HANSA GLOBAL EQUITY FUND

HANSA, *investing to maximise long-term total return*

Half Yearly Report (Unaudited)
For the six months ended
30 June 2024

2024

COMPANY REGISTRATION AND NUMBER: The Company is registered in Guernsey under company number 34312.

	30 June 2024	31 December 2023	Returns
Amounts due to Shareholders*	$483,174,873	$451,410,276	–
Price per share	$488.69	$452.16	8.1%
Performance Benchmark#	3.2%	5.2%	–
MSCI All Country World Index and Frontier Markets	2,726.28	2,449.49	11.3%

*Amounts due to Shareholders reflect the Net Asset Value of Hansa Global Equity Fund ("the Fund") and includes those amounts due to Participating Redeemable Preference Shareholders. The movement between the current and prior period will also reflect any subscriptions and redemptions which took place during the period. See Statement of Financial Position and Notes 7 and 8 to the accounts.

#The performance benchmark above is for the six months ended 30 June 2024 and twelve months ended 31 December 2023. The Benchmark Return is a 60:40 composite of US CPI Urban Consumers NSA (Non Seasonally Adjusted) and Eurozone CPI plus 2% per annum, the full description of which may be found in the Offering Memorandum. Performance disclosed is for the six months ended 30 June 2024 and the twelve months ended 31 December 2023.

10 YEAR SHARE PRICE PERFORMANCE (US$)

PORTFOLIO PERFORMANCE*

Performance	Year to date	1 Year	3 Year p.a.	5 Year p.a.	10 Year p.a.
Share Price Performance (%)	8.1%	15.7%	(0.8%)	6.3%	6.0%
Performance Benchmark (%)	3.2%	4.8%	7.2%	6.0%	3.8%
MSCI All Country World Index and Frontier Markets (%)	11.3%	19.4%	5.4%	10.7%	8.4%

*Note: Performance is based on a net price to price movement

Chairman's Statement

During the half year period the share price of Hansa Global Equity Fund ("the Fund") rose by $36.53 to $488.69, an increase of 8.1%. Over the same period the Fund's benchmark, which is a composite of US and Eurozone rates of inflation, increased by 3.2% and the MSCI World Index increased by 11.3%.

The strong performance of equities in 2023 continued in the first half of 2024, dominated once again by the US and particularly the 'Magnificent 7'. The extent and speed to which the priced in perceived benefits arising from AI come to fruition may be a key factor in the collective future performance of the 'Magnificent 7' and the wider equity markets. Indeed, if one looks at the performance of the equal weighted World index, arguable far more representative of the global economy, the returns over the half year have been just 2.7%.

Inflation has been on a roller coaster ride, boosted by post COVID fiscal measures and supply chain distortions. It has fallen sharply however of late as higher interest rates have taken effect and supply chains have normalised, albeit some areas still remain somewhat higher than would be hoped. Central banks across the board have therefore cut rates more slowly than the market predicted in 2023, and (unsurprisingly) more slowly than many participants in the investment community would have liked.

The inflation and interest rate narratives that have dominated the investment world over the last 18 months have now, to a degree, been replaced by concerns over the geopolitical environment. The most high-profile geopolitical events in recent years have been the conflicts in Ukraine and the Middle East, but sitting alongside these conflicts and potentially more significant in the longer term are the redrawing of trade lines between the East and the West and the rise of populism in Western democracies. These matters are considered at some length in the Investment Manager's report which follows, together with a more detailed report on the Fund's performance and the performance of a number of the underlying funds.

This will be my final Chairman's Statement, as I shall be retiring from the Board immediately following the board meeting on 25 September 2024. I am delighted to announce that Susan Norman, with whom I have had a professional relationship for a number of years, will be replacing me as Chair. Susan has had a highly successful career in the investment industry over the last twenty-five years and will no doubt bring fresh perspective and impetus to the Board. I have thoroughly enjoyed working with the Investment Manager over the last 10 years and am confident that they, working alongside Susan and my other fellow Directors, will continue to deliver the long-term investment strategy for shareholders.

Stephen Jones OBE
Chairman

Alternative Investment Fund Managers Directive

In accordance with the Alternative Investment Fund Managers Directive (the "Directive"), the Manager in its capacity as Alternative Investment Fund Manager ("AIFM") is required to disclose specific information in relation to the following aspects of the Fund's management.

LEVERAGE AND BORROWING

Leverage is defined as any method by which the Fund increases its exposure through borrowing or the use of derivatives. Exposure is defined in two ways, the "Gross method" and the "Commitment method", the AIFM ensures that the Fund, in line with the investment policies outlined in the Offering Memorandum, does not exceed maximum exposures under both methods.

Gross method exposure is calculated as the sum of all positions of the Fund (both positive and negative), that is, all eligible assets, liabilities and derivatives, including derivatives held for risk reduction purposes.

Commitment method exposure is also calculated as the sum of all positions of the Fund (both positive and negative), but after netting off derivative and security positions as specified by the Directive.

For the Gross method, the following has been excluded:

- The value of any cash and cash equivalents which are highly liquid investments held in the base currency of the Alternative Investment Fund that are readily convertible to a known amount of cash, and that is subject to an insignificant risk of changes in value;
- Cash borrowings that remain in cash and cash equivalents as defined above and where the amounts of that payable are known should be excluded from the calculation.

The total amount of leverage calculated as at 30 June 2024 is as follows:

Gross method: 0.98:1

Commitment method: 0.99:1

LIQUIDITY

In order to manage the liquidity of the Fund, the AIFM is not obliged to redeem more than 10% of the total shares in issue of the Fund on any dealing day and any redemption requests in excess of this will be satisfied on a pro rata basis. This policy has been applied consistently throughout the review period and as a result the AIFM has not introduced any new arrangements for managing the Fund's liquidity.

RISK MANAGEMENT POLICY NOTE

Please refer to Note 17, Financial instruments, in the Notes to the Financial Statements on pages 29 to 32, where the current risk profile of the Fund and the risk management systems employed by the AIFM to manage those risks, are set out.

REMUNERATION

In line with the requirements of the Directive, the AIFM is subject to a remuneration policy which is consistent with the principles outlined in the European Securities and Markets Authority guidelines on sound remuneration policies under the Directive.

The remuneration policies are designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of its staff is in line with the risk policies and objectives of the alternative investment funds it manages.

The Fund does not directly employ any staff members.

Fund Policies and Structure

INVESTMENT POLICY AND BENCHMARKS

The investment objective of the Fund is to maximise the long term total return on assets whilst maintaining preservation of capital. The Fund primarily invests in global equities either through specialist funds or direct investment. Un-invested cash balances may vary according to the investment outlook and may be a significant proportion of the Fund's assets during years of expected poor returns. The Fund may engage in "short sales" that is, the practice of selling securities which are borrowed from a third party, if future declines in the price of securities are expected. Performance is measured against the MSCI All Country World Index and Frontier Markets and the Fund's Performance Benchmark. The accounts are presented in United States Dollars.

DISTRIBUTION POLICY

The Company on behalf of the Fund did not declare or pay a distribution in respect to the period ended 30 June 2024 (2023: US$ Nil). The Fund did not declare or pay a distribution in respect to the year ended 31 December 2023 (2022: US$ Nil).

CAPITAL STRUCTURE

At 30 June 2024 the Fund had 988,722.19 (31 December 2023: 998,344.49) US$0.01 Participating Redeemable Preference Shares in issue.

Participating Redeemable Preference Shares carry the right to receive distributions out of the income of the Fund in such amounts and at such times that the Directors shall determine, and to receive a distribution on a return of capital of the assets of the Fund on a winding up, in proportion to the number of Shares held.

Performance disclosed is for the six months ended 30 June 2024 and the twelve months ended 31 December 2023.

Manager's Report

MARKET BACKGROUND

The Changing Geopolitical Face of the World

Executive Summary

The second quarter of the year continued the trends seen in the first quarter with technology and Artificial Intelligence (AI) continuing to lead US stock markets higher with economic data largely robust. Inflation in the US surprised markets by ticking up in March but has steadily declined since then with investors increasingly realistic on the number of rate cuts the Federal Reserve is likely to make this year. Elsewhere in the world the economic picture was less rosy with China still struggling to ignite and the European Central Bank feeling the need to cut its bank rate by 25 basis points as inflation declined and growth remained moribund.

Meanwhile behind this familiar economic picture, geopolitical risk is again becoming a factor in investment decisions having largely been irrelevant for the past few decades. We think about geopolitical risk in three main categories:

1. East vs West & Global trade – Increasingly the US and China have engaged in a trade war as the US sought to stop China from exploiting the global trading system in its aim of becoming a global superpower. While this started off as tit-for-tat tariffs on traditional industries, China's dominance of areas such as rare earths and solar panels and most importantly, its rapid development in AI, has meant that the US now sees it as an existential threat given AI's likely military importance in the future. The trade war is here to stay and will likely increase if Trump becomes US President again.

2. Military conflict – War has returned to Europe with Russia invading Ukraine and elsewhere its allies such as China are increasingly determined to flex their muscles. The US has long been the global military superpower and most countries wanted to be on their team (or at least not part of the opposition). China and Russia's global East axis is now providing an alternative option and this competition with the US will likely have economic implications as sanctions and the desire to secure supply chains for critical components will force companies to change their behaviour.

3. The rise of the more extreme political parties – Many citizens of Western democracies have become increasingly disillusioned with mainstream political parties continually failing to address their biggest concerns. Extreme left and right parties with a message of populism and isolationism have gained increasing traction in many countries in Europe and the US, fuelled by increasing use of social media and politicised mainstream media. This trend is likely to continue and will force centrist parties to adapt to counter them.

Incorporating geopolitical risk into portfolio management is very difficult given the impact of each event is typically large and hard to predict. We therefore advocate having a diversified portfolio leaving our regional specialists to manage many of the local risks while having a higher hurdle for investing in areas we know are more vulnerable, like China. However, we fundamentally believe that we need to be in markets and are constructive on the short to medium term outlook with the economic data remaining robust and the US likely to continue to be the most attractive market, even if we don't think returns will be as high going forward.

Market review

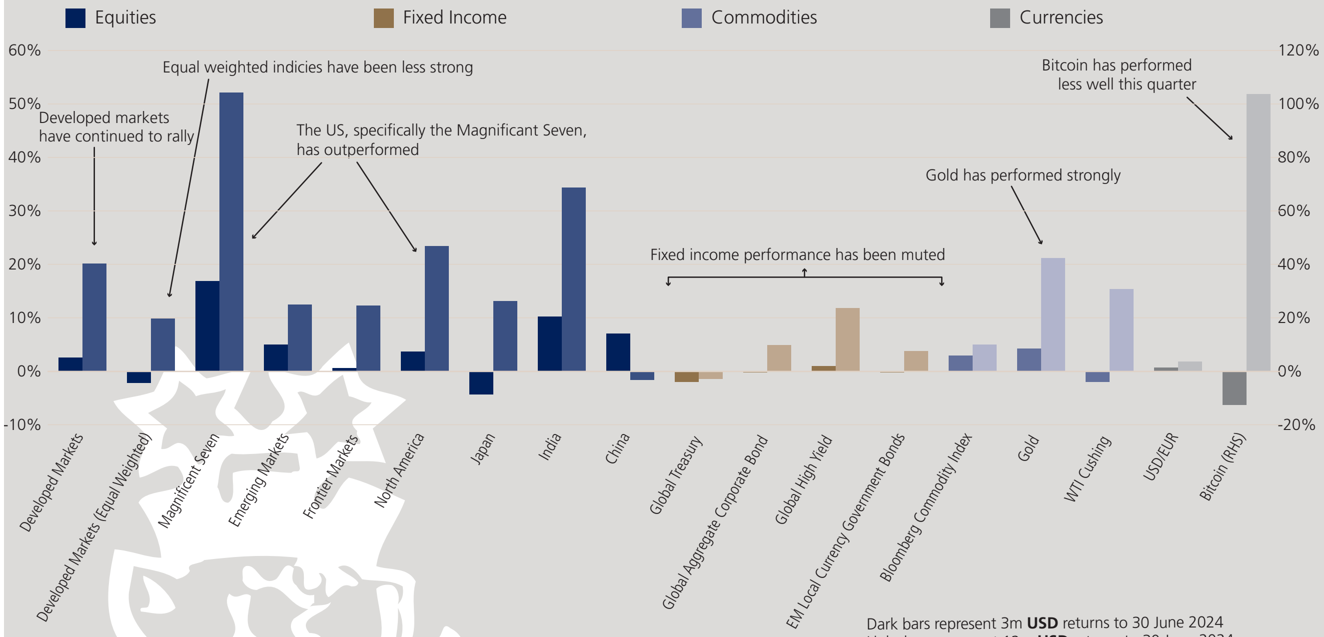
Stock markets continued their march higher in the second quarter. Driven by the now well-rehearsed themes of strength in the Magnificent 7, and the corresponding outperformance by the broader US stock market, equity markets saw their returns for the year move into double figures.

The trend of US economic exceptionalism, powered by strong domestic demand, full employment and earlier fiscal stimulus, remained firmly in place whereas Europe continued to be rather moribund albeit with some tentative signs that economic growth may be on the up. Inflation in the US, having surprised negatively in Q1, showed some signs of slowing albeit not enough to persuade the Federal Reserve to enact any rate cuts. Conversely the muted picture in Europe saw inflation nearing target levels, facilitating a 25 basis points reduction by the ECB, while the Bank of England remained unmoved despite inflation hitting its 2% target.

Manager's Report
Continued

Unfortunately, behind this rather familiar economic picture, all is not so rosy. Instead, the geopolitical landscape continues to deteriorate and has recently taken a more sinister tone. 2024 is notable for the number of countries holding elections and, in many instances, the more extreme parties, be it on the left or right, are gaining traction. This shift will likely further exacerbate the trend towards more populism, isolation, tariffs, and the growing divide between the East and the West. Rather surprisingly, despite these shifting sands, volatility has been declining. It is this rather ominous geopolitical backdrop that we focus on in this quarter's House View.

Chart 1: Performance of countries, sectors and asset classes



Source: Bloomberg

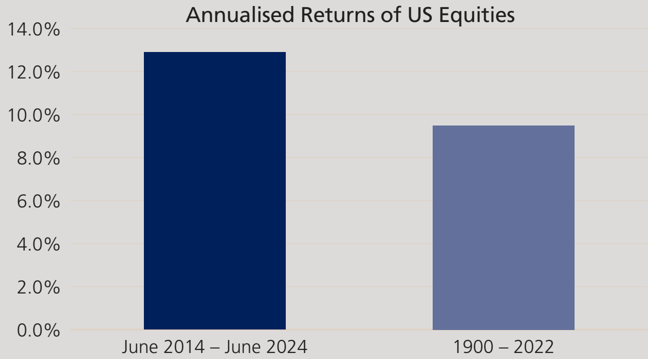
The return of geopolitical uncertainty

For most market participants, even those of us who have been doing it for over 30 years, little time has had to be devoted to thinking about the geopolitical backdrop when assessing the outlook for global stock markets. With the West largely unified post the turmoil of the First and Second World Wars, led by the US which held the global hegemony, the world has been dominated by countries and cultures that acted in a similar fashion and hence with geopolitics less relevant, this enabled stock markets to focus on the activities of central banks who progressively pushed interest rates ever lower as deflation took hold. This combination of lower geopolitical risk combined with abundant liquidity helped to underpin asset prices, creating a golden period for global markets, especially the US.

This is now changing. The past few years have seen a growing discord between nations and, indeed, between the different factions within countries. This change is leading to an increasingly polarised world with nations siding with their respective allies and, unfortunately, the return of interstate wars. To help understand the drivers of this, and the implications for investing, we divide the topic into three core headings:

- East vs West & Global trade
- Military conflict
- The rise of more extreme political parties

Chart 2: Recent stock market returns have been above historical trend



Source: June 2014 – 2024: S&P 500 TR Index (Bloomberg), 1900 – 2022: US nominal equity return, Elroy Dimson, Paul Marsh and Mike Staunton, DMS Database 2023, Morningstar

Chart 3: An increasingly polarised world

Source: Financial Times

East vs West Global trade

Initially, it looked like the East and the West were growing ever closer. With the US capitalist model the apparent winner post the end of the cold war, it appeared that countries such as China were adopting a form of it. Whilst the Chinese Communist Party maintained overall control of the country and government, a form of capitalism was encouraged, enabling companies and citizens to prosper. This both meant that Chinese companies started to trade widely with the West, helping to bring prices down globally providing a major leg to global deflation, and also Western companies started to trade with China, recognising the upside from the scale of the Chinese population and economy which was anticipated to ultimately be even larger than that of the US. Such was the size of the prize, many Western nations were prepared to overlook some of the less desirable policies and practices present within China and some of these other emerging nations. Despite being morally questionable, it appeared that it was a win-win for the world with faster growth, a narrowing of the wealth gap between the East and West and lower prices. What was not to like?

This narrative however was changed under the Trump presidency. Under the populist, isolationist banner of 'Make America Great Again', Trump started to question whether the short-term upside from trading with nations such as China was worth the long-term cost. It became apparent that China's economic model was not a pure free market approach but rather an extension of government policy in many instances. To advance this goal, Chinese companies regularly plagiarised many western technologies with government policy targeted to achieving dominance in key areas such as batteries, solar panels, rare earths and, most notably, artificial intelligence. Whilst previous leaders such as President Obama were prepared to overlook this drive, believing that the upside from global trade and deflation outweighed the downside from a trade war, Trump was not prepared to tolerate such moves.

Chart 4: Trump changed the narrative in how the world faced off against China

Trump embarked on a counteroffensive to row back the relationship with China which then evolved into a wider trade war. Tariffs have since been imposed in areas such as on the import of electric vehicles and solar panels resulting in retaliatory measures from China. Moreover, this trade war has seen a division between regions globally. Depending on who was seen as the more important trading partner, the West has largely sided with the US (largely under the guise of national security concerns) whereas the East has sided with China. For many countries which trade heavily with both the US and China, this has required walking an ever more precarious tight rope in their desire to continue to trade with both sides with even large nations such as Germany viewing China as a 'frenemy' given the importance of China to its industrial exports.

Central to this trade war is security of supply. Whilst previously countries and companies were happy to adopt single supply chains in their pursuit of efficiency and cheaper prices, it dawned on many that whilst consumers undoubtedly like cheaper goods, they certainly do not like 'no goods'. COVID helped to highlight that building supply chains reliant on areas of the world where it is hard to control supply is a significant business risk and resulted in many companies being unable to supply important products. This has led to a widespread shift from single supply chains, especially those emanating from countries such as China, to a wider range of countries and even onshoring, as certain key industries are brought back to the home nation, even if this comes at the expense of a significant increase in the cost of production.

The pinnacle of this trade war has been in Artificial Intelligence (AI). With AI likely to be a game changer for the way many industries operate, becoming the globally dominant player is seen as being of paramount importance to both the US and China. Indeed, with AI also likely to change the way in which warfare is conducted, the consequences of controlling this industry are not just economic profitability but will also be important for military domination. In many ways it is similar to what happened in the oil industry in the 70's. The US, recognising the dangers of being beholden to the Middle East for its oil supply, sought to bring production back onshore and become self-sufficient following the Arab oil embargoes. They recognised that having nations with less-than-optimal governance controlling the lifeblood of the US economy was too risky a strategy and the resultant drive to produce more oil than it consumed tilted the balance of power back in its favour.

Already we have seen the US instigate measures to prevent key technologies being shared with China and in particular a desire to ensure advanced semiconductor production remains out of the hands of the Chinese. With chips the key driver to many new technologies including AI, this will likely hamper China's technological advancement significantly in the coming years.

Overall, we would normally favour ensuring that the playing fields are level when trading globally as we recognise that trade wars rarely enhance global prosperity. Unfortunately, whilst ultimately tariffs are generally bad policy and should be kept to a minimum where possible, they sell well to the electorate with more populist politicians such as Trump likely to use them as a central tenet of their policy playbook in order to win votes.

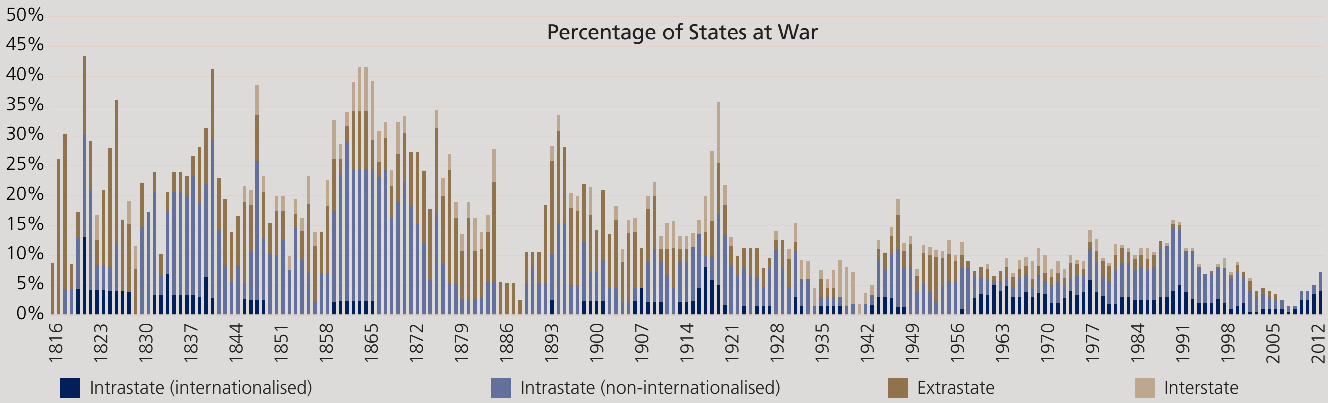
Chart 5: US sanctions directed at Chinese technology

Source: US Treasury Department, Nikkei Asia

Military Conflict

Not only have recent decades been a period of relative economic prosperity, they have also been a time of military stability. As many developing nations saw their prosperity grow, with many individuals lifted out of the poverty gap, combined with the US acting as the 'global policeman', this helped create a period of harmony in the important economic blocks of the US, Europe, China and Japan. Whilst there were conflicts in areas such Afghanistan, central Africa and the Balkans, these are relatively unimportant from an economic perspective. Hence, with the exception of the war on terror post the 9/11 attacks, the world has been a place of relative calm.

Chart 6: The last 50 years have been a period of relative peace



Source: Correlates of War – State System Membership (2017), Correlates of War – Wars (2020)

Again, this is changing. Partly this is a function of the new-found confidence of many of the emerging markets. China, as it shifted from being a minor player on the global stage to an economic and military superpower, has become more vocal and assertive in pursuing its long-term goal of reunifying with Taiwan which it considers to be the rightful property of China. To date this has been restricted to rhetoric and military exercises rather than direct military action, but there is a growing probability that it takes more drastic action if Taiwan fails to cede to its requests. With Taiwan's important role in microchip production through Taiwan Semiconductor Manufacturing, such a move by China may necessitate counteractions by the US and the West potentially resulting in global conflict.

Russia's invasion of Ukraine in 2022 saw war return to Europe after decades of peace. In a desire to return to its role as a global superpower, President Putin's Russia invaded Ukraine to the surprise of markets. Having seen its old Soviet empire picked apart post the cold war, Putin chose to invade despite the likely substantial retaliatory actions from the West. These did indeed come through in the form of sanctions, military aid to Ukraine and the further isolation of Russia on the global stage but appear to have been a price worth paying in Putin's eyes given his desire to reinstate what he views as Russia's rightful place at the head of the global stage. Similarly, we have seen war break out in the Middle East following the terrorist attacks in Israel with conflict between Israel and the Hamas-led Palestinian militant groups.

The implications of this more hostile world are widespread. Perhaps most importantly, isolated conflicts developing into global wars are impossible to predict with such wars often catalysed by what look to be relatively minor events that snowball into much more serious widespread conflict. Again, as for the economic side-taking, the growing military conflict has seen the different East and West factions taking sides with a series of unpalatable looking allegiances with countries such as China and North Korea backing Russia's invasion of Ukraine, both verbally and in the supply of arms and critical components.

Manager's Report
Continued

The rise of more extreme political parties
The third geopolitical factor that markets are now having to contend with is the rise of more extreme political parties.

Having seen a largely centrist approach in the major western blocks in recent decades, with it often hard to tell the difference between a Republican or Democratic President in the US or a Labour or Conservative Prime Minister in the UK, we are now seeing a more worrying trend towards politicians and political parties with more extreme views.

Already in Europe we have populist politicians such as the Hungarian Prime Minister Viktor Orban and Geert Wilders in the Netherlands. Orban views the EU as a political foe and repeatedly clashes with it over policies such as migration. He also believes the EU is wrong in its policy towards Ukraine, arguing that it is a waste of money, and is closer to Putin than any other EU leader. More worryingly the far-right leader, Marine Le Pen, and her Rassemblement National (RN) party in France recently inflicted a resounding defeat on President Macron's centrist party. Whilst tactical voting in the second round ensured the RN would not command a majority of its own, the fear that it may do so led to the rise of a coalition of radical left-wing parties resulting in a hung parliament and a likely uncomfortable power-sharing arrangement that will inevitably be unstable. Whilst Le Pen has tempered her comments on France exiting the EU, she appears determined to dismantle it from within and, again, is sympathetic towards Putin. An anti-EU Hungary is one thing, but an anti-EU France may call into question the wider European experiment.

Chart 7: More extreme political parties are gaining ground

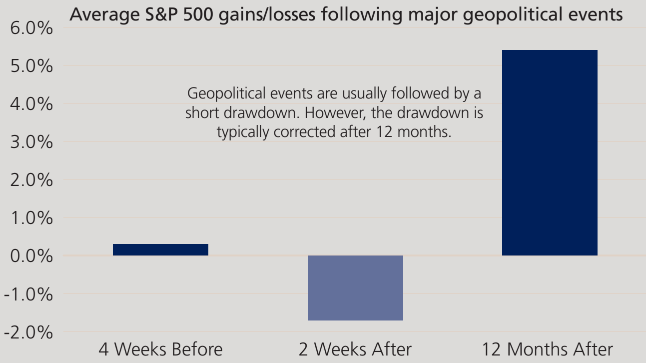
The US looks little better. There we have the very real prospect of Donald Trump returning as president. With President Biden looking increasingly senile and ineffective and Trump's criminal conviction arguably enhancing his position amongst the US electorate, appearing politically motivated to his supporters, the likelihood of a Trump presidency is growing. What a Trump presidency will look like post the events of the last couple of years remains to be seen.

Most likely we will see an emboldened, vindicative character who will likely further ramp up the rhetoric and tariffs in his approach to China and the world in general. At a time when the world requires a steady hand on the tiller, we may end up with an unpredictable President who stirs up an already unstable global backdrop.

Underlying these trends are a complex smorgasbord of factors. Ranging from the growing wealth gap between the rich and poor, which has become even wider post-COVID, to a rising cost of living for those less well-off creating a feeling of resentment amongst a growing portion of the population. With the centrist parties apparently failing to resolve these problems, despite having been in power for many years, this has left the door open to the more extreme parties who are happy to blame the issues on the more populist touch papers such as lax rules on immigration and failing to protect domestic jobs from cheap imports. Fuelled by social media, which lacks the rigour of some more conventional news sources, encouraging fake news and the demand for instantaneous news, these more populist policies sell well to the electorate albeit whether they work in practice is still to be seen.

Managing portfolios in this new world
Historically, geopolitics largely represented opportunity rather than risk. Typically, they created short, sharp market shocks with little impact beyond a few weeks. Often the right approach was to buy into any weakness, with markets quickly returning to the old norm.

Chart 8: Stock market performance post major geopolitical events



Source: Bloomberg

This approach now appears to be wrong. Whilst emerging markets have a knack of grabbing failure from the jaws of success, it seems unlikely that China and India will fail in their aspiration to become superpowers. The sheer scale of their countries and populations makes it probable that they will end up as significant global powerhouses. Whether or not this results in the US losing its role as the global hegemony is, however, more questionable. The US is blessed with a number of key advantages that will make its position at the head of the table much harder to displace. Ranging from being culturally focused on the creation of wealth, a readiness to change in the face of adversity and an entrepreneurial mindset, to a strong rule of law and controlling the global reserve currency, all provide a natural advantage to the US economy and stock market. However, depending on how successful countries such as China and India are in their end goal, and the timing of such aspirations, this may well result in the US and West having to share the top table with countries with different economic models and ideological views. Whether or not they can do this successfully remains to be seen but will require careful negotiations and diplomacy if conflict is to be avoided.

Protecting portfolios should the worst happen and conflict results in war is challenging. By its nature, war is a binary risk with a low probability but high impact if it were to occur. As was highlighted by Russia's invasion of Ukraine, most market participants are usually caught by surprise by significant geopolitical events (if they weren't a surprise then they would likely be priced in). By focusing on the economic impact as opposed to the ideological rationale, many market participants were left exposed to the risk and saw the majority of their Russia-based assets wiped out overnight.

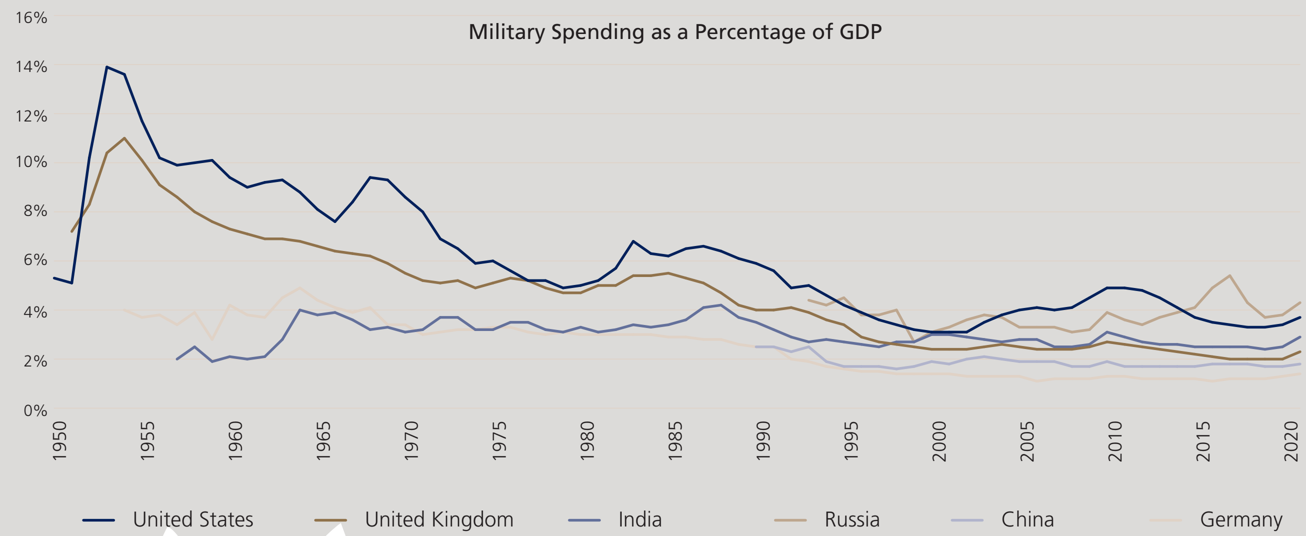
Hedging is one option but in practice is typically prohibitively expensive, especially if it is a persistent rather than temporary strategy, and particularly given the cost of hedging the more risky countries that one would generally need to seek protection on. Instead, we would advocate diversification across asset classes, sectors and countries, dampening the impact of any event should the worse come to bear. Also, a higher hurdle should be set when investing in the more vulnerable regions and countries such as China. To a large degree we outsource this risk to those specialist regional managers who are steeped in many years of investing in the region and better placed to understand and navigate the risks involved.

This changing world is not just about risk however and in some cases presents opportunity. For years, sectors such as defence were shunned by investors. Deemed to be ESG bad boys, investors thoughtlessly stopped providing capital to the space believing that the relative calm of the last 50 years was a permanent feature.

This failed to recognise the changing face of the global landscape and has necessitated that many nations now need to increase their expenditure significantly to rearm themselves in this new, more uncertain world.

Manager's Report
Continued

Chart 9: Investing in defence has been a dirty word



Source: Stockholm International Peace Research Institute

Similarly, it is an unfortunate quirk of nature that many essential commodities reside in the riskier areas of the world, although some argue the presence of these valuable materials creates instability (the natural resource curse). Whether it is energy from Russia or the Middle East, or Russia's role as a key supplier of important minerals such as nickel, copper, aluminium, palladium, vanadium and titanium, prices are likely to remain underpinned given the uneasy equilibrium between supply and demand.

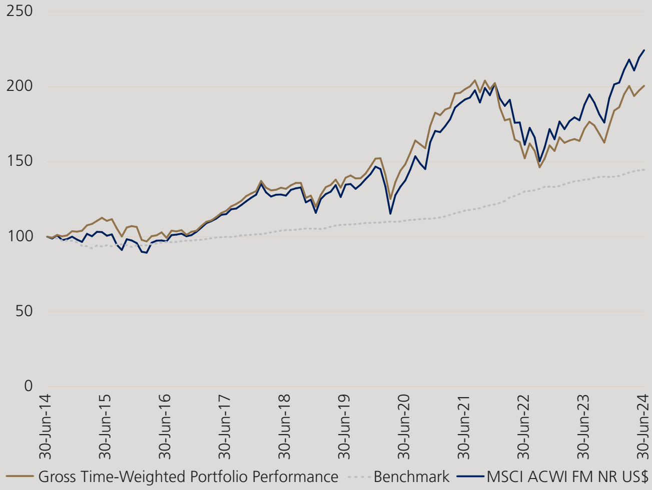
Conclusion

Despite the more challenging environment highlighted above, our basic portfolio positioning remains broadly constructive. The near-term outlook for stock markets will continue to be driven by the inflation/interest rate dynamic, economic growth and the outlook for the Magnificent 7. With interest rates likely to be heading down rather than up – albeit not to the degree by which markets thought they would at the start of the year – and economic and corporate growth largely supportive, this should help underpin share prices. Clearly there are risks though. We note that the current low volatility seems inappropriate given the number of challenges faced in the world and we are also becoming a little wary about the ongoing strength of the Magnificent 7. Whilst largely believers of the AI revolution, we also recognise that everything has a price, and fear that the strength of performance combined with the amount of capital being pumped into the sector may be setting it up for a meaningful pullback. Hopefully, though, not to the same degree that the tech stocks fell back in the early 2000's, which took 7 years before the sector returned to its previous highs.

However, whilst the economic backdrop might continue to drive shorter-term returns, the more uncertain geopolitical backdrop is likely to drive longer term asset returns. Ultimately, governments and their policies determine the long-term growth prospects of a country, the environment in which corporates operate and the risks faced. It is this, combined with relatively high valuations and the supernormal returns of the last couple of decades as rates fell to zero, that leads us to conclude that stock market returns, whilst still positive, are likely to be somewhat lower in the future.

PORTFOLIO PERFORMANCE

10 Year Cumulative Indexed Returns



Performance (Time-weighted)	YTD	1 Year	3 Year p.a.	5 Year p.a.	10 Year p.a.	Since Inception p.a.*(i)
Portfolio Gross Performance	9.0	16.7	0.4	7.6	7.2	7.8
Performance Benchmark	3.2	4.8	7.2	6.0	3.8	4.6
MSCI All Country World Index*(ii)	11.3	19.4	5.4	10.7	8.4	n/a

***Notes:**
(i) Inception on 25 September 1998
(ii) The Index was launched in 2002

The fund gained 0.1% in the second quarter of 2024, taking its performance for the first half of the year to 9.0%. These returns are strongly ahead of the inflation-based benchmark, which increased 1.2% during the quarter and is now up 3.2% over the year. The fund's performance was slightly behind the MSCI ACWI FM index which gained 2.9% over the quarter and 11.3% year-to-date.

The MSCI ACWI Equal Weighted index, which removes the distortion of the Magnificent 7, returned (1.1%) and 0.9% over the quarter and year-to-date, respectively.

Performance was more mixed across the North American holdings during the quarter. Pershing Square Holdings gained 3.0% over the quarter taking its return over the first half of the year to 14.9%. The manager is in the process of launching a US-listed version of the UK-listed company that we are invested in.

If the launch goes ahead it will decrease the performance fees paid by investors in the UK-listed company which led to increased investor interest in the company. Pershing's founder and CEO, Bill Ackman, has also been more active in the media recently which he credits with boosting investor interest in the vehicles he manages leading to higher share prices. The US market continued to be led by the mega-cap technology stocks with Pershing holding Alphabet in their portfolio which strongly contributed to performance. This boosted the **iShares Core S&P 500 UCITS ETF** which gained 5.1% over the quarter. However, this market trend was not beneficial for some of our more mid- and small-cap managers with **Select Equity Offshore Ltd** declining 7.8% and the **Findlay Park American Fund** falling 1.3%. Year-to-date Findlay Park is up 8.3% while Select is up just 1.2% compared to the S&P 500 ETF which is up 15.6%.

The reverse was true with our Japanese holding with the more esoteric, mid- and small-cap fund, **Simplex Value Up Trust**, gaining 4.3% over the quarter taking its return over the first six months of the year to 12.6%. Simplex continues to target companies that are making some kind of value creating change, whether that be repurchasing shares, distributing excess cash or splitting up the business in some way. There is increased pressure on companies to raise their price-to-book ratios to at least 1.0x from the Tokyo Stock Exchange and it is likely that the central bank will soon raise interest rates. The manager has built a large position in Sumitomo Electric to push the company to distribute more cash to shareholders. A position in Amada, a manufacturer of metal work machines, has benefitted from the company making several shareholder friendly changes that the manager proposed in a letter to the CEO. Our larger cap holdings in Japan had a more difficult quarter with the **Arcus Japan Fund**, **Alma Capital Investment Fund** and **Indus Japan Long Only Fund** falling 4.2%, 1.4% and 7.2%, respectively. Year-to-date Arcus has gained 6.2% and Alma is up 6.1% while Indus is down 2.8%.

Several of the long/short holdings within the portfolio performed well this quarter. **BlackRock Strategic Equity Hedge Fund** gained 3.3% while **Armistice Capital Offshore Fund Ltd** returned 3.9% taking their performance over the first half of the year to 17.3% and 13.8%, respectively.

Manager's Report
Continued

For BlackRock, most of the performance came in June where large positions in both Microsoft and Alphabet significantly contributed.

Novo Nordisk, a multinational pharmaceutical company, has been amongst the manager's strongest convictions for over two years now and has performed extremely well. The company is a leader in the treatment for diabetes and weight loss with well-known products Ozempic and Wegovy proving to be blockbuster drugs across the globe. Anti-obesity drugs have been the best performing segment in the biotechnology sector with many countries facing significant healthcare challenges with increasingly unfit populations. **Egerton Long – Short Fund Limited** had a more sedate quarter, gaining 0.5%, but has still performed strongly over the first half of the year returning 14.8%.

Within the thematic holdings it was also a mixed bag with the technology funds broadly performing well while the healthcare managers were more mixed. This quarter **Worldwide Healthcare Trust PLC** was the pick of the healthcare funds gaining 8.9%. The trust has significant exposure to big pharma with positions in Eli Lilly, Novo Nordisk and Intuitive Surgical being the top three contributors. For Intuitive Surgical there was increasing investor optimism for the new da Vinci 5 surgical robotic system launch which drove the company's share price to all-time highs. Other strong performers included Sarepta Therapeutics which saw the FDA approve a label expansion for the company's lead commercial product Elevidys, a gene therapy for the treatment of muscular dystrophy. A long-held position in AstraZeneca also performed well after a stellar first quarter result that was well above expectations and positive pipeline news flow. The **RA Capital International Healthcare Fund** fell 4.0% during the quarter but is still up 26.6% so far this year.

Both technology funds had positive quarters with the **Polar Capital Global Technology Fund** gaining 8.3% and **GAM Star Disruptive Growth** increasing 3.5%. Over the first six months of the year the funds have gained 25.1% and 13.4%, respectively. The Polar fund continued to benefit from the same themes as last quarter, namely having leant into AI with a significant amount of its holdings positioned to directly benefit from the increased investor interest in the area. Its top 10 holdings also include five of the Magnificent Seven (NVIDIA, Microsoft, Meta, Alphabet and Apple).

The fund is significantly overweight semiconductors with Advanced Micro Devices (AMD), TSMC, Broadcom and Samsung Electronics all in the portfolio (alongside NVIDIA).

Particularly strong performers this quarter included Broadcom, which delivered results significantly ahead of expectations, and TSMC while AMD disappointed leading the manager to continue to reduce their exposure to it. We made the decision during the quarter to fully redeem our holding in GAM Star Disruptive Growth following the departure of the main fund manager, Mark Hawtin. Mark and the majority of his team have moved to Lion Trust and intend to set up a similar fund there. During the quarter it was also decided to fully redeem Impax Environmental Markets following a prolonged period of poor performance and the decline of market interest in ESG-friendly investing.

INVESTMENT PORTFOLIO PERFORMANCE

Asset Allocation	Portfolio weighting as at 30 June 2024 %	Time Weighted Return for the 6 months ended 30 June 2024 %	Index Returns*(i) for the 6 months ended 30 June 2024 %
North America	49.3	9.0	14.1
Global Developed	13.2	12.5	11.7
Asia Pacific ex Japan	8.1	5.9	8.5
Japan	7.1	5.2	6.3
Europe	5.4	5.7	5.8
Health Care	4.6	12.4	7.4
Financials	3.3	14.2	9.4
Global Emerging Markets	2.8	5.0	7.5
Technology	2.4	19.9	24.8
Environmental	0.9	(2.1)	6.5
Frontier Markets	0.8	4.4	5.9
Commodity Equity	0.0	3.3	3.5
Emerging Markets (ex Asia)	0.0	100.0(ii)	(5.1)
Cash/Liquidity Funds	2.1	(10.7)	3.0

Notes:
(i) Appropriate industry-recognised indices used for comparison purposes.
(ii) The performance is due to the partial realisation of Prosperity Quest Prosperity Quest Fund which was reduced to nil value during Q1 2022 as a result of its suspension from dealing.

INVESTMENT PORTFOLIO PERFORMANCE AND ASSET ALLOCATION

Top 5 Contributors (in USD)	Contribution %	Performance %	Gain $m
iShares Core S&P 500 UCITS ETF	1.9	15.6	8.6
Findlay Park American Fund	1.3	8.3	5.6
BlackRock Strategic Equity Hedge Fund	1.5	17.3	5.3
Pershing Square Holdings Ltd	0.5	14.9	2.1
Schroder ISF Asian Total Return Fund	0.4	8.6	2.0
TOTAL	**5.6**		**23.6**

Top 5 Detractors (in USD)	Contribution %	Performance %	Loss $m
BB Biotech AG	(0.1)	(9.7)	(0.5)
Indus Japan Long Only Fund	(0.1)	(2.8)	(0.3)
Impax Environmental Markets Fund	(0.0)	(2.1)	(0.1)
iShares MSCI Global Metals and Mining Producers ETF	(0.0)	(2.3)	(0.1)
KLS Corinium Emerging Markets Equity Fund	(0.0)	(0.2)	(0.0)
TOTAL	**(0.2)**		**(1.0)**

Manager's Report
Continued

ASSET CLASS EXPOSURE at 30 June 2024

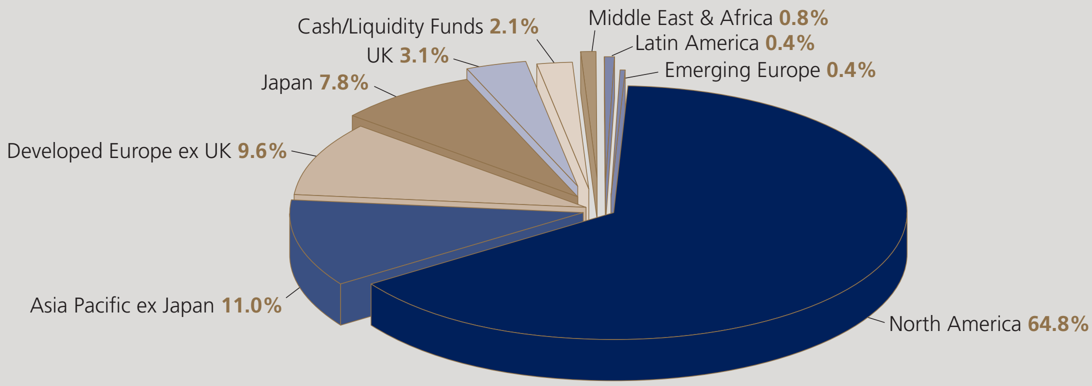
Theme	Investment Strategy	US$	% NAV
Core Regional			
	Long-Only Equity	334,357,603	69.2
	Long-Short Equity	84,662,885	17.5
Thematic Sector			
Healthcare	Long-Only Equity	16,023,358	3.3
	Long-Short Equity	6,132,376	1.3
Financials	Long-Only Equity	15,832,187	3.3
Technology	Long-Only Equity	11,645,238	2.4
Environmental	Long-Only Equity	4,231,952	0.9
Cash/Liquidity		10,343,724	2.1
TOTAL		**483,229,323**	**100.0**

INVESTMENT STRATEGY

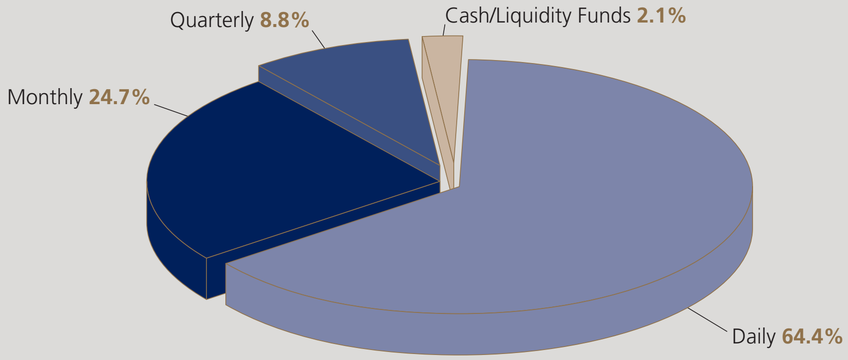
	US$	% NAV
Long-Only	382,090,338	79.1
Long-Short	90,795,261	18.8
Cash/Liquidity	10,343,724	2.1
TOTAL	**483,229,323**	**100.0**

*The difference between the published net asset value of $483,229,697 (30 June 2023: $410,199,628, 31 December 2023: $449,819,491) and the net asset value per the Financial Statements of $483,174,873 (30 June 2023: $410,168,675, 31 December 2023: $451,410,276) is due to two factors. Firstly, due to the use of Mid market prices of investments for valuation and trading purposes compared to Bid market prices used in the Financial Statements in accordance with International Financial Reporting Standards and the Statement of Recommended Practice for financial statements of Authorised Funds issued by the Investment Association (the "IA SORP") and secondly, due to routine adjustments arising from the compilation of the financial statements.

GEOGRAPHICAL DISTRIBUTION at 30 June 2024*



DEALING FREQUENCY at 30 June 2024*



* Frequency at which underlying investments trade. Does not include notice periods, lock in periods or settlement terms for the specific underlying investments

Manager’s Report
Continued

PORTFOLIO ACTIVITY*

Purchases – $7.6M

Security Name	Trade Date	Total Value ($m)
Polar Capital Global Technology Fund	March	2.8
Redwheel Next Generation Emerging Markets Equity Fund	March	4.8
TOTAL		**7.6**

Sales – $20.5M

Security Name	Trade Date	Total Value ($m)	Profit/(Loss) ($m)
iShares MSCI World Energy Sector UCITS ETF	February	2.9	0.4
KLS Corinium Emerging Markets Equity Fund	March	4.8	(0.3)
Findlay Park American Fund	March	2.9	2.4
iShares MSCI Global Metals and Mining Producers ETF	April	2.3	(0.1)
Prosperity Quest Fund	May	0.3	(1.5)
GAM Star Fund PLC - Disruptive Growth	June	7.3	4.9
TOTAL		**20.5**	**5.8**

*Additions or reductions to the Fund's position in the SSGA USD Liquidity Fund not included as this holding is not considered to be forming part of the Fund's strategic portfolio.

Hanseatic Asset Management LBG
July 2024

Portfolio Statement

as at 30 June 2024

	Nominal Holding	Market Value US$	% of Fund
Findlay Park American Fund	325,078.224	70,171,385	14.52%
iShares Core S&P 500 UCITS ETF	109,881.000	63,743,067	13.19%
BlackRock Strategic Equity Hedge Fund	59,488.181	36,258,741	7.51%
Select Equity Offshore Ltd	97,165.409	35,461,206	7.34%
Southpoint Qualified Offshore Fund Ltd	8,945.774	27,452,503	5.68%
iShares Core MSCI Europe UCITS ETF	307,855.000	25,966,020	5.38%
Schroder ISF Asian Total Return Fund	61,296.140	24,895,243	5.15%
BA Beutel Goodman US Value Fund	1,350,130.006	17,268,163	3.57%
Pershing Square Holdings Ltd	302,738.000	15,998,097	3.31%
Polar Capital Global Insurance Fund	1,044,132.920	15,832,187	3.28%
Top 10 Investments		**333,046,612**	**68.93%**
Schroder ISF Global Recovery	79,413.480	15,231,601	3.15%
NTAsian Discovery Fund	22,383.044	14,130,515	2.92%
Egerton Long - Short Fund Limited	556,342.763	12,140,032	2.51%
Polar Capital Funds PLC - Global Technology Fund	97,043.652	11,645,238	2.41%
Worldwide Healthcare Trust PLC	2,541,823.000	11,587,344	2.40%
Simplex Value Up Trust	30,802.506	11,296,511	2.34%
Indus Japan Long Only Fund	12,005.433	10,287,286	2.13%
Armistice Capital Offshore Fund Ltd	8,700.000	8,699,354	1.80%
iShares Core MSCI Emerging Markets IMI UCITS ETF	249,073.000	8,538,222	1.77%
Arcus Japan Fund	56,710.842	6,498,496	1.35%
Top 20 Investments		**443,101,211**	**91.71%**
Alma Capital Investment Fund	31,452.650	6,474,890	1.34%
RA Capital International Healthcare Fund	5,523.581	6,103,578	1.26%
Redwheel Next Generation Emerging Markets Equity Fund	34,358.358	4,773,750	0.99%
BB Biotech AG	98,348.000	4,387,800	0.91%
Impax Environmental Markets Fund	3,356,027.890	4,231,951	0.87%
Blackrock Frontiers Investment Trust PLC	2,085,268.000	3,757,596	0.78%
Prosperity Quest Fund*	2,616.569	–	0.00%
Top 27 Investments		**472,830,776**	**97.86%**
SSGA USD Liquidity Fund**	238,415.880	2,965,515	0.61%
Total investments held at fair value through profit or loss		**475,796,291**	**98.47%**
Other net assets		7,378,582	1.53%
Total net assets		**483,174,873**	**100.00%**

* Prosperity Quest Fund value was reduced to zero during quarter 1 in 2022 as a result of its suspension from dealing.
** Liquidity Fund used for cash management purposes and therefore not forming part of the Fund's strategic portfolio.

Statement of Financial Position

as at 30 June 2024

	Notes	(Unaudited) 30 June 2024 US$	(Unaudited) 30 June 2023 US$	(Audited) 31 December 2023 US$
Non-Current assets				
Investments held at fair value through profit or loss	3	**475,796,291**	409,806,858	450,316,608
Current assets				
Accrued dividend income		**139,607**	180,558	22,603
Other receivables	5	**7,397,810**	21,968	463,603
Cash and cash equivalents	4	**304,708**	572,147	1,072,355
Total Current assets		**7,842,125**	774,673	1,558,561
Total Assets		**483,638,416**	410,581,531	451,875,169
Current liabilities				
Other payables and accruals	6	**(463,543)**	(412,856)	(464,893)
Total Current liabilities		**(463,543)**	(412,856)	(464,893)
Net assets attributable to Participating Redeemable Preference Shareholders	8	**483,174,873**	410,168,675	451,410,276
Net asset value per Participating Redeemable Preference Share*		**US$488.69**	US$422.45	US$452.16

*The difference between the published net asset value per share of $488.74 (30 June 2023: $422.47, 31 December 2023: $450.56) and the net asset value per share of the Financial Statements is due to two factors. Firstly, due to the use of Mid market prices of investments for valuation and trading purposes compared to Bid market prices used in the Financial Statements in accordance with International Financial Reporting Standards and the Statement of Recommended Practice for financial statements of Authorised Funds issued by the Investment Association (the "IA SORP") and secondly, due to routine adjustments arising from the compilation of the financial statements.

The accompanying notes on pages 24 to 33 form an integral part of these financial statements.

Statement of Comprehensive Income

For the six months ended 30 June 2024

	Notes	(Unaudited) 30 June 2024 US$	(Unaudited) 30 June 2023 US$
Dividend and interest income		**683,315**	695,363
Fee rebates		**170,113**	142,988
Net movement in fair value of investments held at fair value through profit or loss	13	**38,099,023**	34,255,513
Net movement on foreign exchange		**2,075**	436
Total revenue		**38,954,526**	35,094,300
Expenditure			
Administration expenses		**28,813**	37,745
Administrator's fees	10	**132,912**	112,529
Auditors' remuneration		**10,808**	9,458
Custodian fees	11	**70,762**	59,023
Directors' fees		**19,506**	17,365
Management fee	12	**2,358,724**	1,967,416
Operating expenses		**2,621,525**	2,203,536
Net profit		**36,333,001**	32,890,764
Total comprehensive profit		**36,333,001**	32,890,764
Total comprehensive profit per Participating Redeemable Preference Share – basic and diluted	14	**US$36.58**	US$33.85

All activities derive from continuing operations.

The accompanying notes on pages 24 to 33 form an integral part of these financial statements.

Statement of Changes in Participating Redeemable Preference Shareholders' Equity of the Fund

For the six months ended 30 June 2024

	Notes	Unaudited) 30 June 2024 US$	(Unaudited) 30 June 2023 US$	(Audited) 31 December 2023 US$
1 January	8	**451,410,276**	**378,627,911**	**378,627,911**
Net profit for the period/year		36,333,001	32,890,764	62,185,663
Payments for Participating Redeemable Preference Shares redeemed	7	(4,568,404)	(1,350,000)	(2,862,403)
Proceeds from Participating Redeemable Preference Shares issued	7	–	–	213,089
In-Specie transfers during the period/year		–	–	13,246,016
30 June/31 December	**8**	**483,174,873**	**410,168,675**	**451,410,276**

The accompanying notes on pages 24 to 33 form an integral part of these financial statements.

Cash Flow Statement of the Fund

For the six months ended 30 June 2024

	(Unaudited) 30 June 2024 US$	(Unaudited) 30 June 2023 US$
Cash flows from operating activities		
Net profit	**36,333,001**	32,890,764
Adjustments for:		
Net movement in the fair value investments held at fair value through profit or loss	**(38,099,023)**	(34,255,513)
Realised (gain)/loss on foreign exchange	**(668,813)**	707,377
Unrealised loss/(profit) on foreign exchange	**666,738**	(707,813)
Operating cash flows before movements in working capital	**(1,768,097)**	(1,365,185)
(Increase)/Decrease in other receivables	**(7,051,211)**	1,973,220
(Increase)/Decrease in other payables	**(1,350)**	22,615
Net cash (used in)/generated from operating activities	**(8,820,658)**	630,650
Cash flows from investing activities		
Payment for purchases of investments held at fair value through profit or loss	**(10,391,084)**	(21,267,285)
Proceeds from sale of investments held at fair value through profit or loss	**23,010,424**	21,957,222
Net cash generated from investing activities	**12,619,340**	689,937
Cash flows from financing activities		
Amounts paid on redemption of shares	**(4,568,404)**	(1,350,000)
Net cash used in financing activities	**(4,568,404)**	(1,350,000)
Net decrease in cash and cash equivalents	**(769,722)**	(29,413)
Effect of foreign exchange rate changes	**2,075**	436
Cash and cash equivalents at beginning of the period	**1,072,355**	601,124
Cash and cash equivalents at end of the period	**304,708**	572,147
Cash and cash equivalents made up of:		
Cash at bank	**304,708**	572,147

The accompanying notes on pages 24 to 33 form an integral part of these financial statements

Notes to the Financial Statements (Unaudited)

1. GENERAL INFORMATION

Hansa Fund PCC Limited (the "Company") was incorporated as a protected cell company in Guernsey on 4 August 1998. The Company has two open-ended Cells: Hansa Harbour Fund and Hansa Global Equity Fund. These financial statements only show the results for the Hansa Global Equity Fund, also referred to as the "Fund". The Fund seeks to maximise the long-term total return on assets whilst maintaining preservation of capital. The Fund seeks to achieve its investment objective by investing predominantly in global equities either through specialist funds or direct investment.

The address of the Company's registered office is Ground Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 2HT, Channel Islands.

The Fund has no employees.

The functional and presentational currency of the Fund is the United States Dollar ("US$").

The half-yearly report has not been audited or reviewed by the auditors RSM CI (Audit) Limited pursuant to the Auditing Practices Board guidance on 'Review of Interim Financial Information'.

2. ACCOUNTING POLICIES

a. Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The financial statements have been prepared under the historical cost basis, except for the revaluation of fair value through profit or loss investments, and in accordance with IFRS. Although the Company is not within the scope of the Statement of Recommended Practice for financial statements of Authorised Funds issued by the Investment Association (the "IA SORP"), consideration has been given to its recommendations in the preparation of the Company's financial statements, to the extent that it does not conflict with IFRS.

These financial statements show the results of the Fund for the period ended 30 June 2024.

b. Going concern

On 24 February 2022 Russian armed forces invaded Ukraine, which had an immediate and negative impact on equity markets globally but most particularly in Russia and Ukraine. The value of the Fund's investment in Prosperity Quest Fund was reduced to zero during quarter 1 in 2022 as a result of its suspension from dealing. As at the date of these financial statements, the conflict in Ukraine is still ongoing.

On 7 October 2023 the conflict in the Middle East between Israel and Palestine escalated, introducing volatility into the global economy with the potential for a more widespread war, as well as the unfolding humanitarian crisis. While the economic effects of the Israel-Palestine War are uncertain and evolving, entities with operations in the region may be directly affected, as well as indirectly affected due to potential instability in the global energy, petrochemical and capital markets. The Fund does not have material directional exposure to either Israel or Palestine. As at the date of these financial statements, the war in Palestine is still ongoing.

The Directors therefore believe that it remains appropriate to prepare the financial statements on a going concern basis. The Directors believe that this basis is appropriate as the Fund has significant net assets, minimal creditors, is not dependent on any external finance or support from other group companies and is expected to continue to operate profitably in the foreseeable future.

c. Standards and Interpretations

New and amended standards adopted by the Fund
Management have assessed all new standards and amendments to standards and interpretations that are effective for annual periods after 1 January 2024 and have deemed none to be applicable to the Fund:

New standards and interpretations not yet adopted
There are no standards, amendments or interpretations in issue at the reporting date which are effective after 1 January 2024 that are deemed to be material to the Fund.

d. Business and geographical segments

The Fund is operated as one segment by the Board of Directors (which is considered to be the chief operating decision maker).

2. ACCOUNTING POLICIES (CONTINUED)

e. Financial instruments

Financial instruments carried on the Statement of Financial Position include investments held at fair value through profit or loss, accrued dividend income, other receivables, cash and cash equivalents, other payables and accruals. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Disclosures about financial instruments to which the Fund is a party are provided in Note 17.

f. Investments held at fair value through profit or loss

Investments held at fair value through profit or loss are non-derivative financial assets that are either designated in this category or not classified in any of the other categories, identified by IFRS 9.

Investments held at fair value through profit or loss are initially recognised at cost, which is the fair value of the consideration given. The investments are subsequently re-measured at fair value based upon the most up to date NAV published by the fund administrator for mutual funds, investment companies or other similar vehicles or collective investment schemes. The fair value of these investments is based on bid prices quoted at the Statement of Financial Position date. Gains and losses arising from changes in the fair value of these securities are recognised through profit or loss in the Statement of Comprehensive Income.

All purchases and sales of investments and trading securities that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recognised at trade date, which is the date on which the Fund commits to purchase or sell the asset. In cases which are not within the time frame established by regulation or market convention, such transactions are recognised on settlement date. Any change in fair value of the asset to be received is recognised between the trade date and settlement date.

g. Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method if not receivable on demand. A provision for impairment is established, in line with the expected credit loss model as prescribed by IFRS 9, if there is objective evidence to suggest that the Fund may not collect all amounts due to it.

h. Cash and cash equivalents

Cash and cash equivalents comprise bank balances. The carrying value of these assets approximates to their fair value.

i. Share capital

Participating Redeemable Preference Shares in issue are redeemable at the shareholder's option (see note 7), are designated liabilities in the Statement of Financial Position and are recorded at the contracted settlement amount.

Any distributions on the Participating Redeemable Preference Shares are recognised as finance costs in the Statement of Comprehensive Income.

j. Net asset value per Participating Redeemable Preference Share

The net asset value per Participating Redeemable Preference Share is calculated by dividing the net assets attributable to Participating Redeemable Preference Shareholders included in the Statement of Financial Position by the number of Participating Redeemable Preference Shares in issue at the period end.

k. Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into US$ at exchange rates in effect at the date of the financial statements. Realised and unrealised gains and losses on foreign currency transactions are charged or credited to the Statement of Comprehensive Income as foreign currency gains and losses. The cost of investments, and income and expenditure are translated into US$ based on exchange rates on the date of the transaction.

l. Revenue recognition

Interest and dividend income comprises dividend income and interest on bank deposits and is recognised on an accrual basis.

m. Related parties

Related parties are individuals and entities where the individuals or entities have the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Notes to the Financial Statements (Unaudited)

2. ACCOUNTING POLICIES (CONTINUED)

n. Use of estimates and judgements

The preparation of the financial statements in conformity with applicable accounting standards and applicable Statute law requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimate with the most significant effects on the carrying amounts of the assets and liabilities in the financial statements is outlined below:

- Valuation of investments held at fair value through profit or loss – Mutual funds, investment companies or other similar vehicles or collective investment schemes are valued based on the NAV per share as determined by the underlying fund administrators.

3. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	(Unaudited) 30 June 2024 US$	(Unaudited) 30 June 2023 US$	(Audited) 31 December 2023 US$
Investments held at fair value through profit or loss	**475,796,291**	409,806,858	450,316,608

4. CASH AND CASH EQUIVALENTS

	(Unaudited) 30 June 2024 US$	(Unaudited) 30 June 2023 US$	(Audited) 31 December 2023 US$
Cash at bank	**304,708**	572,147	1,072,355

Cash and cash equivalents comprise bank balances only. The carrying value of these assets approximates to their fair value.

5. OTHER RECEIVABLES

	(Unaudited) 30 June 2024 US$	(Unaudited) 30 June 2023 US$	(Audited) 31 December 2023 US$
Outstanding amounts receivable on investment disposal	**7,252,399**	–	445,083
Fee rebate income receivable	**24,321**	14,048	15,993
Bank interest receivable	**1,123**	592	2,236
Sundry receivables	**119,967**	7,328	291
	7,397,810	21,968	463,603

6. OTHER PAYABLES AND ACCRUALS

	(Unaudited) 30 June 2024 US$	(Unaudited) 30 June 2023 US$	(Audited) 31 December 2023 US$
Management fee	**396,443**	337,452	382,391
Custodian's fee	**11,893**	10,124	11,472
Auditors' remuneration	**9,405**	8,726	17,634
Administrator's fee	**23,306**	19,252	21,645
Directors' fees	**–**	14,174	9,548
Sundry creditors and accruals	**22,496**	23,128	22,203
	463,543	412,856	464,893

7. SHARES AND SHARE CAPITAL

	(Unaudited) 30 June 2024 US$	(Unaudited) 30 June 2023 US$	(Audited) 31 December 2023 US$
a) Authorised			
5,000,000 Unclassified Shares of US$0.01 each	**50,000**	50,000	50,000
	50,000	50,000	50,000

Participating Redeemable Preference Shares carry the right to receive a distribution out of the income of the Fund in such amounts and at such times that the Directors shall determine, and to receive a distribution on a return of capital of the assets of the Fund on a winding up, in proportion to the number of Shares held.

	(Unaudited) 30 June 2024 Number	(Unaudited) 30 June 2023 Number	(Audited) 31 December 2023 Number
b) Issued			
Participating Redeemable Preference Shares			
In issue at the start of the period/year	**998,344.49**	974,225.46	974,225.46
Issued during the period/year	**–**	–	498.01
Redeemed during the period/year	**(9,622.30)**	(3,290.03)	(6,925.79)
In-Specie transfers during the period/year	**–**	–	30,546.81
In issue at the end of the period/year	**988,722.19**	970,935.43	998,344.49

	(Unaudited) 30 June 2024 Number	(Unaudited) 30 June 2023 Number	(Audited) 31 December 2023 Number
Share Capital			
Participating Redeemable Preference Shares			
In issue at the start of the period/year	**9,983**	9,742	9,742
Issued during the period/year	**–**	–	1
Redeemed during the period/year	**(96)**	(33)	(69)
In-Specie transfers during the period/year	**–**	–	309
In issue at the end of the period/year	**9,887**	9,709	9,983
Share Premium			
Participating Redeemable Preference Shares			
Balance at the start of the period/year	**73,809,470**	63,213,009	63,213,009
On shares issued during the period/year	**–**	–	212,779
On shares redeemed during the period/year	**(4,568,308)**	(1,349,967)	(2,862,334)
On In-Specie transfers during the period/year	**–**	–	13,246,016
Balance at the end of the period/year	**69,241,162**	61,863,042	73,809,470

Notes to the Financial Statements (Unaudited)

8. NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATING REDEEMABLE PREFERENCE SHARES

	(Unaudited) 30 June 2024 US$	(Unaudited) 30 June 2023 US$	(Audited) 31 December 2023 US$
Share capital	**9,887**	9,709	9,983
Share premium	**69,241,162**	61,863,042	73,809,470
Retained income	**(40,143,497)**	(36,423,068)	(38,375,400)
Capital reserves	**454,067,321**	384,718,992	415,966,223
	483,174,873	410,168,675	451,410,276

Share premium – Amount subscribed for share capital in excess of nominal value.

Retained income – All other net gains and losses and transactions not recognised in capital reserves.

Capital reserves – Transactions that are capital in nature and not recognised in retained earnings. These include movements on foreign exchange, gains/losses on investments held at fair value through profit or loss and fee rebates.

9. NET ASSET VALUE PER PARTICIPATING REDEEMABLE PREFERENCE SHARE

The net asset value per share of US$488.69 (30 June 2023: US$422.45, 31 December 2023: US$452.16) is based on the net assets at the period end of US$483,174,873 (30 June 2023: US$410,168,675, 31 December 2023: US$451,410,276) and on 988,722.19 Participating Redeemable Preference Shares, being the number of Participating Redeemable Preference Shares in issue at the period end (30 June 2023: 970,935.43, December 2023: 998,344.49).

10. ADMINISTRATOR'S FEES

The Administrator is entitled to an annual fee based on the net asset value of the Company payable as follows:

US$0 – US$200m	0.068% per annum (2023: 0.068%)
US$200m+	0.051% per annum (2023: 0.051%)

Such fees are calculated monthly, subject to an annual minimum fee of US$100,000 (2023: US$100,000), and payable monthly in arrears. The Administrator's fees are apportioned between the Fund and Hansa Harbour Fund pro rata to their net asset values.

11. CUSTODIAN FEES

The Custodian is entitled to an annual fee payable by the Fund equal to 0.03% of the Net Asset Value. Such fee is calculated and payable monthly and is subject to an annual minimum fee of US$25,000 (31 December 2023: US$25,000), payable in equal monthly instalments in arrears. The Custodian is also entitled to receive transaction fees, as well as reimbursement for the fees of any sub-custodians.

12. MANAGEMENT FEES

The Manager receives a monthly fee from the Fund calculated at an annual rate equal to 1.00% of the Net Asset Value of the Fund, payable monthly in arrears.

The Manager is also entitled to an annual performance fee. The performance fee is equal to 10% of the amount by which the Fund outperforms its Benchmark Return in any accounting period, subject to first having made good any underperformance on an individual investor basis. The Benchmark Return is a composite 60:40 of US CPI Urban Consumers NSA (Non Seasonally Adjusted) and Eurozone CPI plus 2% per annum, the full description of which may be found in the Offering Memorandum. Any performance fee only becomes payable at the end of an annual accounting and as such in the current period the Manager is not entitled to a performance fee (31 December 2023: US$34,758).

The Manager is entitled, at its sole and absolute discretion, to reduce or rebate its management and/or its performance fee. Such reduction or rebate may be applied generally in respect of all investors in the fund, or may be applied with respect to a certain investor or investors only. Please refer to the Scheme Particulars for further details regarding the criteria and factors of consideration.

13. NET MOVEMENT IN THE FAIR VALUE OF INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	(Unaudited) 30 June 2024 US$	(Unaudited) 30 June 2023 US$
Realised gains on disposal of investments held at fair value through profit or loss	**6,838,610**	7,044,439
Unrealised gains on investments held at fair value through profit or loss	**31,260,413**	27,211,074
	38,099,023	34,255,513

14. EARNINGS PER PARTICIPATING REDEEMABLE PREFERENCE SHARE

The earnings per share is based on a profit of US$36,333,001 (30 June 2023: US$32,890,764, 31 December 2023: S$62,185,663) on ordinary activities and a weighted average of 993,382.60 (30 June 2023: of 971,680.69, December 2023: 980,927) shares in issue.

There is no difference between the basic and diluted earnings per share calculations.

15. TAXATION

The Fund has been granted exempt status and therefore has no liability to Guernsey tax. With effect from 1 January 2010, Guernsey restructured its tax regime, and the standard rate of income tax for companies moved to 0%. However, the Company will continue to apply for a tax exempt status by paying the annual fee. With effect from 1 January 2024 the fee increased from £1,200 to £1,600.

The Fund was granted reporting fund status by HM Revenue & Customs with effect from 1 January 2010, subject to it continuing to comply with the reporting fund regulations. The Directors conduct the affairs of the Fund with a view to ensuring that the appropriate conditions for reporting fund status will continue to be met.

Taxation disclosed in the Statement of Comprehensive Income comprises solely of withholding tax on dividend income deducted at source.

16. RELATED PARTY TRANSACTIONS

Directors

The Directors are regarded as related parties.

Total Directors' fees paid during the period amounted to US$19,506 (30 June 2023: US$17,365, 31 December 2023: US$28,058). At 30 June 2024 prepaid Directors' fees amounted to US$15,894 (30 June 2023: US$14,174, 31 December 2023: US$9,548 payable and outstanding). These fees are all arms' length transactions.

Directors' fees are based on a set annual fee per director which is apportioned between the Fund and Hansa Harbour Fund on a 60:40 split, with the Fund accounting for the 60% portion.

The Manager

Wayne Bulpitt, Managing Director of Hanseatic Asset Management LBG is also a Director of the Fund, and as a result the Manager is also regarded as a related party.

Total Manager's fee paid during the period amounted to US$2,358,724 (30 June 2023: US$1,967,416, 31 December 2023: US$4,100,866). At 30 June 2024, management fees of US$396,443 (30 June 2023: US$337,452, 31 December 2023: US$382,391) remained outstanding and payable by the Fund.

17. FINANCIAL INSTRUMENTS

Fair values

The carrying amounts of investments, other receivables, cash and cash equivalents and other payables approximate their fair values.

Management of Capital

The Fund manages its capital to ensure that it is able to continue as a going concern. The capital of the Fund is represented by net assets attributable to holders of Participating Redeemable Preference shares of the Fund on page 22. During the year and at the year end the Fund did not have any third party debt balances.

Investment and trading activities

The objective of the Fund is to maximise the long term total return on assets whilst maintaining the preservation of capital. The policy of the Board is to provide a framework within which the Manager can operate and deliver the objectives of the Fund.

Notes to the Financial Statements (Unaudited)

17. RELATED PARTY TRANSACTIONS (CONTINUED)

Investment and trading activities (continued)

The Fund's investing activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risk to which the Fund is exposed are market price risk and currency risk.

Credit risk

Credit risk is the risk that an issuer or counterparty may be unable or unwilling to meet commitments it has entered into with the Fund.

The Fund's principal assets are bank balances and cash and investments as set out in the Statement of Financial Position which represents the Fund's maximum exposure to credit risk in relation to the financial assets.

The credit risk on bank balances is limited because the counterparty is a bank with a credit rating of A2 assigned by Standard and Poor's rating agency. The rating indicates that the bank has adequate capacity to meet its financial commitments.

All transactions in listed securities are settled upon delivery using approved brokers. The risk of default is considered minimal as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

The Fund's maximum exposure to credit risk is the carrying value of the assets on the Statement of Financial Position.

The Fund is obliged to use the impairment methodology in line with the expected credit loss model ("ECL model") as prescribed by IFRS 9. Under the ECL model, financial assets, including those subject to credit risk, are assessed for impairment based on potential lifetime credit losses, if there has been a significant increase in credit risk since initial recognition, or alternatively on a 12 month expected credit loss if the increase in credit risk since initial recognition is not deemed to be significant. These financial assets are reviewed for potential credit losses by the Manager and the Board.

Those financial assets held by the Fund and subject to credit risk, which includes cash and cash equivalents, accrued income and other receivables, are assessed for impairment on a 12 month expected credit loss basis as there has not been a significant change in credit risk since initial recognition. In addition to this, any potential impairment considered appropriate for these assets would be deemed immaterial and therefore no further analysis is provided or adjustments included in these financial statements.

Market price risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market. The Fund's exposure to market price risk is comprised mainly of movements in the value of the Fund's investments.

Price sensitivity

At 30 June 2024, if the market prices of the securities had been 10% higher with all other variables held constant, the net assets attributable to holders of Participating Redeemable Preference Shares would have been US$530,754,502 (30 June 2023: US$451,185,543, 31 December 2023: US$406,378,615), arising due to the increase in the fair value of investments held at fair value through profit or loss by US$47,579,629 (30 June 2023: US$40,980,686, 31 December 2023: US$45,031,661).

Liquidity risk

Liquidity risk is the risk that the Fund cannot meet its liabilities as they fall due. The Fund's primary source of liquidity consists of cash and cash equivalents and investments held at fair value through profit or loss.

The Fund's liabilities are short-term in nature and are payable in the normal operating cycle.

17. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk (continued)

As at 30 June 2024, the Fund's exposure to liquidity risk was as follows:

	Less than 1 month US$	1 to 3 months US$	3 months to 1 year US$	Total US$
Non-Current Assets				
Investments held at fair value through profit or loss	376,149,731	46,620,134	53,026,425	475,796,291
Current Assets				
Accrued dividend income	139,607	–	–	139,607
Other receivables	7,397,810	–	–	7,397,810
Cash and cash equivalents	304,708	–	–	304,708
	383,991,856	**46,620,134**	**53,026,425**	**483,638,416**
Current Liabilities				
Accrued fees	(396,443)	–	–	(396,443)
Other payables and accruals	(67,100)	–	–	(67,100)
	(463,543)	**–**	**–**	**(463,543)**

As at 30 June 2023, the Fund's exposure to liquidity risk was as follows:

	Less than 1 month US$	1 to 3 months US$	3 months to 1 year US$	Total US$
Non-Current Assets				
Investments held at fair value through profit or loss	319,894,924	55,799,040	34,112,894	409,806,858
Current Assets				
Accrued dividend income	180,558	–	–	180,558
Other receivables	21,968	–	–	21,968
Cash and cash equivalents	572,147	–	–	572,147
	116,549,810	**291,627,812**	**2,403,909**	**410,581,531**
Current Liabilities				
Accrued fees	(390,489)	–	–	(390,489)
Other payables and accruals	(22,367)	–	–	(22,367)
	(412,856)	**–**	**–**	**(412,856)**

As at 31 December 2023, the Fund's exposure to liquidity risk was as follows:

	Less than 1 month US$	1 to 3 months US$	3 months to 1 year US$	Total US$
Non-Current Assets				
Investments held at fair value through profit or loss	298,409,924	87,111,892	64,794,792	450,316,608
Current Assets				
Accrued dividend income	22,603	–	–	22,603
Other receivables	463,603	–	–	463,603
Cash and cash equivalents	1,072,355	–	–	1,072,355
	299,968,485	**87,111,892**	**64,794,792**	**451,875,169**
Current Liabilities				
Accrued fees	(461,060)	–	–	(461,060)
Other payables and accruals	(3,833)	–	–	(3,833)
	(464,893)	**–**	**–**	**(464,893)**

Notes to the Financial Statements (Unaudited)

17. FINANCIAL INSTRUMENTS (CONTINUED)

Currency risk

Currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund holds certain financial assets and liabilities denominated in currencies other than US dollar, the functional currency of the Fund. The Fund is therefore exposed to currency risk, as the value of those financial instruments will fluctuate due to changes in exchange rates. Exchange rate exposures are reviewed by the Manager and the Board.

The carrying amount of the Fund's foreign currency (net) exposure at the reporting date is as follows:

	(Unaudited) 30 June 2024 US$	(Unaudited) 30 June 2023 US$	(Audited) 31 December 2023 US$
USD	**420,480,864**	358,742,718	391,310,568
GBP	**41,544,034**	37,026,812	38,428,859
CHF	**4,387,800**	4,288,175	16,679,811
JPY	**16,762,176**	10,110,970	4,991,038

Currency sensitivity

The following table details the Fund's sensitivity to a 10% weakening of the reporting currency against each of the relevant foreign exchange currencies. This analysis assumes that all variables, in particular interest rates remain constant. The analysis is performed on the same basis for the prior/year.

Increase/(decrease) in net assets attributable to holders of Participating Redeemable Preference Shares:

	(Unaudited) 30 June 2024 US$	(Unaudited) 30 June 2023 US$	(Audited) 31 December 2023 US$
GBP	**4,154,403**	3,702,681	3,842,886
CHF	**438,780**	428,818	1,667,981
JPY	**1,676,218**	1,011,097	499,104

18. FAIR VALUE MEASUREMENT

IFRS 13 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under IFRS 13 are as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment of management, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

18. FAIR VALUE MEASUREMENT (CONTINUED)

The following table presents the Fund's financial assets and liabilities by level within the valuation hierarchy as of 30 June 2024.

	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
Financial assets				
Investments held at fair value through profit or loss	**138,751,897**	**337,044,394**	**–**	**475,796,291**

The following table presents the Fund's financial assets and liabilities by level within the valuation hierarchy as of 30 June 2023.

	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
Financial assets				
Investments held at fair value through profit or loss	111,678,849	298,128,009	–	409,806,858

The following table presents the Fund's financial assets and liabilities by level within the valuation hierarchy as of 31 December 2023.

	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
Financial assets				
Investments held at fair value through profit or loss	125,283,650	325,032,958	–	450,316,608

The Fund invests in listed equities as well as investment funds which are not quoted in active markets and may be subject to restrictions on redemptions such as lock-up periods, redemption gates and side pockets. Investments in these investment funds are valued based on the NAV per share as determined by the underlying fund administrators.

Investments in listed equities have been classified as Level 1 investments. The investments in funds that the Fund is able to redeem at NAV as at the measurement date have been classified as Level 2 investments.

There were no transfers between levels during the period.

There were no changes to valuation techniques during the period.

19. ULTIMATE CONTROLLING PARTY

The Directors do not consider the Fund to have an ultimate controlling party.

20. POST BALANCE SHEET EVENTS

There are no material events subsequent to the period-end date which require disclosure in these financial statements.

Management and Administration

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Wayne Bulpitt CBE
Simon Livesey
Douglas Mackay (Alternate Director)

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