more dovish governor if he fails to deliver). Ultimately, it is very possible and indeed, likely that this descends into a boom/bust scenario, sending stock markets violently up and down in the process.

Q3. Economic outlook: Recession vs soft-landing and inflation vs deflation?

One of the characteristics of the current cycle has been the volatility of the economic backdrop and the apparent inability for economists to forecast the outcome. Inflation surged post-COVID and then fell equally as fast. Rate setters were behind the curve initially in raising rates and now many fear they have left their rate cuts too late and are not being aggressive enough raising the spectre of recession. With recessions and bear markets going hand in hand it again seems odd that markets are so complacent in the face of such a major risk.

Our view is that, whilst the market's complacency on this issue is unhelpful, giving itself little margin for error if economic growth does take a turn for the worse, we would tend to agree that a soft-landing seems the most likely outcome. There was little need for the US government giveaways post-COVID, with the economy in remarkably robust health, which in turn required the Federal Reserve to be more aggressive in raising rates, something which historically almost always resulted in policy overshoot and a corresponding recession and bear market. This time around however, we

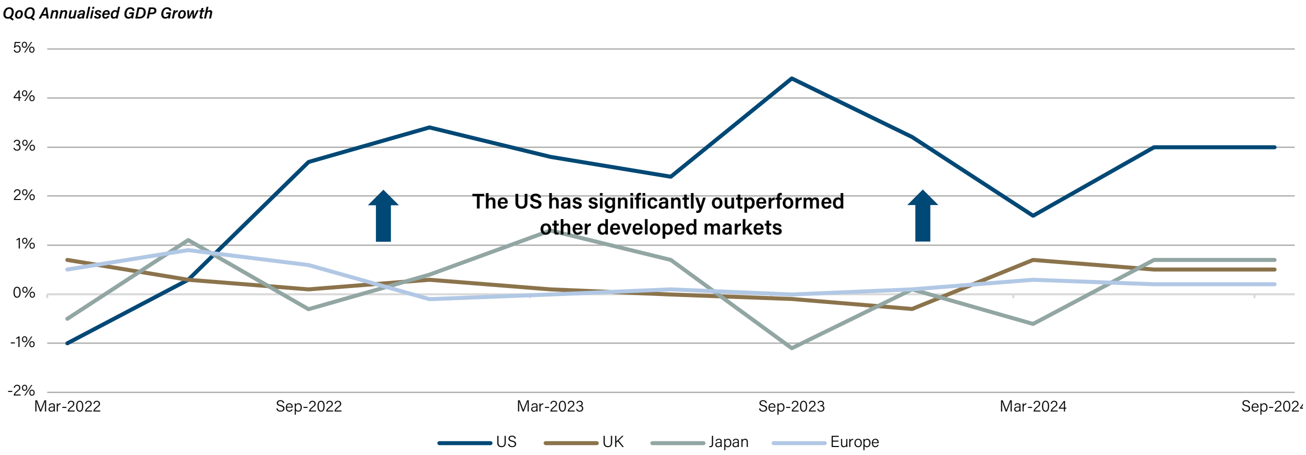
We wonder if there will be little difference at the stock market level between a Harris or Trump presidency, at least initially … both remain advocates of spending and show no willingness to reduce the US debt overhang.

just do not see the excesses normally associated with recession which are almost invariably characterised by large structural imbalances. In particular, we look for stretched household or corporate balance sheets, excessive residential or corporate investment and a banking sector that engages in excessive, imprudent lending. None of these appear present at this point. Hence, on balance it appears we are late cycle but not yet in recession territory. Even if a recession were to occur the odds are that it would be mild and short-lived and would not need the painful purging of excesses such as we saw during the Global Financial Crisis.

An area that is looking more nuanced is that of inflation. Inflation has been much debated post-COVID, with many market commentators arguing that inflation would be structurally much higher in the future, necessitating higher interest rates and a corresponding negative impact on growth and general liquidity levels. We were never in this camp, instead believing inflation would revert back nearer to central bank targets, albeit not to the zero-percent level of the last decade which we saw as an aberration rather than the norm.

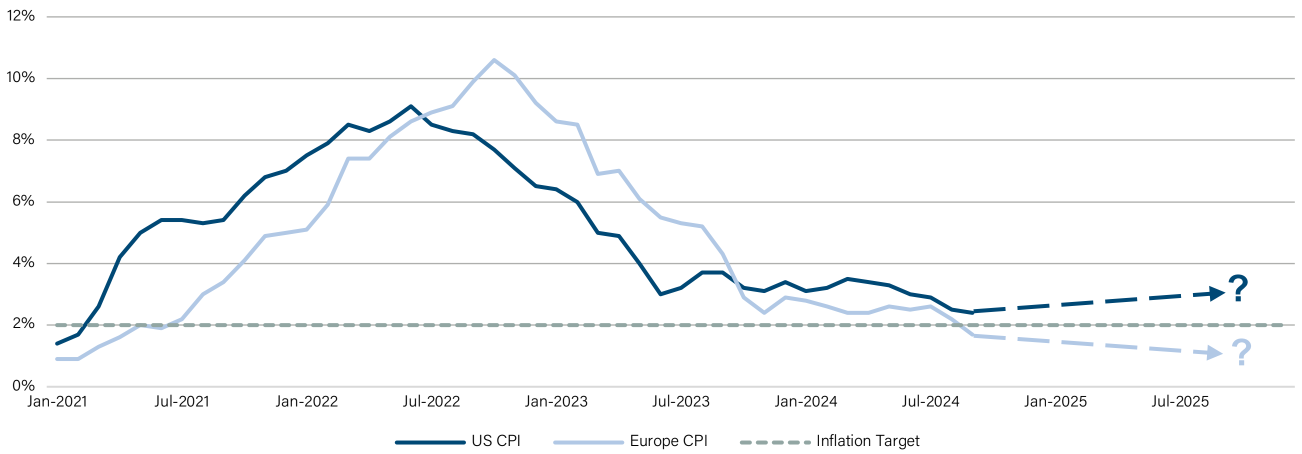
We are beginning to wonder, however if the structural biases of US versus European inflation are diverging. Europe remains moribund, suffering from a lack of productivity and an inability to innovate. With its historic growth engine, Germany, increasingly looking like the sick man of Europe given its dependence on Chinese growth to prop up its important export sector, combined with the flawed approach of previous administrations to rely on Russian oil and gas, the outlook is challenging. In contrast, US economic exceptionalism remains firmly in place in light of its corporate culture, technology leadership and strong labour markets. Hence, we sense that European inflation is trending towards deflation, whereas the US, despite the slackening of the labour market, is tending towards higher inflation. We do not see these as major issues at this point but will watch their development closely in the coming months.

Chart 4: Economic growth for major developed economies shows how well the US economy has performed.



Source: Bloomberg

Chart 5: Inflation in the US and Europe looks to be diverging.



Source: Bloomberg

Q4. Will AI and the Magnificent 7 catalyse the next downturn just as tech companies did in the early 2000s?

It is often the case that what leads markets up typically leads them down. Today's euphoria on all things AI, and the corresponding exponential performance of the M7, resonates strongly with the late 90's tech bubble which, as illustrated by Chart 6 below, ended very badly for markets. Just as then, when the internet was in its infancy and technology companies were bid-up to extraordinary valuations in the anticipation of how the internet would change the way in which we live, we are now seeing companies with an AI linkage surging as investors bet on the boost to productivity growth through AI. Such technology transitions often prompt over-investment and over-extrapolation as infrastructure is hyper-scaled to meet future demand. Unfortunately, this creates the danger of an air-pocket as the AI infrastructure buildout runs ahead of corporate demand and consumer take-up with adoption nearly always taking longer than markets initially forecast.

There are, though, some mitigating circumstances versus the 90s tech bubble. Unlike many companies in the late 90s, which were aspirational in nature and often loss-making, the M7 are highly profitable in most cases with proven, compelling business models. Moreover, they appear to benefit from a flywheel affect with the larger they become, the more successful they become. For example, it is increasingly the case that in order to develop the next generation large language models (such as ChatGPT) it will require the spending power of a small nation. Only a handful of companies such as the M7 will be able to commit this kind of capital, effectively creating a moat and ensuring they become even more profitable and powerful in the future.

Hence, whilst we are broadly believers in the AI revolution, we also acknowledge there will be points of over-investment which, combined with mismatches between corporate demand and the normal corporate failures en route (Google vs Yahoo!), will undoubtedly lead to volatility in the short-term even if the long-term lives up to expectations.

Q5. Are the current market issues captured in valuations?

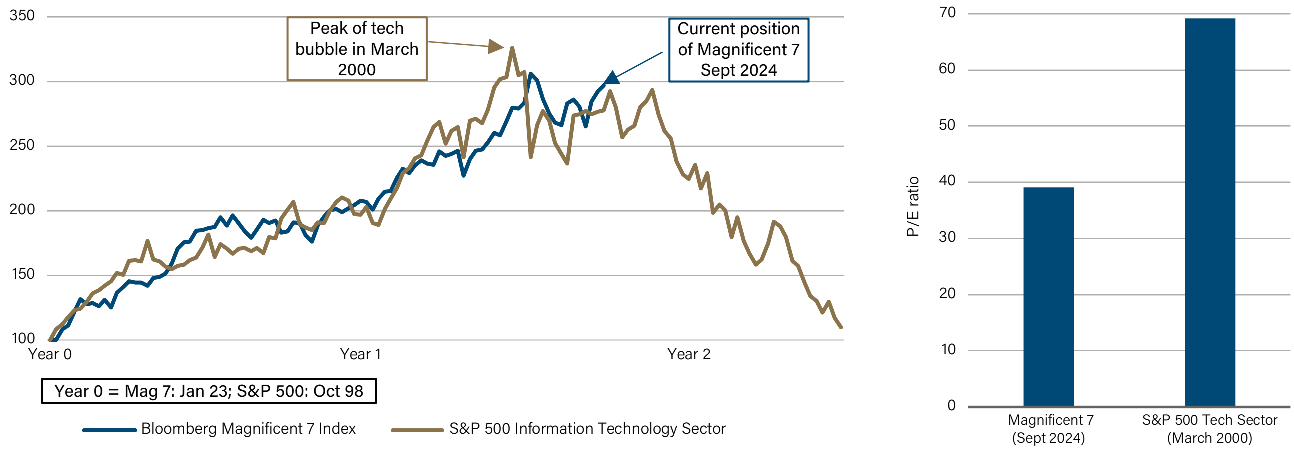
The relationship between market performance, risks and valuations is a complex one. Optically the current high market valuations (Charts 7, 8 and 9) seem at odds with the abundance of risks. In practice though, it is the time horizon that is important. In the short term there is typically little relationship between valuations, risk and returns, with it perfectly possible to have high valuations or above-average risks and good performance. In the longer term, however, the relationship becomes much stronger with highly-valued markets with above-average risk levels typically generating lower returns. This is one of the key reasons why we believe market returns over the coming 10 years will be somewhat lower than the prior 10 years.

It is also worth noting that whilst the headline market valuations look expensive, below the surface the picture is more nuanced. From a country perspective, only the US stock market looks worryingly expensive, with Europe, Japan, China and the emerging markets all looking much closer to their historical averages. Furthermore, the primary driver of the high valuations in the US is the M7. If one strips out the high valuations of the M7, the rest of the US market looks much closer to its average and even cheap at the smaller cap level. Hence whilst we would argue that overall valuations leave little room for misstep should any of the risks materialise, we do see many pockets of markets that offer excellent value.

Portfolio Positioning and Conclusion

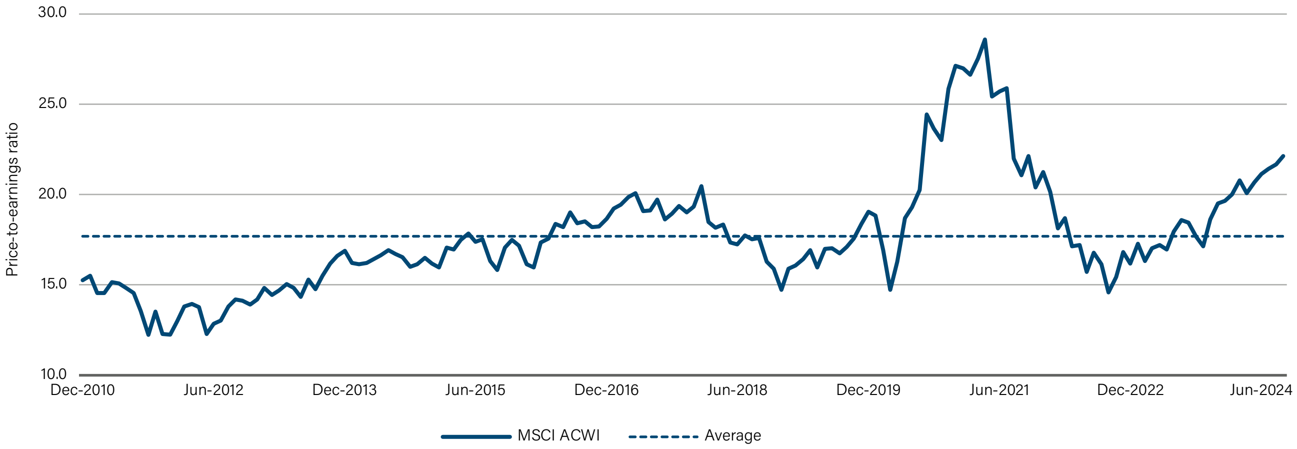
Drawing these threads together leaves a rather mixed picture. It would be perfectly reasonable to argue that the high valuations on offer, combined with market complacency and the very real risks faced, calls for a more defensive positioning. On balance, however, we advocate remaining fairly fully invested. Whilst geopolitical risks are undoubtedly greater, they typically tend to be low probability but high impact events, as was illustrated by Russia's invasion of Ukraine. Instead, we remain of the view that the positives outweigh these risks at this stage. If, as we

Chart 6: While the performance of the M7 has been similar to the 90's tech bubble, valuations remain much lower.



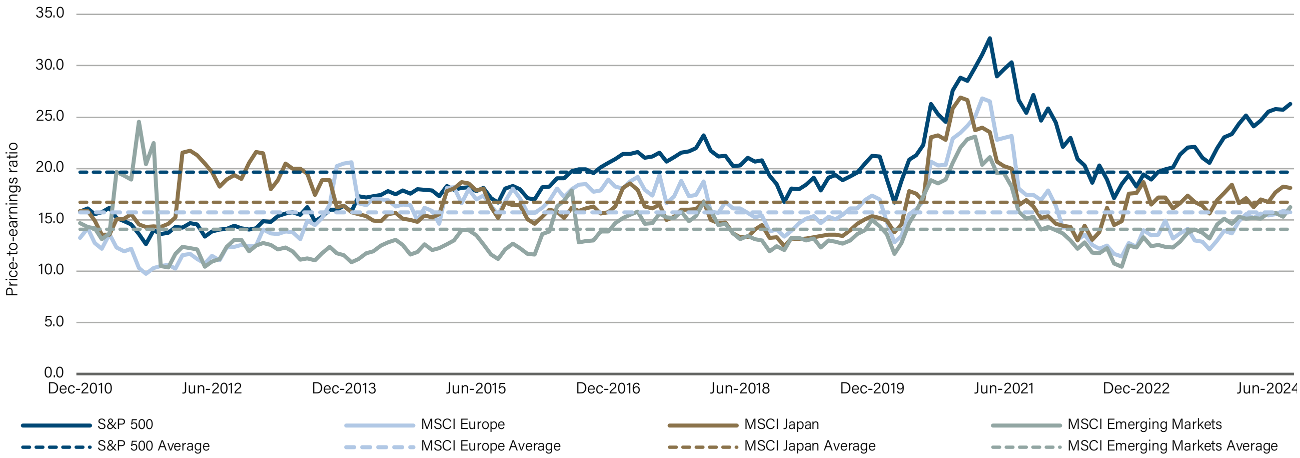
Source: Bloomberg.

Chart 7: Overall market valuations look to be significantly above average.



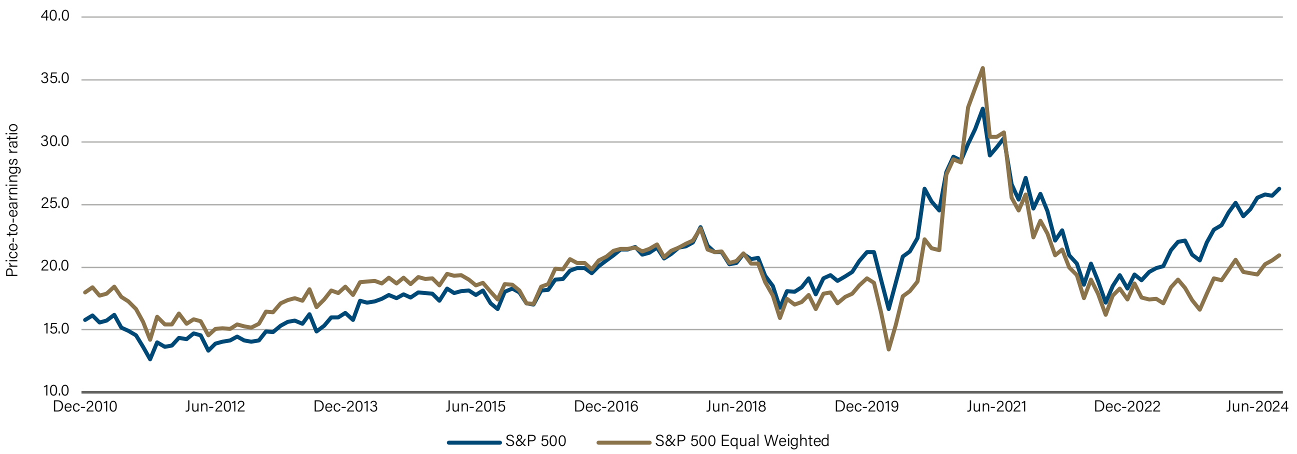
Source: Bloomberg.

Chart 8: However, if we drill down and look at some individual markets only the valuation of the US is actually significantly above its long-term average.



Source: Bloomberg.

Chart 9: If we look at the US, most of the valuation growth has been driven by the Magnificent 7 with the market cap weighted S&P 500 much more expensive than equal weighted S&P 500.



Source: Bloomberg.

It is a time to be active and alert in managing portfolios, but there is still the potential for a significant opportunity cost if investors flee equity markets to safety too early.

expect, the US is able to engineer a soft landing, combined with liquidity injections through lower rates, this remains a constructive backdrop for equities. As we have said many times in the past, remaining fully invested should be the neutral point for longer-term investors such as ourselves given our ability to ride out more challenging markets.

It is not the case though that we are simply sitting on our hands. We acknowledge that the margin of safety is lower, which may make for a rather volatile journey even if the end point is a higher one. Instead, we are looking to increasingly diversify our portfolio by country, asset class and style. At the country level we remain unashamedly bulls of the US stock market, believing in US exceptionalism, but are adding other regions to this in the form of the emerging markets, due to their lower valuations and offering protection were the expensive dollar to start to fall. Stylistically, we have already added more value managers due to the exceptional value we see on offer in many markets across the world and especially within the mid and smaller cap spaces. Finally, we are adding to those areas that have different economic drivers, notably in the insurance arena which was recently tested, and passed, a jump in hurricane activity in the form of Helene and Milton. In summary, it is a time to be active and alert in managing portfolios, but there is still the potential for a significant opportunity cost if investors flee equity markets to safety too early.

Portfolio Review and Activity

Over the course of the first half of the year, global equity markets delivered gains, although these were dampened by sterling's strength over the period. Early August saw markets drop off, as weaker US economic data and an interest rate hike in Japan combined with thin summer liquidity to hit stocks. However, in September the Federal Reserve started its long-awaited rate cutting cycle which soothed investor concern and boosted stock prices, as did a less hawkish tone from Japanese policymakers and a new stimulus in China. The MSCI ACWI NR Index (GBP) gained 3.3%, while bonds benefited from the falling yield environment, with the FTSE UK Gilts All Stocks TR Index adding 1.4%. The Company's NAV total return over the period was 3.0%, bringing its one-year return to a strong 23.5%.

The portfolio's gains over both the half-year and 12 months are ahead of the returns a traditional 60:40 equities and bonds portfolio would have achieved (2.5% and 15.1%, respectively). Looking at the three KPIs over the year, there were returns of 20.0% for the MSCI ACWI NR Index, 1.7% for UK CPI and 7.9% for the FTSE UK Gilts All Stocks TR Index.

The Company's position in Ocean Wilsons Holdings has continued to be a strong contributor to performance over recent time periods, with the holding returning 10.7% in the first half of the financial year and 59.3% over 12 months.

The Company's NAV per share rose from 378.8p at the end of March 2024 to 388.5p at the end of September, with 1.6p per share being paid out as a dividend during this period. The NAV has increased from 317.4p at the end of September 2023, with 3.2p per share having been paid out in dividends during that time.

Core and Thematic Funds

The Core Regional silo was almost flat over the half-year, being down just 0.4%, while the Thematic silo rose 0.1%. For the last 12 months, Core Regional returned 15.1%, whilst the Thematic silo was up 17.2%.

The Company's North American holdings delivered mixed performances over the first half of the financial year. **Armistice Capital** gained 2.5%, which was largely driven by its core healthcare long positions, while the manager took advantage of some sell-offs in high conviction small-cap biotech names to add to its positions. **Beutel Goodman US Value** was flat, making up for some earlier losses with gains later in the period, when it benefited from the announcement in August that one of its largest positions, Kellanova, reached an agreement to be taken over by Mars for $36bn in one of the biggest deals of the year. The deal valued the snack and cereal manufacturer at a 45% premium over where its shares were trading at the end of June. Gen Digital, a cyber security service provider that is now the fund's second largest holding, also performed well in the period. **Findlay Park American** and **Select Equity** experienced declines, being down by 1.7% and 6.8%, respectively, while the passive holding in **iShares Core S&P 500 ETF** gained 3.5%. Over the last year these holdings have gained 16.1%, 11.3% and 22.5%, respectively. **Pershing Square**

Holdings lagged, falling 12.7%, with its position in Universal Music Group being the biggest detractor as the company announced disappointing results in July. The manager, however, believes the disappointing subscription and streaming growth is due to idiosyncratic factors that will prove to be short-term in nature, and remains confident that the industry will improve monetization through new products and services. Pershing Square also announced two new holdings in Nike and Brookfield Corporation, with the former detracting from performance this quarter, whilst the latter was a positive contributor. Over 12 months, Pershing Square has delivered a gain of 20.0%.

Despite significant volatility in the Japanese market in August, most of the Japan holdings delivered gains over the six months, while the MSCI Japan Index declined 4.7%. **Indus Japan Long Only** was up 2.8% to bring it to be up 12.8% over one year. The strongest contributor for Indus was Fujitsu, its largest holding, while JTOWER received an acquisition bid in August that saw it make up most of its losses from the prior quarter. **Simplex Value Up Trust** gained 5.3%, **Alma Eikoh Japan** was up 0.2% while **Arcus Japan** fell 1.2%.

In the Global Developed holdings, **Schroder Global Recovery** produced a return of 2.9%, and it is now up 12.3% over 12 months. This value fund has relatively large exposure to Japan, the UK and Europe, whilst being underweight the US and with almost no IT exposure. Contributors to recent performance included positions in BT Group, Continental (tyres) and Dentsu Group (Japanese advertising group). In August a new position was added in **Helikon Long Short Fund**, a concentrated, value-driven long-short fund, with a bias to European securities. The fund has a long bias and currently has 23 core positions. It has gained 7.6% since purchase, with its largest contributors being **International Consolidated Airlines Group** and **Playtech**.

There were positive returns for most of the emerging market holdings, with **Schroder Asian Total Return Fund** up 6.6% to take it to 18.3% over the year, and **NTAsian Discovery** up 1.6% to 4.5% over the year. Tencent was a strong contributor for the Schroder fund, as was the Indonesian holding Bank Mandiri. The NTAsian fund also benefited from strong contributions from its Hong Kong listed names following the Chinese stimulus package at the end

New position Helikon Long Short Fund has gained 7.6% since purchase. One of its largest contributors has been International Consolidated Airlines Group (IAG), formed in 2011 on the merger of British Airways and Iberia. The Group now consists of seven operating companies including five airlines.
Photo courtesy of IAG


mandiri

of September, with names such as AIA Group and Minth being among the best performers. **Redwheel Next Generation Emerging Markets**, which focuses on smaller emerging markets declined by 0.1% during the six-month period while **BlackRock Frontiers Investment Trust** fell 2.5%.

There were mixed returns in the Thematic silo during the period with **Polar Capital Global Technology** rising 0.7% while the **iShares Expanded Tech Sector ETF**, bought in late June, was down 4.5%. Over 12 months the Polar fund is up 33.3%. **The RA Capital International Healthcare Fund** made a modest loss of 3.2% this quarter, leaving it up an impressive 22.3% over 12 months. The fund's public equity positions have contributed strongly to performance, including Verona, which had its inhaled drug ensifentrine approved by the FDA at the end of June. The manager believes this drug is poised to become a blockbuster for the treatment of chronic obstructive pulmonary disease, for which the company's commercial team has significant previous experience of marketing successful drugs. The share price of Verona almost doubled over the period. **BB Biotech** declined 16.7% before it was sold in early September, while **Worldwide Healthcare Trust** gained 3.9% to leave it up 12.4% over one year. **Polar Global Insurance Fund** continued its good performance with a gain of 6.4% this quarter and is up 19.2% for the year.

Diversifying Funds

The diversifying holdings are intended to provide an alternative source of returns whilst dampening volatility and displaying low beta to the equity market. During the first half of the financial year the Diversifying silo was flat, but it has gained a respectable 5.6% over the last year. Longer-term performance relative to bonds has compared very favourably given the strongly negative returns from bonds in that period. Over three years, the Diversifying silo has returned 9.0%, far ahead of the 19.3% loss of the Gilts Index over that period.

With declining yields so far this year, the portfolio's diversifying fixed income holdings made gains, with **BioPharma Credit** one of the strongest with a 4.6% return to take it to be up 13.0% over one year. The share price was particularly strong in July, when the company announced the successful closing of the

Positive returns for most of the emerging market holdings included Schroder Asian Total Return Fund, up 6.6% to take it to 18.3% for the year. Indonesian holding Bank Mandiri was a strong contributor for the fund.
Photo courtesy of Shutterstock / Evawae

Over 12 months, Polar Capital Global Technology is up 33.3%. During the period, largest holding and semiconductor giant NVIDIA announced the provision of a suite of services and computing platforms to develop, train and build the next generation of humanoid robotics.
Photo courtesy of NVIDIA

As many markets reach or approach all-time highs... we remain steadfast in our focus on absolute risk. Our primary concern is not short-term market volatility but the permanent impairment of capital.

acquisition of a majority of LumiraDx's assets by Roche, through which the company has already received an initial payment of $165.3m. During the last six months, **Selwood Liquid Credit** also returned 4.6% to take its annual return to 10.2% and **Apollo Total Return Fund** was up 3.9% to bring its 12-month return to 8.6%. **CQS Credit Multi Asset Fund** was a new position at the start of July and this global credit fund, with a bias towards sub-investment grade credit, has returned 1.9% since purchase.

Nephila Iron Catastrophe Fund had a more modest six months, being up 2.4% to extend its good performance over the year to 13.2%. This is a specialist strategy investing in catastrophe bonds and other insurance-related securities and our investment was made on account of the pricing in these areas being at extremely attractive levels. The recent significant US hurricanes, Helene and Milton, have proved testing for the fund, but these have justified the manager's decision earlier in the year to hedge against large hurricane loss events and reduce allocations to peak hurricane risk zones, on account of their view that the 2024 hurricane season was likely to see above average hurricane activity. While it is early days, initial information suggests the fund will have weathered these events well.

The event-driven fund **Global Event Partners** gained 1.9% over the six-month period and is up 7.3% over the year. Trend-driven CTA funds had a more difficult time, with **Schroder GAIA BlueTrend** being down 11.1% and **GAM Core Macro** falling 6.7%. During the quarter a review of these funds was completed, with the GAM fund being sold at the end of the quarter and BlueTrend being slightly reduced, while two new funds were added in early October. Of the two macro trading funds, **Hudson Bay** gained 3.4%, while **MKP Opportunity** rose 0.4% during the first half of the year, leaving them up 6.3% and 2.0%, respectively, over one year.

Private Equity

One further commitment of $1.3m was made during the first half of the year, to the **Gryphon VI Top-Up Co-Investment Fund**, which is the latest offering from this high quality US mid-market fund. Several of the private equity funds we have committed to have begun to draw capital, although we expect them to take several years until they are fully drawn. We believe the funds we have committed to will form the basis of a high quality group of funds in the private equity arena that will add differentiated exposures to the portfolio. It takes several years to build a private equity portfolio and it is important not to rush to reach a target allocation and risk overcommitting. Private equity investing requires a long-term mindset that we think sits well with the portfolio's structure.

Global Equities

The portfolio rose 8.9% over the first half, with the biggest contributors being **Coats**, **Interactive Brokers**, and **Bergman & Beving**. The biggest detractors were **Subsea 7**, **EXOR** and **Orion**.

As many markets reach or approach all-time highs, it is easy to get caught up in the euphoria of celebrating winners and counting gains. However, we remain steadfast in our focus on absolute risk. Our primary concern is not short-term market volatility but the permanent impairment of capital. We constantly assess each individual position by asking, "How much could we lose if we're wrong?" The potential sources of impairment are many; from balance sheet write-downs to a permanent loss of earnings power, or paying too high a price. While we believe we own high-quality businesses, the latter risk is currently of greatest concern, especially after the portfolio has appreciated nearly 50% over the past two years.

A case in point is our second-largest holding, the Spanish insurer **GCO**. This company offers traditional property and casualty insurance to Spanish households, as well as credit insurance to global businesses. Over the past 30 years, GCO has consistently delivered an average Return on Equity (ROE) of 15%, translating into a 30-fold increase in book value per share. Though its ROE has dipped to 12% over the past decade, we believe the return to higher interest rates could push it back into the teens. The book value is €46 per share, providing a solid backstop in a worst-case scenario. Included in this figure is €1.2bn of cash in excess of regulatory requirements, which reflects the company's conservatism but also gives room for shareholder returns or potential acquisitions. Trading at €38 per share, or 0.8x book value, we have a margin of safety. If the stock continues to trade at this multiple, we would still expect a 12% annual growth in book value and a 3%

dividend, implying a 15% annual return. However, if the stock returns to more historically normal valuations of 1.5x book, it could be worth €69, suggesting it trades at just 55% of intrinsic value today. While a return to pre-financial crisis multiples of 2-4x book is unlikely, with downside risk limited, the outcomes to the upside range from good to excellent.

Our focus on downside protection has its trade-offs. In euphoric markets like those in 2020 and 2021, we likely won't keep pace with broader indices. But when the reckoning comes, as it did in 2022, the portfolio showed resilience and gained significantly. We believe the key to long-term compounding is avoiding deep drawdowns—after all, a 50% fall requires a 100% gain just to break even. This is why we always look down before we look up.

During the first half we added to our positions in **Eurowag** and **Orion** and reduced our positions in **EXOR**, **Bergman & Beving** and **Interactive Brokers**.

Ocean Wilsons Holdings

As the largest integrated provider of port and maritime logistics in Brazil, the Ocean Wilsons' subsidiary, Wilson Sons, has a strong competitive position. It is the leading provider of towage services in Brazil with the largest and most modern fleet, as well as operating major container terminals in the north and south of the country: Salvador and Rio Grande. The company is benefiting from the continuing recovery in global trade as well as a rebounding demand for its offshore energy-linked services, which should provide the basis for improved performance of the firm's assets.

Wilson Sons continues to delivery exceptionally strong growth and operational excellence, as shown in its results for the second quarter of 2024 (released in August 2024), which built on strong performances in the first quarter and in 2023. Revenue for the first six months of 2024 reached an all-time high as it increased 14.7% compared to the same period in the prior year, while earnings (EBITDA) were 12.0% higher. Performance this year has been boosted by especially strong growth in container terminals, where earnings surged 47.4% driven by robust growth in transshipment and gateway volumes, higher revenues from ancillary services and fixed cost dilution. Both terminals produced excellent results,

We increased our holding in Eurowag, the commercial road transport fuel and toll payments specialist.

with aggregate volumes up 24.7%. In May 2024, Rio Grande launched a new deep-sea route and feeder solution for cargo from Argentina, Uruguay and southern Brazil, further enhancing its position as a key hub port on South America's east coast. In July 2024, Salvador received Brazil's first regular call by a New Panamax vessel, establishing a direct link to Asian markets and positioning the terminal to handle significant volumes from Brazil's northern and northeastern regions. There continues to be evidence of improved demand for offshore energy-related services, with offshore support vessel earnings up 6.6% and number of operating days 5.9% higher. In September 2024 the fleet welcomed WS Onix, the sixth and final tugboat in the 2513 class, boasting 90-tonnes of bollard pull, which has started operations at the Port of Santos.

In September 2024 the fleet welcomed WS Onix, the sixth and final tugboat in the 2513 class, boasting 90-tonnes of bollard pull, which has started operations at the Port of Santos.

The investment portfolio shares many characteristics with the portfolio held directly within Hansa Investment Company, with a preference for funds with clearly defined strategies run by managers with skin in the game. The most recent valuation for the investment portfolio was $319.6m as at the end of June 2024, down slightly from $322.8m as at the end of March 2024, but up from $310.9m at the end of December 2023. For the first six months of 2024, performance of 3.9% was driven by the strong performance of the public asset portfolio, including directional hedge funds, as well as good returns in the defensive portfolio, particularly when compared to government bonds. Positioning in the US market and the technology sector continued to be significant contributors as many names benefited from the surge in investor interest in AI. Private markets have lagged behind public markets more recently, but there was noticeably strong performance from financials specialist Reverence Capital Partners Opportunities Fund V and healthcare specialist OrbiMed Private Investment IX, which both saw material valuation increases. Some of the largest private equity positions include venture capital funds of funds managed by Stepstone, and US buyout and growth funds managed by KKR, Silver Lake and TA Associates. The annual dividend payment to shareholders was made on 14 June 2024, when the board of Ocean Wilsons Holdings increased it from 70 cents to 85 cents per share.

Following the strategic review initiated in June 2023, it was announced on 21 October 2024 that Ocean Wilsons has agreed to sell its 56.47% interest in Wilson Sons to a subsidiary of MSC Mediterranean Shipping Company. The sale is for a cash consideration of R$4.352bn (equivalent to R$17.50 per share). The transaction is conditional on regulatory clearances and is expected to complete during the second half of 2025. At the current exchange rate, the purchase price is equivalent to US$768m. There will be Brazilian withholding tax payable and the Company expects that after costs and taxes it will realise net cash proceeds of at least US$593m. The Board has stated that a meaningful proportion of these proceeds will be returned to shareholders, and it is currently reviewing options with respect to the remainder, which could include reinvesting some or all of the remainder into Ocean Wilsons (Investments) Limited.

In July, the Wilson Son Salvador Container Terminal inaugurated its first regular direct container service between Bahia, Brazil, and Asia. Towage vessels of Wilson Sons supported the operation.

Photo courtesy of Wilson Sons


MSC
MSC

The Portfolio

As at 30 September 2024

Investments	Price date	Dealing frequency	Fair value £000	% of net assets
Core Regional / Thematic Funds				
iShares Core S&P 500 UCITS ETF	30 Sep 24	Daily	35,264	7.6
Findlay Park American Fund	27 Sep 24	Daily	31,038	6.7
Select Equity Offshore Ltd	20 Sep 24	Monthly	21,142	4.5
BlackRock Strategic Equity Hedge Fund	27 Sep 24	Monthly	17,236	3.7
Schroder ISF Asian Total Return	30 Sep 24	Daily	12,276	2.6
Pershing Square Holdings Ltd	30 Sep 24	Daily	11,699	2.5
Polar Capital Fund - Global Technology	27 Sep 24	Daily	10,114	2.2
BA Beutel Goodman US Value Fund	27 Sep 24	Daily	9,338	2.0
Schroder ISF Global Recovery	30 Sep 24	Daily	9,077	1.9
Polar Capital Global Insurance Fund	27 Sep 24	Daily	8,886	1.9
iShares Core MSCI Europe UCITS ETF	30 Sep 24	Daily	7,384	1.6
Armistice Capital Offshore Fund Ltd	31 Aug 24	Quarterly	6,760	1.4
Helikon Long Short Equity Fund ICAV	20 Sep 24	Monthly	6,080	1.3
Simplex Value Up Trust	31 Aug 24	Monthly	6,040	1.3
Indus Japan Long Only Fund	27 Sep 24	Monthly	5,491	1.2
iShares Expanded Tech Sector ETF	30 Sep 24	Daily	5,445	1.2
Redwheel Next Generation Emerging Markets Equity Fund	27 Sep 24	Daily	4,853	1.0
iShares Core EM IMI UCITS ETF	30 Sep 24	Daily	4,695	1.0
RA Capital International Healthcare Fund	01 Sep 24	Quarterly	4,561	1.0
NTAsian Discovery Fund	30 Sep 24	Monthly	4,456	1.0
BlackRock Frontiers Investment Trust PLC	30 Sep 24	Daily	3,876	0.8
Worldwide Healthcare Trust PLC	30 Sep 24	Daily	3,357	0.7
Arcus Japan Fund	30 Sep 24	Daily	2,940	0.6
Alma Eikoh Japan Large Cap Equity Fund	30 Sep 24	Daily	2,889	0.6
			234,894	**50.4**
Strategic				
Ocean Wilsons Holdings Limited[1]	30 Sep 24	Illiquid	137,018	29.4
Wilson Sons	-	-	*97,164*	*20.8*
Ocean Wilsons (Investments) Limited	-	-	*39,854*	*8.5*
			137,018	**29.4**

[1] Hansa Investment Company Ltd owns 9,352,770 shares in Ocean Wilsons Holdings Limited (OWHL). In order to better reflect Hansa Investment Company's exposure to different market silos, the two subsidiaries of OWHL, Wilson Sons and Ocean Wilsons (Investments) Limited (OWIL), are shown separately above. The fair value of the Company'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 2024 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 2024.

Investments	Price date	Dealing frequency	Fair value £000	% of net assets
Diversifying				
Global Event Partners Ltd	27 Sep 24	Quarterly	8,429	1.8
DV4 Ltd[2]	31 Mar 24	Fixed Life	7,559	1.6
Selwood AM - Liquid Credit Strategy	31 Aug 24	Monthly	4,069	0.9
MKP Opportunity Offshore Ltd	30 Sep 24	Monthly	3,340	0.7
Nephila Iron Catastrophe Fund Ltd	31 Aug 24	Half yearly	3,215	0.7
GAM Systematic Core Macro (Cayman) Fund	31 Aug 24	Daily	3,136	0.7
Schroder GAIA BlueTrend	27 Sep 24	Daily	2,913	0.6
Apollo Total Return Fund	31 Aug 24	Quarterly	2,721	0.6
Prana Absolute Return Fund	27 Sep 24	Quarterly	2,030	0.4
BioPharma Credit PLC	30 Sep 24	Daily	1,711	0.4
Vanguard US Government Bond Index Fund	27 Sep 24	Daily	1,565	0.3
Hudson Bay International Fund Ltd	20 Sep 24	Quarterly	1,398	0.3
CQS Credit Multi Asset Fund	31 Aug 24	Monthly	1,375	0.3
Lazard Convertible Global	27 Sep 24	Daily	717	0.2
			44,178	**9.5**
Global Equities (direct)				
Interactive Brokers Group Inc	30 Sep 24	Daily	7,169	1.5
Grupo Catalana Occidente SA	30 Sep 24	Daily	5,146	1.1
Arch Capital Group	30 Sep 24	Daily	4,442	1.0
Subsea 7	30 Sep 24	Daily	4,413	0.9
Bergman & Beving	30 Sep 24	Daily	4,230	0.9
Coats Group PLC	30 Sep 24	Daily	3,432	0.7
Orion SA	30 Sep 24	Daily	3,081	0.7
EXOR NV	30 Sep 24	Daily	2,359	0.5
Eurowag	30 Sep 24	Daily	2,184	0.5
CK Hutchison	30 Sep 24	Daily	1,829	0.4
Glencore PLC	30 Sep 24	Daily	1,689	0.4
CTT Correios de Portugal	30 Sep 24	Daily	1,607	0.3
			41,580	**8.9**
Private Assets[2]				
Khosla Ventures VIII LP	30 Aug 24	Fixed life	328	0.0
BPEA EQT Mid-Market Growth Partnership	30 Jun 24	Fixed life	89	0.0
GGV Discover IV-US	02 Jul 24	Fixed life	54	0.0
TrueBridge Direct Fund III L.P	05 Aug 24	Fixed life	36	0.0
TrueBridge Capital Partners Fund VIII L.P	30 Sep 24	Fixed life	99	0.0
			606	**0.1**
Total investments			**458,276**	**98.3**
Net current assets			7,967	1.7
Net assets			**466,243**	**100.0**

[2] The holdings within the private assets silo are unlisted Private Equity holdings. Further, DV4 Ltd is an evergreen private investment structure but is considered part of the Diversifying silo. For both, their values are estimated and disclosed as Level 3 Assets in the Annual Financial Statements.

Half-Year Management Report

The Directors present their Report and Condensed Financial Statements for the period to 30 September 2024.

The Board's objectives

The Board's primary objective is to achieve growth of shareholders' value over the medium to long term by investing in a diversified and multi-strategy portfolio.

The Board

Your Board consists of the following persons, each of whom brings certain individual and complementary skills and experience to the Board's workings:

Jonathan Davie (Chairman of the Board and Management Engagement Committee); Richard Lightowler (Chairman of the Audit Committee); Simona Heidempergher (Chairman of the Nomination Committee and Chairman of the Remuneration Committee); and William Salomon. The Board is advanced in the process of appointing a new director to the Board and, at the time of writing, hope to announce the successful candidate soon.

Individual profiles for each member of the Board can be found in the Company's Annual Report each year. These can also be found on our website, together with summaries of each of the Governance Committees of the Board.

Business Review for the period to 30 September 2024

The Business Review includes a discussion of important events which occurred within the period to 30 September 2024 and is covered in the Chairman's Report and the Portfolio Manager's Report.

Hansa Investment Company Limited (HICL, "the Company") is a Bermudan company formed in June 2019 to take on the business of Hansa Trust Ltd ("Hansa Trust") which transferred to it in August 2019. As a company, HICL has approximately five years of direct financial history. Therefore, when discussing the medium and longer-term financial performance of the Company and its portfolio, the Board will continue to incorporate the financial performance from Hansa Trust, as well as HICL where relevant.

Principal risks for the financial year to 31 March 2025

The key risks and uncertainties relating to the period ended 30 September 2024 and for the year ending 31 March 2025 are materially the same as those reported in the Annual Report for the Company for the year ended 31 March 2024. The principal risks and uncertainties identified are:

External

- Market risk – long-term company share performance
- Performance risk, share price, liquidity and discount monitoring
- Tax, accounting, legal and regulatory risks
- Reputational risk

Internal

- Operational risk
- Gearing/balance sheet risk

Going Concern basis of accounting for the period to 30 September 2025

The Directors consider it appropriate to adopt the going concern basis of accounting in preparing these Half-Year Financial Statements. The Directors do not know of any material uncertainties to the Company's ability to continue to adopt this approach over a period of at least 12 months from the date of approval of these Financial Statements.

The Directors will include a Long-Term Viability Statement in each Annual Report.

Related party transactions

During the period, Hansa Capital Partners LLP charged portfolio management fees and administrative services fees to the Company, amounting to £1,702,000 excluding VAT (six months to 30 September 2023: £1,497,000; year to 31 March 2024: £3,065,000). Amounts outstanding at 30 September 2024 were £280,000 (30 September 2023: £248,000; 31 March 2024: £285,000).

The Board's responsibilities

The Board is charged by the shareholders with responsibility for oversight of 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 remain unchanged from those detailed in the last Annual Report.

The Directors confirm to the best of their knowledge that:

- The condensed set of Financial Statements contained within the Half-Year Financial Report (commencing on page 25) have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' and on a going concern basis.
- This Half-Year Management Report includes a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure and Transparency Rules.

The above Half-Year Management Report, including the Statement of the Board's Responsibilities, was approved by the Board on 22 November 2024 and was signed on its behalf by:

JRDavie

Jonathan Davie
Chairman
22 November 2024

Financial Statements

Income Statement

For the six months ended 30 September 2024

	(Unaudited) Six months ended 30 September 2024			(Unaudited) Six months ended 30 September 2023			(Audited) Year ended 31 March 2023		
	Revenue £000	**Capital £000**	**Total £000**	**Revenue £000**	**Capital £000**	**Total £000**	**Revenue £000**	**Capital £000**	**Total £000**
Gains on investments held at fair value through profit or loss	-	8,828	8,828	-	12,324	12,324	-	88,760	88,760
Foreign Exchange gains/(losses)	-	201	201	-	(335)	(335)	-	(492)	(492)
Investment income	7,145	-	7,145	6,186	-	6,186	7,780	-	7,780
	7,145	**9,029**	**16,174**	**6,186**	**11,989**	**18,175**	**7,780**	**88,268**	**96,048**
Portfolio management fees	(1,644)	-	(1,644)	(1,439)	-	(1,439)	(2,950)	-	(2,950)
Other expenses	(914)	-	(914)	(900)	-	(900)	(1,676)	-	(1,676)
	(2,558)	**-**	**(2,558)**	**(2,339)**	**-**	**(2,339)**	**(4,626)**	**-**	**(4,626)**
Income before finance costs	**4,587**	**9,029**	**13,616**	**3,847**	**11,989**	**15,836**	**3,154**	**88,268**	**91,422**
Finance costs	-	-	-	-	-	-	-	-	-
Income for the period	**4,587**	**9,029**	**13,616**	**3,847**	**11,989**	**15,836**	**3,154**	**88,268**	**91,422**
Return per Ordinary and 'A' non-voting Ordinary share	3.8p	7.5p	11.3p	3.2p	10.0p	13.2p	2.6p	73.6p	76.2p

The Company does not have any income or expense not included in the above Statement. Accordingly, the "Income/(losses) for the Year" is also the "Total Comprehensive Income/(expense) 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 Income Statement, prepared in accordance with IFRS Accounting Standards ("IFRS").

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

The accompanying notes on pages 30 to 34 are an integral part of this Statement.

Balance Sheet

As at 30 September 2024

	(Unaudited) 30 September 2024 £000	(Unaudited) 30 September 2023 £000	(Audited) Year ended 31 March 2024 £000
Non-current assets			
Investments held at fair value through profit or loss	458,276	369,881	449,153
	458,276	**369,881**	**449,153**
Current assets			
Trade and other receivables	4,749	5,615	1,463
Cash and cash equivalents	3,716	5,845	4,352
	8,465	**11,460**	**5,815**
Current liabilities			
Trade and other payables	(498)	(460)	(421)
Net current assets	**7,967**	**11,000**	**5,394**
Net assets	**466,243**	**380,881**	**454,547**
Capital and reserves			
Called up share capital	1,200	1,200	1,200
Contributed surplus	322,839	322,839	322,839
Retained earnings	142,204	56,842	130,508
Total equity shareholders' funds	**466,243**	**380,881**	**454,547**
Net asset value per Ordinary and 'A' non-voting Ordinary share	**388.5p**	**317.4p**	**378.8p**

The accompanying notes on pages 30 to 34 are an integral part of this Statement.

Statement of Changes in Equity

For the six months ended 30 September 2024 (unaudited)	Share capital £000	Contributed surplus reserve £000	Retained earnings £000	Total £000
Net assets at 1 April 2024	1,200	322,839	130,508	454,547
Profit for the period	-	-	13,616	13,616
Dividends	-	-	(1,920)	(1,920)
Net assets at 30 September 2024	**1,200**	**322,839**	**142,204**	**466,243**

For the six months ended 30 September 2023 (unaudited)	Share capital £000	Contributed surplus reserve £000	Retained earnings £000	Total £000
Net assets at 1 April 2023	1,200	323,799	41,966	366,965
Profit for the period	-	-	15,836	15,836
Dividends	-	(960)	(960)	(1,920)
Net assets at 30 September 2023	**1,200**	**322,839**	**56,842**	**380,881**

For the year ended 31 March 2024 (audited)	Share capital £000	Contributed surplus reserve £000	Retained earnings £000	Total £000
Net assets at 1 April 2023	1,200	323,799	41,966	366,965
Profit for the year	-	-	91,422	91,422
Dividends	-	(960)	(2,880)	(3,840)
Net assets at 31 March 2024	**1,200**	**322,839**	**130,508**	**454,547**

The accompanying notes on pages 30 to 34 are an integral part of this Statement.

Cash Flow Statement

For the six months ended 30 September 2024

	(Unaudited) Six months ended 30 September 2024 £000	(Unaudited) Six months ended 30 September 2023 £000	(Audited) Year ended 31 March 2024 £000
Cash flows from operating activities			
Income/(loss)*	13,616	15,836	91,422
Adjustments for:			
Realised gains on investments	(4,329)	(1,369)	(6,228)
Unrealised (gains)/losses on investments	(4,499)	(10,955)	(82,532)
Foreign exchange	(201)	335	492
Increase in trade and other receivables	(3,286)	(5,487)	(1,335)
Increase in trade and other payables	77	48	9
Purchase of non-current investments	(25,170)	(40,892)	(69,313)
Sale of non-current investments	24,876	36,597	62,182
Net cash (outflow)/inflow from operating activities	**1,084**	**(5,887)**	**(5,303)**
Cash flows from financing activities			
Dividends paid	(1,920)	(1,920)	(3,840)
Net cash outflow from financing activities	**(1,920)**	**(1,920)**	**(3,840)**
Decrease in cash and cash equivalents	**(837)**	**(7,807)**	**(9,143)**
Cash and cash equivalents at start of financial period	4,352	13,987	13,987
Effect of foreign exchange rate changes	201	(335)	(492)
Cash and cash equivalents at end of period	**3,716**	**5,845**	**4,352**

* Includes dividends received of £6,981,000 (30 September 2023: £5,981,000; 2024: £7,602,000) and interest received of £nil (30 September 2023: £nil; 2024: £nil).

The accompanying notes on pages 30 to 34 are an integral part of this Statement.

Notes to the Financial Statements

1 Accounting policies

Hansa Investment Company Limited is a company limited by shares, registered and domiciled in Bermuda with its registered office shown on page 36. The principal activity of the Company is an investment vehicle.

(a) Basis of preparation

The Financial Statements of the Company have been prepared in accordance with IFRS Accounting Standards ("IFRS"). IFRS means standards and interpretations issued (or adopted) by the International Accounting Standards Board (they comprise: International Reporting Standards, International Accounting Standards (IAS) and Interpretations developed by the IFRS Interpretations Committee or the former Standing Interpretations Committee (SIC)).

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 a going concern basis under the historic cost convention, modified by financial assets held at fair value through profit or loss with the assertion of the Board on page 24. The Financial Statements have also been prepared in accordance with the AIC Statement of Recommended Practice (SORP) for investment trusts, issued by the AIC in July 2022, to the extent that the SORP does not conflict with IFRS. The material accounting policy information adopted is set out below.

(b) Presentation of Income Statement

In order to better reflect the activities of an investment 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.

(c) 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 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 de-recognised 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 which is considered to be fair value at the Balance Sheet date. 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.

Private equity investments are stated at fair value through profit or loss in accordance with the International Private Equity and Venture Capital Valuation Guidelines. Private equity investments are carried at the fair value as reported by the Private Equity Fund Manager (PEFM). In the absence of a valuation by the PEFM at the balance sheet date, additional procedures to determine the reasonableness of the fair value estimate for inclusion in the Financial Statements are performed. These may include direct enquiries of the PEFM of the investment to understand, amongst others, valuation process and techniques used, external experts used in the valuation process and updated details of the underlying portfolio. In addition, the Company can obtain external independent valuation data and benchmarks to validate fair value estimates. Further, recent arms-length market transactions between knowledgeable and willing parties where available might also be considered. Subsequent to the balance sheet date, the Administrator, will review subsequent valuations released by the Private Equity fund to look for consistency with the estimations made as described above.

Unrealised 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.

(d) 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.

(e) 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. Dividends and Real Estate Investment Trusts' (REIT) income are all stated net of withholding tax. In many cases, Bermudan companies cannot recover foreign incurred taxes withheld on dividends and capital transactions. As a result, any such taxes incurred will be charged as an expense and included here.

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.

(f) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue column of the Income Statement except expenses which are incidental to the acquisition or disposal of an investment which are charged to the capital column of the Income Statement.

(g) Taxation

Under Bermuda law, to the extent the Company remains out of scope of the Corporate Income Tax Act 2023 (the "CIT Act"), the Company is not required to pay taxes in Bermuda on either income or capital gains.

Bermuda enacted the CIT Act on 27 December 2023. Entities subject to tax under the CIT Act are the Bermuda constituent entities of multi-national groups. A multi-national group is defined under the CIT Act as a group with entities in more than one jurisdiction with consolidated revenues of at least EUR750mm for two out of the four previous fiscal years. If Bermuda constituent entities of a multi-national group are subject to tax under the CIT Act, such tax is charged at a rate of 15 per cent of the net taxable income of such constituent entities as determined in accordance with and subject to the adjustments set out in the CIT Act (including in respect of foreign tax credits applicable to the Bermuda constituent entities).

Consolidated revenues of the Company's group are less than EUR750mm in each previous fiscal year. On this basis, the Company is not, and neither is it expected to be, in scope of the CIT Act regime.

(h) 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 balance sheet date are reported at the rate of exchange prevailing at the balance sheet date. Any gains or losses arising from a change in exchange rates, subsequent to the date of the transaction, are included as exchange gains or losses in the capital or revenue column of the Income Statement, depending on whether the gains or losses are of a capital or revenue nature respectively.

(i) Retained Earnings

Contributed Surplus

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;
- expenses charged to the capital column of the Income Statement in accordance with the above accounting policies; and
- increases and decreases in the valuation of investments held at the balance sheet date.

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.

Under Bermuda Company Law, Retained Earnings and Contributed Surplus Reserve are both distributable.

(j) 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 30 September 2024. The most recent valuation statement was received on 23 August 2024, stating the value of the Company's holding as at 31 March 2024. In the absence of a valuation for 30 September 2024 from DV4, the Company performed additional procedures to determine the reasonableness of the fair value estimate for inclusion in the Financial Statements. Direct enquiries of the manager of DV4 were made in July 2020 to understand, amongst others, valuation process and techniques used, external experts used in the valuation process and updated details of underlying property portfolio. It has been confirmed with DV4's manager that the valuation procedures discussed in July 2020 are still the same used now. In addition, the Company has compared the historic valuation movements of DV4 to the FTSE350 Real Estate Index. Based on the information obtained and additional analysis performed, the Company is satisfied that DV4 is carried in these Financial Statements at an amount that represents its best estimate of fair value at 30 September 2024. It is believed the value of DV4 as at 30 September 2024 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.

(k) Adoption of new and revised standards

At the date of authorisation of these Financial Statements there were no standards and amendments to standards, which have not been applied in these Financial Statements.

In the current financial period the Company has applied the following amendments to standards:

- Amendments to IAS1 'Classification of liabilities as current or non-current' (effective for accounting periods beginning on or after 1 January 2024).
- Amendments to IAS1 'Classification of liabilities with covenants' (effective for accounting periods beginning on or after 1 January 2024

There is no material impact on the Financial Statements or the amounts reported from the adoption of these amendments to the standards.

Relevant International Accounting Standards that have yet to be adopted:

There are no relevant international accounting standards that are yet to be adopted.

(l) Operating Segments

The Company considers it has one operating segment for the purposes of IFRS 8.

2 Income

	(Unaudited) Six months ended 30 September 2024 £000	(Unaudited) Six months ended 30 September 2023 £000	(Audited) Year ended 31 March 2024 £000
Income from investments			
Dividends	7,145	6,186	7,780
Total income	**7,145**	**6,186**	**7,780**

Note: Of the dividend income received during the financial period, £6.2m was received from the Company's Strategic Holding in OWHL by way of a dividend received on 14 June 2024. The remainder was received from holdings within the Global Equity (direct) & Core Regional silos.

3 Dividends paid

	(Unaudited) Six months ended 30 September 2024 £000	(Unaudited) Six months ended 30 September 2023 £000	(Audited) Year ended 31 March 2024 £000
Fourth interim dividend for 2023-2024, paid 25 May 2024: 0.8p (2023: 0.8p)	960	960	960
First interim dividend for 2024-2025, paid 30 August 2024: 0.8p (2024: 0.8p)	960	960	960
Second interim dividend for 2023-2024, paid 24 November 2023: 0.8p	-	-	960
Third interim dividend for 2023-2024, paid 23 February 2024: 0.8p	-	-	960
Total income	**1,920**	**1,920**	**3,840**

Where there has been no revenue available for distribution by way of dividend for the year, dividends have been paid from contributed surplus which is permitted by Bermudan company law.

Note: The second interim dividend payable for the period ended 31 March 2025 was announced on 08 October 2024. The payment totalling 0.8p per share (£0.96 million) was paid on 29 November 2024.

4 Return per shares

The returns stated below are based on 120,000,000 shares, being the weighted average number of shares in issue during the period.

	Revenue		Capital		Total	
	£000	Pence per share	£000	Pence per share	£000	Pence per share
Six months ended 30 September 2024 (Unaudited)	4,587	3.8p	9,029	7.5p	**13,616**	**11.3p**
Six months ended 30 September 2023 (Unaudited)	3,847	3.2p	11,989	10.0p	**15,836**	**13.2p**
Year ended 31 March 2024 (Audited)	3,154	2.6p	88,268	73.6p	**91,422**	**76.2p**

5 Financial information

The financial information for the six months ended 30 September 2024 was approved by a committee of the Board of Directors on 22 November 2024.

6 Net asset value per share

The NAV per share is based on the net assets attributable to equity shareholders of £466,278,000 (30 September 2023: £380,881,000; 31 March 2024 £454,547,000) and on 120,000,000 shares being the number of shares in issue at the period ends.

7 Outstanding commitments and contingencies

The Company has the following outstanding commitments as at 30 September 2024 (30 September 2023: £6.7m; 31 March 2024: £8.3m).

Fund	Commitment in local currency	Converted to GBP
BPEA EQT Mid-Market Growth Partnership	$1,774,644	£1,323,077
GGV Discovery IV - US	$528,000	£393,648
GGV Discovery IV - Asia	$600,000	£447,327
Gryphon VI Top-Up Co-Investment Fund	$1,300,000	£969,209
Khosla Ventures VIII L.P	$738,000	£550,212
TA Associates XV-B L.P	$3,600,000	£2,683,963
Triton VI SCSP	€1,740,000	£1,447,708
TrueBridge Direct Fund III L.P	$157,500	£117,423
TrueBridge Capital Partners Fund VIII L.P	$837,000	£624,021
Total		**£8,556,588**

8 Principal risks and uncertainties

The principal financial and related risks faced by the Company fall into the following broad categories – External and Internal. External risks to shareholders and to their returns are those that can severely influence the investment environment within which the Company operates: including government policies, taxation, economic recession, declining corporate profitability, rising inflation and interest rates and excessive stock market speculation. Internal and operational risks to shareholders and to their returns are: portfolio (stock and sector selection and concentration), balance sheet (gearing) and/or administrative mismanagement.

A review of the current period and the outlook for the Company can be found in the Chairman's Report and in the Portfolio Manager's Report.

Information on each of these areas is given in the Strategic Report within the Annual Report for the year ended 31 March 2024. In the view of the Board these principal risks and uncertainties are applicable to the remaining six months of the financial year as they were to the six months under review.

9 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 asset 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 are grouped into the fair value hierarchy, as detailed below:

30 September 2024 (unaudited)	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets at fair value through profit or loss				
Quoted equities	199,241	-	-	199,241
Unquoted equities	-	-	8,165	8,165
Fund investments	52,788	198,082	-	250,870
Fair Value	**252,029**	**198,082**	**8,165**	**458,276**

30 September 2023 (unaudited)	**Level 1 £000**	**Level 2 £000**	**Level 3 £000**	**Total £000**
Financial assets at fair value through profit or loss				
Quoted equities	144,308	-	-	144,308
Unquoted equities	-	-	7,778	7,778
Fund investments	39,461	178,334	-	217,795
Fair Value	**183,769**	**178,334**	**7,778**	**369,881**

31 March 2024 (audited)	**Level 1 £000**	**Level 2 £000**	**Level 3 £000**	**Total £000**
Financial assets at fair value through profit or loss				
Quoted equities	192,221	-	-	192,221
Unquoted equities	-	-	8,040	8,040
Fund investments	42,692	206,200	-	248,892
Fair Value	**234,913**	**206,200**	**8,040**	**449,153**

There have been no transfers during the period between levels.

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

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

	(Unaudited) 30 September 2024 equity investments £000	**(Unaudited) 30 September 2023 equity investments £000**	**(Audited) 31 March 2024 equity investments £000**
Opening Balance	8,040	9,132	9,132
Purchase	919	-	367
Sale	-	-	(402)
Total (losses) or gains included in gains on investments in the Income Statement:			
on assets held at period end	(794)	(1,354)	(1,057)
Closing Balance	**8,165**	**7,778**	**8,040**

As at 30 September 2024, the investment in DV4 has been classified as Level 3. This is because 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 30 September 2024. The most recent valuation statement was received on 23 August 2024 and relates to the DV4 portfolio at 31 March 2024. Additionally, the underlying assets of DV4 are all Real Estate in nature and, as such, there is not a readily comparable market of identical assets for valuation purposes. In the absence of a valuation for 30 September 2024 from DV4, the Company performed additional procedures to determine the reasonableness of the fair value estimate for inclusion in the Financial Statements. Direct enquiries of the manager of DV4 were made in July 2020 to understand, amongst others, valuation process and techniques used, external experts used in the valuation process and updated details of underlying property portfolio. In addition, the Company has obtained external independent valuation data and compared the historic valuation movements of DV4 to that data. It has been confirmed with DV4's manager that the valuation procedures discussed in July 2020 are still the same used now. In addition, the Company has compared the historic valuation movements of DV4 to the FTSE350 Real Estate Index. Based on the information obtained and additional analysis performed the Company is satisfied that DV4 is carried in these Financial Statements at an amount that represents its best estimate of fair value at 30 September 2024. It is believed the value of DV4 as at 30 September 2024 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. 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 period ended 30 September 2024 would have increased or decreased by £755,000 (2023: £778,000). The Board considers 10% to be a potential movement between valuation periods borne out by historic valuation trends. However, this does not preclude the valuation moving a greater amount than 10% in the future.

Additional Information

Investor Information

Company information

The Company currently manages its affairs so as to be a qualifying investment company 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 shares issued by Hansa Investment Company Limited can be recommended by independent financial advisers to ordinary retail investors, in accordance with the Financial Conduct Authority's ("FCA") 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 excluded securities as defined in the FCA Handbook Glossary. Finally, Hansa Investment Company Limited is registered as a Reporting Financial Institution with the US IRS for FATCA purposes.

Capital structure

The Company has 40,000,000 Ordinary shares of 1p each and 80,000,000 'A' non-voting Ordinary shares of 1p 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.

Secretary and registered office

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street PO Box HM666
Hamilton HM CX Bermuda

Board of Directors

Jonathan Davie
Chairman

Simona Heidempergher

Richard Lightowler

William Salomon

Investor disclosure

AIFMD

Hansa Investment Company Limited's AIFMD Investor Disclosure document can be found on its website. The document is a regulatory requirement and summarises key features of the Company for investors.

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

The Company's AIFM, Hanseatic Asset Management LBG, is responsible for applying the product governance rules defined under the MiFID II legislation on behalf of Hansa Investment Company Limited. Therefore, the AIFM is deemed to be the 'Manufacturer' of Hansa Investment Company'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.

Links to these documents can be found on the Company's website: www.hansaicl.com.

Service providers

Independent Auditor
PricewaterhouseCoopers LLP

Solicitors – Bermuda
Conyers Dill & Pearman Limited

Solicitors – UK
Dentons UK and Middle East LLP

Custodian
Banque Lombard Odier & Cie SA

Stockbroker
Winterflood Investment Trusts

Administrator
Apex Fund Administration Services (UK) Ltd,

Alternative Investment Fund Manager
Hanseatic Asset Management LBG

Financial calendar

Company year end
31 March

Annual Report sent to shareholders
June

Annual General Meeting
July/August

Shareholder presentation
September

Announcement of half-year results
November

Half-year Report released to shareholders
December

Interim dividend payments
August, November, February and May

Share price listings

The price of your shares can be found on our website. In addition, share price information for Ordinary shares / 'A' non-voting Ordinary shares can be found via the following codes:

ISIN
BMG428941162 / BMG428941089

SEDOL
BKLFC18 / BKLFC07

Reuters
HAN.L / HANA.L

Bloomberg
HAN LN / HANA LN

TIDM
HAN / HANA

Legal Entity Identifier
213800RS2PWJXS2QDF66

Further information about Hansa Investment Company Limited, including monthly fact sheets, Stock Exchange announcements and shareholder presentations, can be found on the Company's website: www.hansaicl.com

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

Portfolio Manager and additional administrative services provider
Hansa Capital Partners LLP
50 Curzon Street
London
W1J 7UW
Telephone: +44 (0) 207 647 5750
Email: hiclenquiry@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.

Registrar
Computershare Investor Services (Bermuda) Limited
c/o 13 Castle Street
St Helier
Jersey
JE1 1ES
Telephone: +44 (0) 370 707 4040
Email: info@computershare.co.je
Website: www.computershare.com/je

If you have a query, you can call our Shareholder helpline on +44 (0) 370 707 4040. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 08:30 - 17:30, Monday to Friday excluding public holidays in England and Wales.

Register for updates
To receive the latest news and views on the Company, please register at www.hansaicl.com

Glossary of Terms

Association of Investment Companies (AIC)
The Association of Investment Companies is the UK trade association for closed-ended investment companies (www.theaic.co.uk). Despite the Company not being UK domiciled, the Company is UK listed and operates in most ways in a similar manner to a UK Investment Trust. Therefore, the Company follows the AIC Code of Corporate Governance and the Board considers that the AIC's guidance on issues facing the industry remains very relevant to the operations of the Company.

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 AIFs.

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. 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 four interim dividend payments each year – at the end of August, November and February during that financial year and 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 company'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.

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

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

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

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. The Company will continue to quote results from its predecessor, Hansa Trust Ltd,as part of that reporting so shareholders can see the longer-term performance of the portfolio.

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.

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

Key Information Document (KID)
This is a document of a form stipulated under the PRIIPs Regulations. It provides basic, pre-contractual, information about the Company and its share classes in a simple and accessible manner. It is not marketing material. The UK regulatory authorities introduced legislation from 1 January 2023 to amend some of the disclosures in the KID for UK shareholders. The FCA has subsequently issued a temporary exemption for most Investment Companies from producing a UK KID document. However, the Company understands that the automated systems for many investment platforms still require a KID to be produced. Therefore, the Company's AIFM will be producing an amended UK KID and a standard European KID going forward.

Key Performance Indicators (KPIs)
A set of quantifiable measures 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. In the case of historic information, the KPIs will be compared against data of both the Company and, prior to the Company's formation, from Hansa Trust Ltd.

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 a 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 Investment Company Limited has two classes of Ordinary shares – the Ordinary shares (40 million shares) and the 'A' non-voting Ordinary shares (80 million shares). Both have the same financial interest in the underlying assets of the Company and receive the same dividend per share, 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 NAV it is referred to as trading at a premium. The premium is expressed as a percentage of the NAV.

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. See also Key Information Document (KID).

Shareholders' Funds/Equity Shareholders' Funds
This value equates to the NAV of the Company. See NAV.

Spread
The difference between the Bid and Ask price.

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 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. In the case of historic information, the Total Return will include data against data of both the Company and, prior to the Company's formation, from Hansa Trust Ltd.

Stay up-to-date with www.hansaicl.com





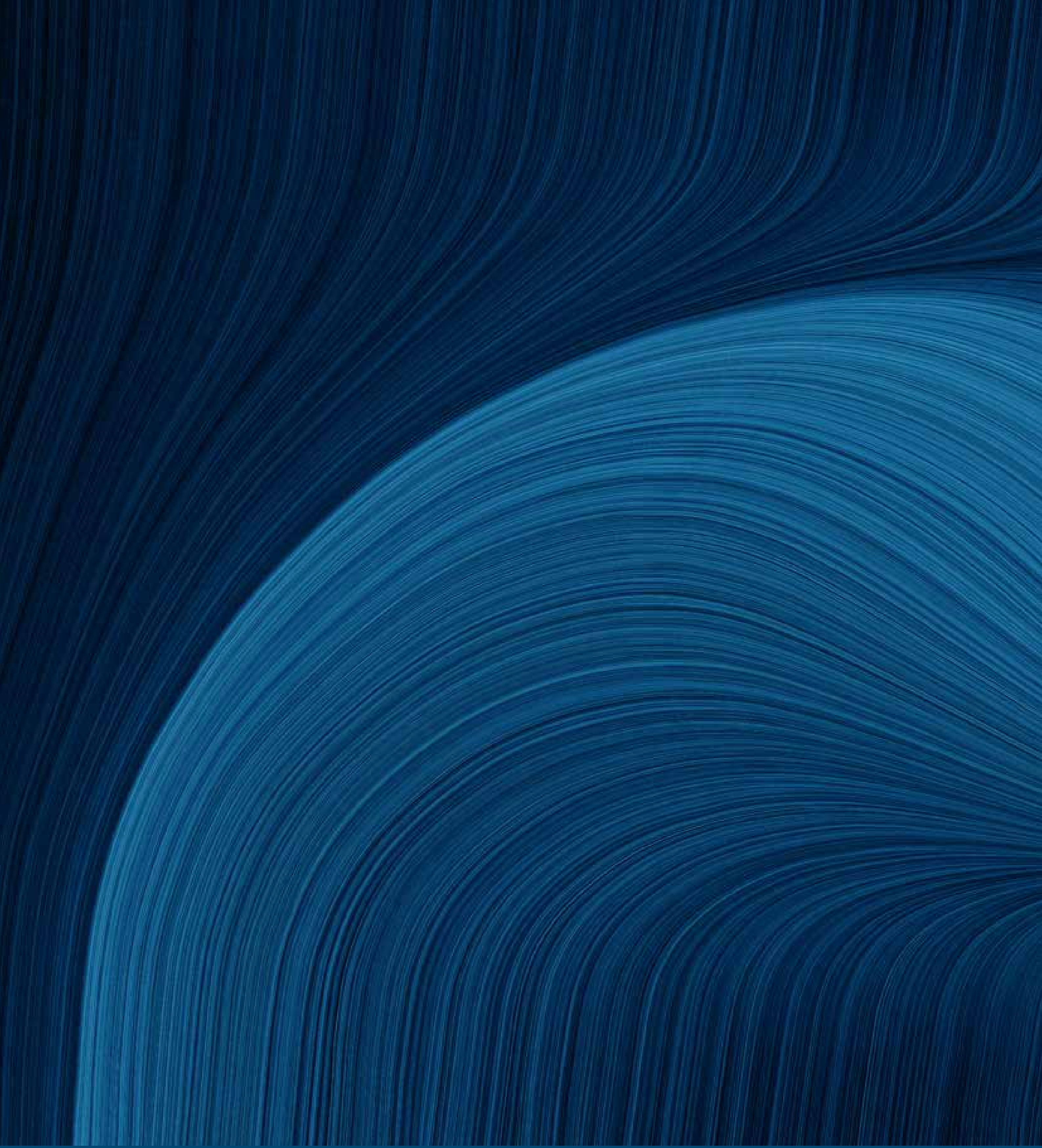

You can stay up-to-date with the latest news, views and Company information at our recently refreshed website, www.hansaicl.com.

As well as the current portfolio breakdown, performance and pricing, you'll be able to access a library of quarterly, Half-Year and Annual Reports, see the latest fact sheet and read Company announcements.

You can also watch the full Shareholder Presentation which took place on 25 September.

www.hansaicl.com

Zhengzhou, China



Hansa Investment Company Ltd
Clarendon House
2 Church Street
PO Box HM666
Hamilton HM CX Bermuda

+44 (0) 207 647 5750
hiclenquiry@hansacap.com
www.hansaicl.com