



HANSA GLOBAL EQUITY FUND

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



Annual Report (Audited)
For the year ended
31 December 2024

2024



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

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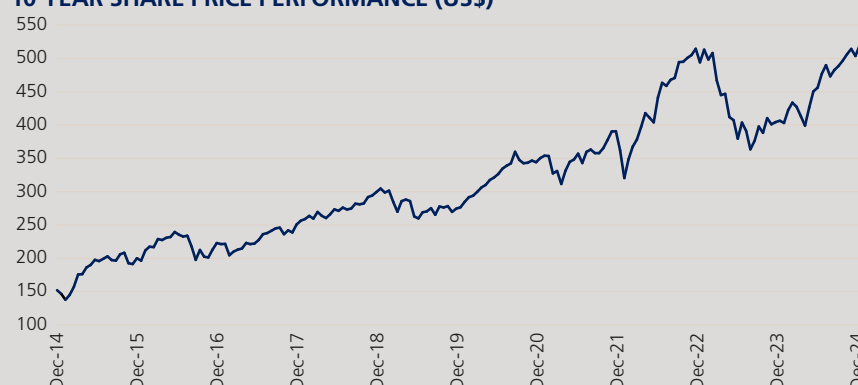
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	31 December 2024	31 December 2023	Returns
Amounts due to Shareholders*	\$498,784,849	\$451,410,276	-
Price per share	\$505.61	\$452.16	11.82%
Performance Benchmark#	4.7%	5.2%	-
MSCI All Country World Index and Frontier Markets	2,878.15	2,449.49	17.5%

*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. See Statement of Financial Position and Notes 7 and 8 to the accounts.

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 12 months ended 31 December.

10 YEAR SHARE PRICE PERFORMANCE (US\$)



PERFORMANCE

Portfolio Performance*	2024	3 Year p.a.	5 Year p.a.	10 Year p.a.
Share Price Performance	11.8%	(0.2%)	5.3%	6.1%
Performance Benchmark	4.7%	6.5%	6.0%	4.3%
MSCI All Country World Index and Frontier Markets	17.5%	5.4%	10.0%	9.2%

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

Chair's Statement

I'm delighted to provide my first Chair's Statement having replaced Stephen Jones OBE on 25 September 2024, who had fulfilled the role with admirable diligence over the preceding ten years.

During the year the share price of Hansa Global Equity Fund ("the Fund") increased by 11.8% to \$505.61. Over the same period the Fund's benchmark, which is a composite of US and Eurozone rates of inflation and therefore absolute in nature, increased by 4.7% whilst the MSCI World Index increased by 17.5%.

As my predecessor reported in his interim Chair's statement, the first half of the year was dominated by strong performance in global equities, driven by the US and more particularly the 'Magnificent 7' ("M7") juggernaut, which now represents more than 30% of US stock markets. The second half of the year saw slightly more muted performance across equity markets, but ultimately 2024 was a year to be positive on risk assets and against this backdrop the Fund performed well, particularly given its underweight positions in the M7, with active managers typically underweight that grouping. Whilst this tempered performance, we think it right that active managers limit their exposure to the group from a risk management perspective and importantly your fund performed well versus the equal weighted global equity index (rising 5.8% in 2024) which is arguably a more appropriate comparator at this juncture.

The second half of the year saw a continuing challenging geopolitical landscape following the re-election of President Trump in the US. The challenge when trying to assess the implications of Trump's presidency is to separate rhetoric from actions, but given the surprising position of strength he attained following the election through gaining control of both the Senate and Congress (alongside an already Republican-heavy Supreme Court), pre-election promises in respect of government cost-cutting, tariffs and immigration might well be followed through more forcibly than had been anticipated prior to the election. Whilst this Chair's Statement covers the year of 2024, at the time of writing President Trump and his administration have both implemented tariffs at a higher level than predicted and re-written the rules of global diplomacy; the impact of such actions, both for markets and beyond, might prove to be significant.

For the time being the major global geopolitical event remains the war in Ukraine. For Europe, at a time when unity might seem to be of paramount importance given the dual threats of war looming to the East and isolation looming from the US, national elections within many EU member states have increasingly seen shifts to populist far-right parties with strong anti-EU sentiments, in no small part due to voter dissatisfaction following extended periods of low growth and perceived uncontrolled immigration.

In the report that follows the Investment Manager provides a detailed explanation of the performance of the Fund in 2024 and their thoughts on the outlook for 2025, expanding on a number of topics I have touched on above.

As my predecessor reported last year, the Fund's Investment Manager became a signatory to the Principles of Responsible Investment ("PRI"), an independent body supported by the United Nations and the leading proponent of responsible investment, in 2022. I'm pleased to report that in its second Assessment Report the Investment Manager is shown to be outperforming the PRI Median in seven of the nine reported categories, which continues to reflect the real commitment being shown by the Investment Manager in putting ESG matters at the forefront of its asset allocation process. Further details on their approach to responsible investing can be found on its website: www.hansagr.com.

I thank shareholders for their support as I and my fellow directors work alongside the Investment Manager as it seeks to execute its long-term global equity investment strategy.



Susan Norman
Chair

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 Hansa Global Equity Fund's ("the Fund") 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 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 31 December 2024 is as follows:

Gross method: 0.99:1 (2023: 0.99:1)

Commitment method: 1.00:1 (2023: 1.00:1)

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 37 to 39, 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 senior management and staff is in line with the risk policies and objectives of the alternative investment funds it manages.

The fixed remuneration paid by the AIFM to its senior management and staff in respect of all funds that it manages for the financial year ended 31 March 2024 was US\$1,164,804 (2023: US\$1,005,236) and was shared amongst 8 (2023: 7) members of senior management and staff. The financial year of the Fund ran from 1 January 2024 to 31 December 2024, whereas the financial year of the AIFM runs from 1 April to 31 March. The above figures are taken from the financial report of the AIFM for the year ended 31 March 2024. All 8 (2023: 7) AIFM senior management and staff were fully or partially involved in the activities of the Fund. The variable remuneration paid by the AIFM to its senior management and staff in respect of all funds that it manages for the financial year ended 31 March 2024 was US\$688,718 (2023: US\$680,043). The AIFM senior management and staff remuneration is established with reference to the market remuneration of each equivalent position and is not linked to the performance of the Fund or any other fund the AIFM is the AIFM of. None of the AIFM's senior management and staff's actions had a material impact on the risk profile of the Fund.

Fund's Policies and Structure

INVESTMENT POLICY AND BENCHMARKS

The investment objective of Hansa Global Equity Fund ("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 Return Benchmark. The accounts are presented in United States Dollars.

DISTRIBUTION POLICY

The Fund distributes substantially all of its net income (if any) by way of an annual dividend. Unless requested by Shareholders, dividends will be reinvested and applied in acquiring additional Shares at prices prevailing on the next Dealing Date after the due date for the payment of dividends has been announced.

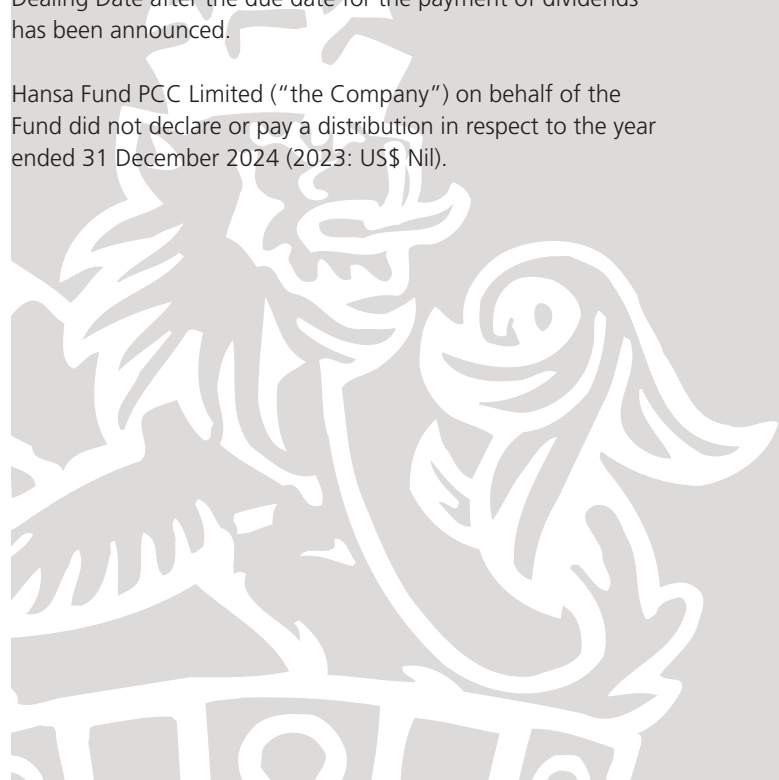
Hansa Fund PCC Limited ("the Company") on behalf of the Fund did not declare or pay a distribution in respect to the year ended 31 December 2024 (2023: US\$ Nil).

CAPITAL STRUCTURE

At 31 December 2024 the Fund had 986,503.83 (31 December 2023: 998,344.49) US\$0.01 Participating Redeemable Preference Shares in issue.

Participating Redeemable Preference Shares carry limited voting rights.

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.



Manager's Report

"DR. JEKYLL & MR. HYDE"

Executive Summary

As 2024 draws to a close it is easy to forget quite how much has happened over the last year. The headlines are familiar; the US has continued to be the driving force behind global markets, Europe is still in the doldrums, China briefly awakened from its slumber in September before returning to sleep with the rest of the world a mixed bag. But below the headlines, much like a swan gliding through water, there has been significant volatility with geopolitics becoming a central concern with war in Europe, the Middle East and Africa.

The main event in the final quarter of the year was the re-election of Donald Trump as US president. As always with Trump there has been a lot of rhetoric about what he will or won't do as president. Most consequential for global markets is his desire to raise tariffs on all goods imported to the US. Tariffs are not necessarily bad if applied in the correct way but it is unclear at this stage exactly how the incoming administration will enact them with a more targeted, strategic approach the best outcome for markets. A broadbrush, flat rate tariff on all imports would likely be highly disruptive and may trigger retaliatory action. Only time will tell which approach is taken.

The other central policy in Trump's agenda is curbing immigration to the US. Having tried building (parts of) a wall to stop people coming in to limited effect during his first term, he is now proposing to deport millions of people already in the US during his second term. This will significantly tighten the US labour market, particularly at the lower paid, lower skilled end of the market where there is little appetite from US citizens to fill the vacant jobs. This proposal has the possibility of pushing up inflation and also creating bottlenecks in the US economy.

Outside of the US, we are increasingly concerned about the lack of innovation and hence productivity growth in much of Europe. Struggling economies have contributed to the rise of more extreme political parties on both the left and the right with the return of war to the continent not helping. China is becoming increasingly autocratic with it always dangerous to be investing in a country completely controlled by one person. We are more positive on the outlook for Japan where corporate improvements continue to be made (despite some political instability) and many emerging markets which have favourable demographics and typically lower debt levels than developed countries.

Going into the new year, we remain fully invested and, while we had started to diversify the portfolio increasing positions in Japan and emerging markets, in light of the impact of Trump on US growth, we are inclined to pause this process and focus on keeping the US position up to weight. While aware of the risks posed by Trump, often the actions taken are not as dramatic as the language used so we remain cautiously optimistic. If we see signs that concern us, namely interfering with the management and policy of the Federal Reserve or sharp increases in US treasury yields as bond markets get spooked, then we will shift to more defensive positioning utilising our selection of less correlated hedge funds and bonds which are starting to look more attractive. We remain vigilant and active, but are constructive on the prospects of the year ahead.

The year in review

2024 had something for everyone. The outlook for the US economy waxed and waned; initially weakening in the belief that interest rates had risen too far and a recession was on cards, before rebounding as investors started to discount a soft landing. Similarly, inflationary expectations started the year on a dovish note as inflation fell sharply from its post-COVID highs, only to rise again as inflation proved stickier in key areas such as wages and services. Despite this volatility **the broad direction was one of robust US growth combined with falling inflation, enabling the Federal Reserve to start cutting interest rates.**

The rest of the world was more mixed. Europe remained moribund, reflecting an absence of growth, poor confidence levels – with military conflict on its doorstep – combined with the impact of important trading partners such as China weighing on growth. Most significantly, **Germany shifted from being the growth engine of Europe to the sick man. China itself continues to falter** as it struggles to digest past excesses in key areas such as housing and real estate. Growth remains under pressure and government remedies have, on the whole, been underwhelming. Elsewhere in Asia and the emerging markets the picture has been largely dependent on whether or not they are net beneficiaries of the current machinations happening elsewhere in the world. Nonetheless, all have typically paled under the shadow of the US.

Manager's Report

Continued

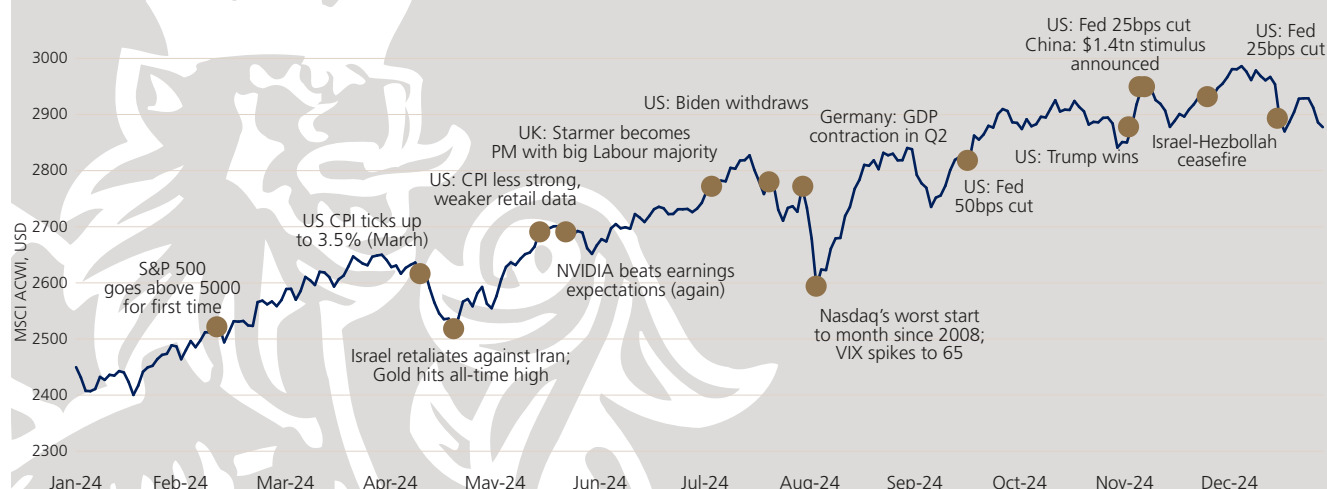
What truly distinguished 2024, however, was the ongoing geopolitical turmoil. On the one hand, the military conflicts in both Europe and the Middle East showed no sign of abating. Russia's invasion of Ukraine shifted from what they hoped would be a short, sharp campaign to a war of attrition. To date, the conflict has remained limited to Ukraine albeit the rhetoric has ratcheted up following the decision by the US and its allies to provide Ukraine with medium distance weapons. Similarly, the Middle East is a tinderbox. Following the earlier attacks by Hamas, Israel has been waging war in both Gaza and with Hamas' ally, Hezbollah, in Lebanon. Whilst the recent ceasefire between Israel and Hezbollah is encouraging, tensions remain high with speculation on how the incoming Trump administration will adjust the US's Middle Eastern policy not boding well for lasting peace anytime soon with the fall of the Assad regime in Syria now significantly complicating matters.

Compounding this fragile geopolitical backdrop, **the shift away from centrist parties within the West stepped up a gear in 2024.** With around 70 countries globally holding elections during the year, it was something of a pivotal period for democracy. Europe, in particular, having been dominated by centrist parties

since the second world war, saw further inroads being made by more extreme parties on both the left and, especially, the right as the electorate felt increasingly disillusioned with mainstream politics. Having struggled under years of rapidly rising living costs, failing to see the benefits from the more orthodox parties, countries such as France, Germany, Greece and Italy have increasingly swung to the right and their populist policies of being anti-immigration and anti EU. Time will tell how far this trend goes and the implications of living under such governments.

The political turmoil reached its peak with the **re-election of Donald Trump as president of the United States.** Despite the polls predicting a tight run race between Kamala Harris and Trump, the outcome was anything but with Trump delivering a resounding victory. He won all seven of the decisive swing states, and control of both the Senate and the House, giving him a mandate to instigate real change in the US economy and empowering him to deliver on his policies for tariffs and immigration. To date, stock markets have chosen to focus on his pro-growth, small government credentials but it will undoubtedly prove to be a rocky journey with both highs and lows and a great deal of rhetoric!

Chart 1: Something for everyone



Source: Bloomberg

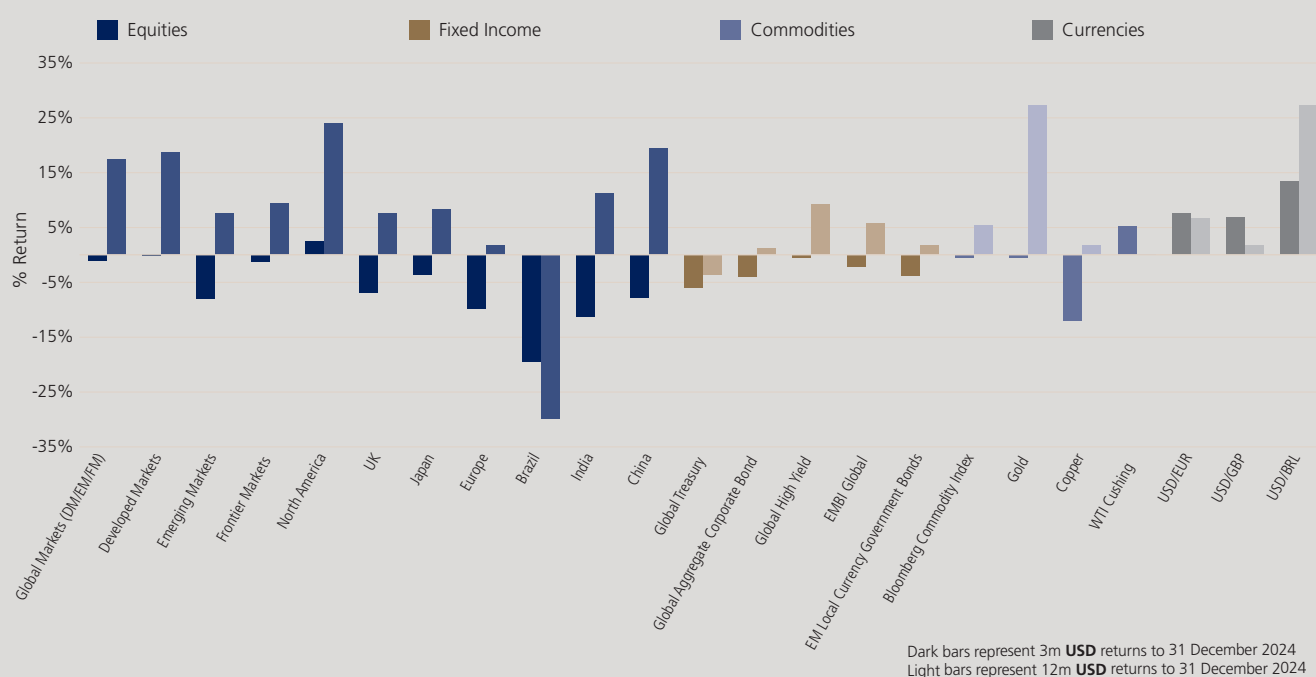
It is perhaps **surprising then that 2024 proved such a good year for world stock markets.** One would have thought that the challenges faced would have weighed heavily on performance and markets certainly wouldn't have risen by the

impressive 17.5% that they delivered over the year. Scratch beneath the surface however, and the story is a little more nuanced. Driving the overall market returns was, again, the US and, more specifically, the Magnificent 7 (M7). The US has been

the powerhouse behind world stock market returns for many years now and the 67.3% rise in the M7 over the year helped turbocharge these returns. With the M7 now accounting for over 30% of the US stock markets, and the US market some 67% of world indices, the concentration in world stock markets is

becoming notable again. Nonetheless, even if one strips out the performance of the US and the M7, we still saw decent returns from many other markets even if they were more muted than that of the US.

Chart 2: Performance of countries, sectors, and asset classes



Source: Bloomberg

OUTLOOK FOR 2025

President Trump – Dr. Jekyll & Mr. Hyde

Generally, we view politics as a sideshow for stock markets with their direction typically a function of growth, valuations and the provision of liquidity by central banks. The coming years, however, will likely see politics, under a Trump presidency, taking much more of a centre stage. Unlike in 2016 when Trump's win over Hilary Clinton appeared to be as much a surprise to himself as it was to the world, this time around he seems to be much better prepared. Whereas previously he struggled to form a government resulting in a revolving door at the White House,

now he has hit the ground running, rapidly filling critical jobs in both his cabinet and the White House. The names announced so far are a classic Trump blend of the competent – such as Scott Bessent, his nomination as the Treasury Secretary – to the shady – with his pick for attorney general, Matt Gaetz, quickly dropping out – to the bizarre – with his pick for health secretary, Robert F Kennedy Jr, perceived by many as anti-vaccine and having questionable views on COVID. Nonetheless, versus his past cabinet, the current cabinet seems much more targeted to achieving his goals and much more compliant to him.

Manager's Report

Continued

Trump's appointees are a mixture of the good, the bad and the weird



Secretary of State:
Marco Rubio



Secretary of Defence:
Pete Hegseth



Secretary of Treasury:
Scott Bessent



Attorney General:
Matt Gaetz



Secretary of Health and Human Services:
Robert F. Kennedy Jr



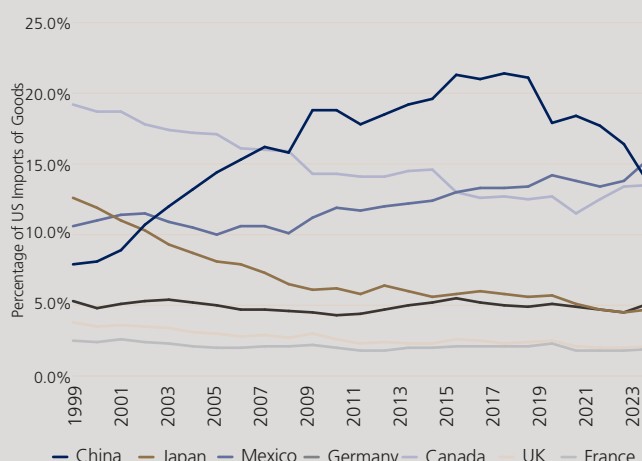
Department of Government Efficiency:
Elon Musk

Therein lies the problem. Whilst many of Trump's policies are sensible, there are others which are more debatable and, some, which appear to be downright dangerous. It is this uncertainty about which Trump will present himself that will dominate stock markets over the coming years. Will it be Mr. Hyde, with badly thought out, misinformed policies that will dominate or Dr. Jekyll, seeking to enhance growth and minimise government and bureaucracy, that will shine through?

Starting with the former, two of Trump's key policies are the introduction of further tariffs and a tightening of immigration laws. Tariffs are not always bad, and we would argue that Trump correctly changed the global narrative on China in his first presidency arguing that the world was wrong to focus on the short-term benefits of trading with China and ignoring their misuse of intellectual property and predatory trading practices. Notably, whilst the Democrats argued strongly against Trump's tariff policies at the time, they failed to repeal them when they got into power. Even so, the prospect of Trump implementing his pre-election promise to impose an across-the-board tariff of either 10% or 20% on every import coming into the US, as well as a tariff upward of 60% on all Chinese imports, will likely

cause chaos. Inevitably this will provoke retaliatory actions from China, Europe and Canada and whilst the impact on longer term inflation is debatable, it will almost certainly mean that, in aggregate, world trade will be in a considerably worse position.

Chart 3: China's portion of US imported goods has declined and is expected to decline further



Source: Federal Reserve Economic Data

Trump's immigration proposals are equally contentious. Unlike in his first term, where he primarily focused on preventing new immigrants entering the US with the infamous wall between the US and Mexico, he is now increasingly focusing on mass deportations of undocumented existing immigrants in what he terms as "the largest domestic deportation operation in American history". Whilst hard to measure, it is estimated that there are 11m people in the US without authorisation, some of whom have been living and working in the US for decades. If Trump were to implement these threats in full, it would likely lead to significant economic instability. Trump and his team argue that his planned immigration measures would help raise wages for American workers and improve working conditions, but the reality is likely to be far more disruptive. Those industries that rely heavily on cheap labour, and particularly industries such as agriculture and hospitality which utilise a large element of undocumented labour, would be severely impacted by the abrupt removal of millions of immigrants. Such a move would likely disrupt the supply of good and services in the affected industries and put upwards pressure on inflation at a time when the US economy is already running hot.

Whilst the anticipation of these measures is already sending shockwaves across the globe, there is an alternative scenario where the Dr. Jekyll shines through resulting in a positive backdrop for markets, especially the US stock market. If one ignores the cascade of tweets and rhetoric, ultimately Trump represents an unashamed capitalist who believes in small governments and eliminating the often-onerous bureaucracy that often goes hand in hand with larger governments. He plans to reduce taxes on both individuals and corporates, targeting a corporate tax rate of just 15%, down from the current 21%. Similarly, he plans to expand oil and gas drilling, helping to lower energy prices, and has empowered Elon Musk to reduce government bureaucracy. His friendship with Elon Musk, one of the stranger developments in the electoral race, has seen Musk tasked with slashing excessive regulation, cutting wasteful expenditure, and restructuring federal agencies, all commendable goals. Details of how the new Department of Government Efficiency (DOGE) will operate are scarce at this stage but Musk is on record as targeting \$2 trillion of cuts from an estimated government expenditure of \$6.75 trillion in 2024.

It is unclear whether what Trump has said in the past will actually become his core policies

Donald Trump courts oil executives with pledge to let industry 'drill, baby, drill'

Trump win puts global corporate tax deal 'in peril'

Trump pledges to lower taxes on Americans abroad in latest attempt to woo voters



Source: Financial Times, Reuters

So which Trump do we think will present himself: Dr. Jekyll or Mr. Hyde? Well, like the characters portrayed in Robert Louis Stevenson's book, in practice the coming years are likely to be a painful tussle between the two. Following a similar pattern to his first term, Trump's second term will be a blend of rhetoric, hostility and bravado. However, this time around he has both dominance in his own party and within the Senate and the House giving him the mandate to enact real change. It remains to be seen how vindictive he will be against those that he views as having wronged him post losing to Biden but the journey will undoubtedly be a rocky one.

Whilst this backdrop will undoubtedly lead to stock market volatility, we do see a number of redeeming features, at least from the perspective of the US stock market. First and foremost, Trump has been lucky to inherit a US economy in robust health. Despite his election campaign being built around his claims of mismanagement of the economy under the Biden administration, the US economy remains the envy of the world. Growth is running above trend levels and the Federal Reserve is now in easing mode. Whilst manufacturing is more muted, the consumer, the backbone of the US economy, is firing on all cylinders. Importantly, what Trump says and what he does are often two different things with his opening gambit in negotiations not necessarily the desired outcome. **Ultimately with Trump viewing the stock market as the barometer of his success, there is a healthy alignment between Trump and investors in the US stock market.**

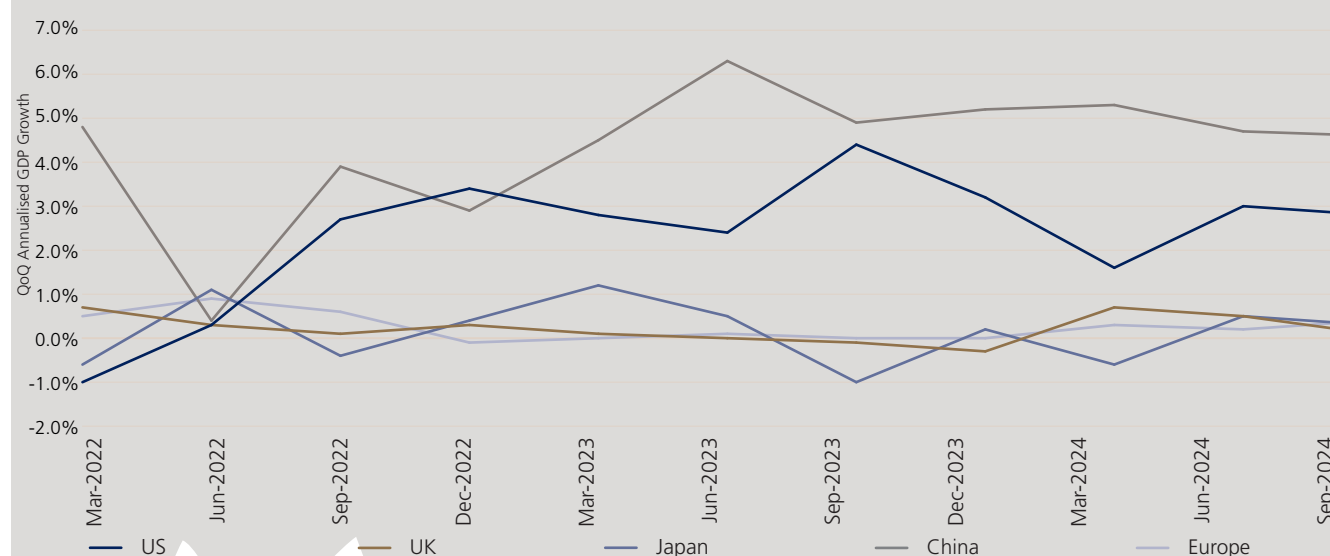
The Rest of the World

Whilst the US economy looks set to prosper under a Trump administration, the outlook for the rest of the world is far less certain. Partly this is a function of the policies planned by Trump but also their starting points. Unlike the US, which has enjoyed a prolonged boom, most other countries have struggled, barely reaching their pre-COVID levels in many cases.

Manager's Report

Continued

Chart 4: US GDP growth has outperformed most of the rest of the world, with China the exception according to its official figures

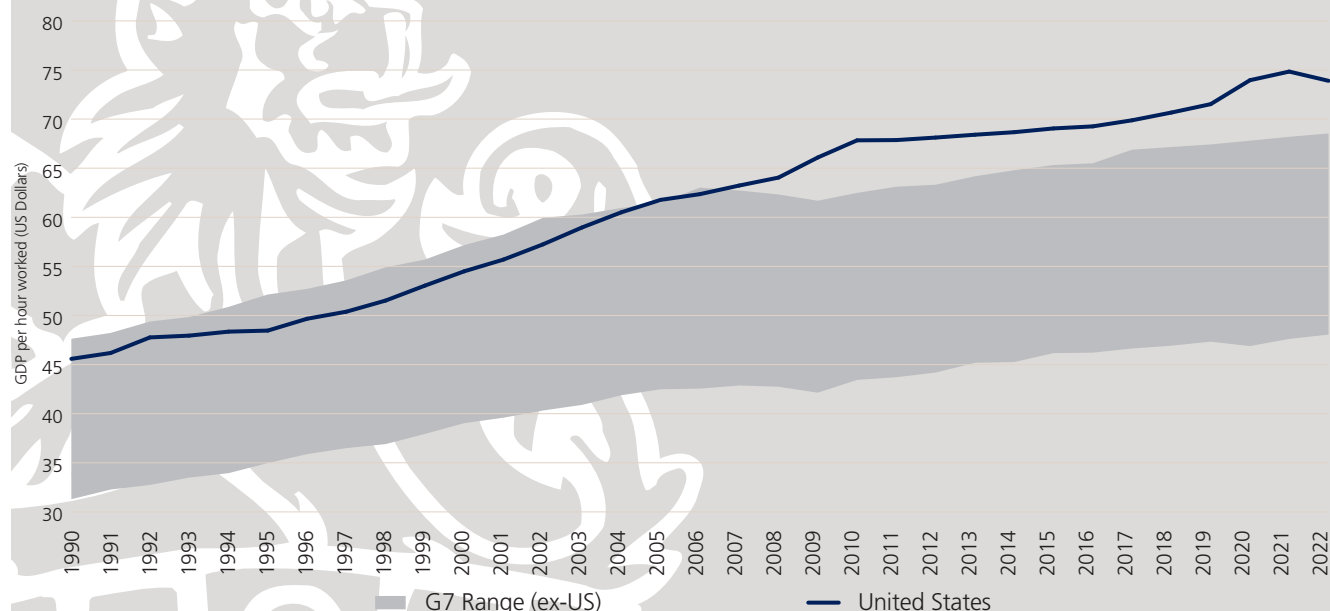


Source: Bloomberg

Notably, the US has seen productivity rise by 30% since the 2008–09 Financial Crisis which is more than three times the pace in the Eurozone and the UK.

Similarly, growth in the Eurozone has been a third of that delivered by the US post the pandemic, whereas the UK and Japan have seen growth of just 3% over the past five years.

Chart 5: US productivity growth has been significantly ahead of the rest of the G7 since the GFC

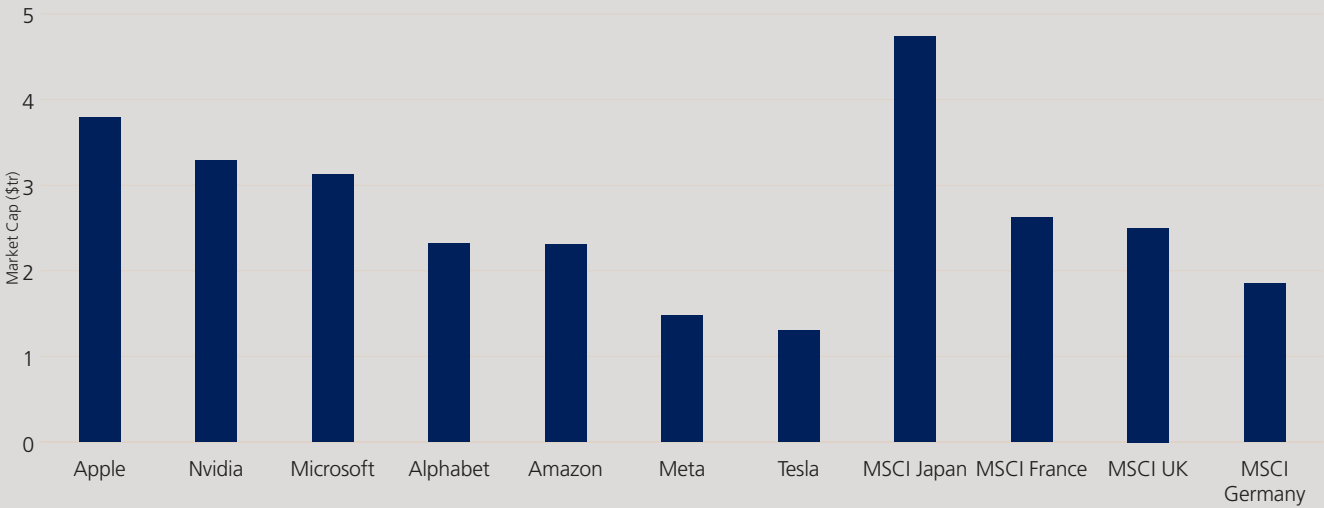


Source: OECD

Underlying this moribund outlook for the rest of the world are a complex array of challenges. The lack of both public and private investment are undoubtedly important factors but ultimately it is the absence of innovation and failure to develop new technologies that has weighed on growth. As a result, the rest of the world has failed to keep up with the US technological exceptionalism which has seen the Magnificent 7 become the

backbone of the US stock market, with names such as Apple and Microsoft now having market capitalisations in excess of the entire stock markets of countries such as the UK and Germany! Interestingly, without this exceptionalism, the US stock market would have performed in a similar fashion to that of the rest of the world.

Chart 6: The market capitalisation of the M7 companies is in excess of many major countries' stock markets



Source: Bloomberg

Compounding this lack of innovation are an array of regional challenges faced elsewhere in the world. Europe has had to deal with war on its doorstep following Russia's invasion of Ukraine, which highlighted the folly of 'outsourcing' one's energy requirements to countries run by corrupt regimes. Combined with the region's powerhouse, Germany, struggling in the face of slowing exports to the important Chinese market, Europe has lurched from one problem to the next.

Unfortunately, this disarray has resulted in political turmoil and what looks to be a shift to more extreme right and left leaning parties, many of whom view the European Union as part of the problem rather than the solution to the challenges faced. **It is not inconceivable that Europe starts to pull itself apart at a time when it should be focusing on boosting competitiveness and productivity, and how it faces off against an emboldened Trump.**

Manager's Report

Continued

Right-wing parties in Europe have been gaining traction and cementing control in some countries



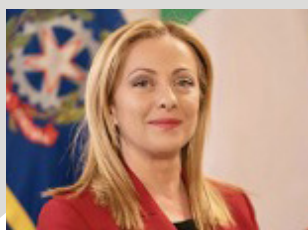
Deputy of the French National Assembly:
Marine Le Pen



Prime Minister of Hungary:
Viktor Orbán



Member of the House of Representatives of the Netherlands: Geert Wilders



Prime Minister of Italy:
Giorgia Meloni

China is equally challenged. Having grown rapidly during the nineties, as it industrialised through the adoption of a quasi capitalist model, the region has struggled in recent years. Its handling of the pandemic was widely seen as poor but more importantly it faces structural challenges caused by the excesses generated through past growth and with President Xi showing his hand as an old-school communist leader. With high debt levels and stimulus packages shoring up many companies that should really be left to fail, the hoped-for cleansing of the system looks unlikely to happen anytime soon. The country does have some excellent companies, and its desire to innovate has surpassed that of Europe, but **ultimately it is hard to have a structural overweight in a region that is driven by the whims of just one man.**

Chart 7: China's stock market has severely underperformed

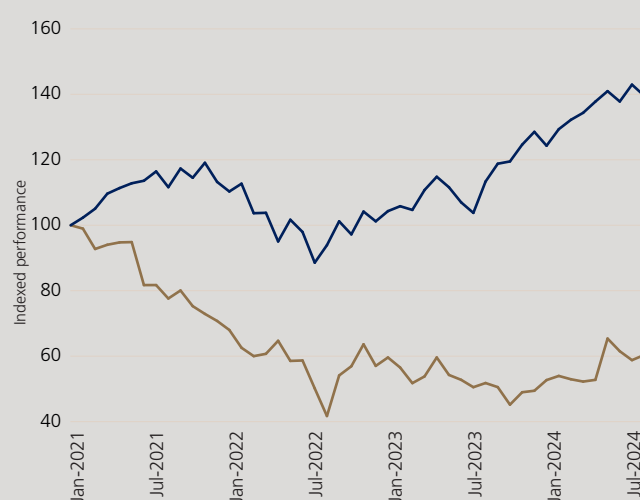
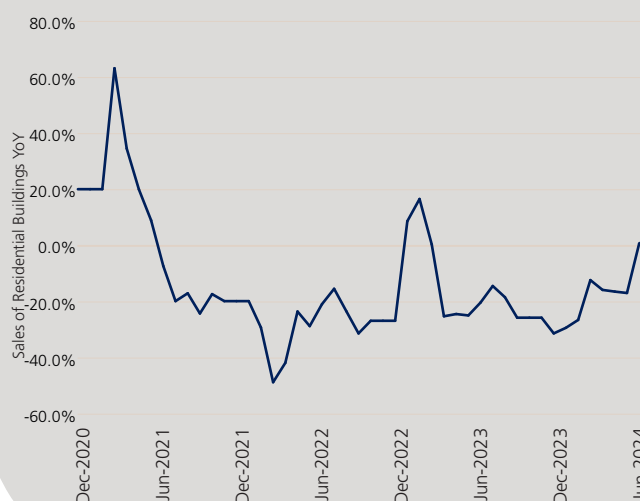


Chart 8: China Property – Sales of Residential Property

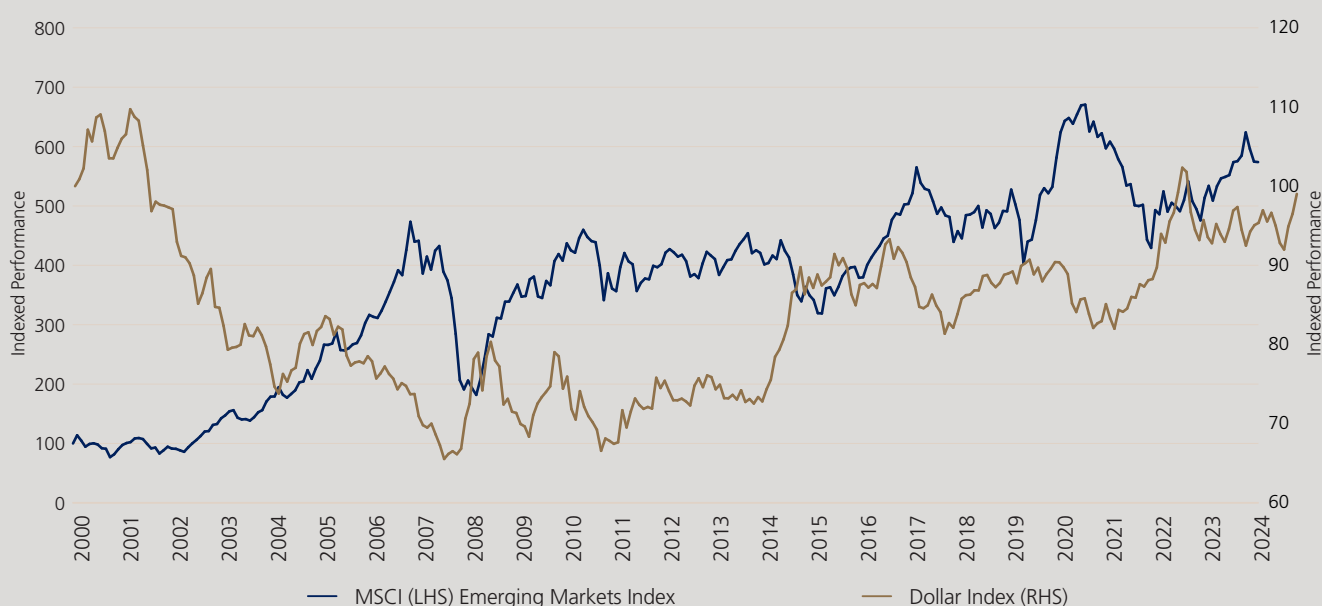


Source: Bloomberg

The prospects for the emerging markets and Japan are somewhat better. Many emerging markets have managed themselves far more prudently than those in the West, largely through necessity, whereas Japan has embarked on a multi-year programme of change building on the earlier plans implemented under Shinzo Abe's 'Three Arrows' strategy. The big challenge, however, will be how they negotiate the threat from Trump. Some, such as Mexico, will be squarely

in his sights, whereas others will likely be net beneficiaries as countries look to shift their manufacturing from China to other, more friendly, regimes. We also need to be mindful of the Trump-effect on the dollar. Whilst wary of forecasting currencies, if, as seems likely, Trump's policies shore up the dollar, at least in the short term, this is likely to weigh on performance of the broader emerging market region.

Chart 9: Emerging markets typically outperform during periods of Dollar weakness

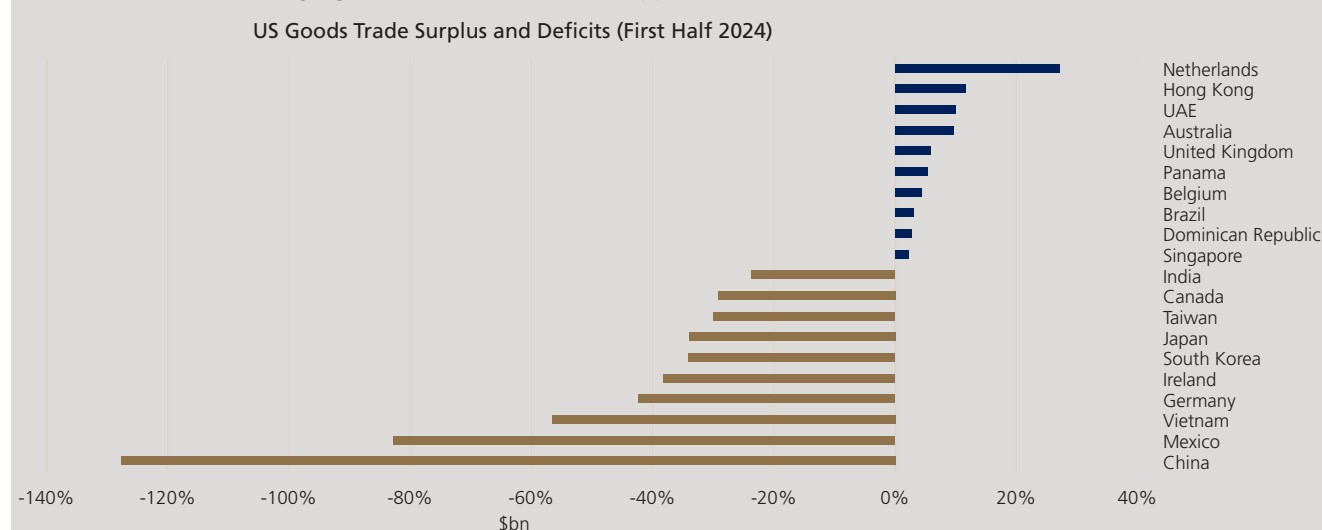


Source: Bloomberg

Manager's Report

Continued

Chart 10: Countries running significant deficits to the US appear to be more at risk to tariffs



Source: US Census

Portfolio Positioning, Risks & Conclusion

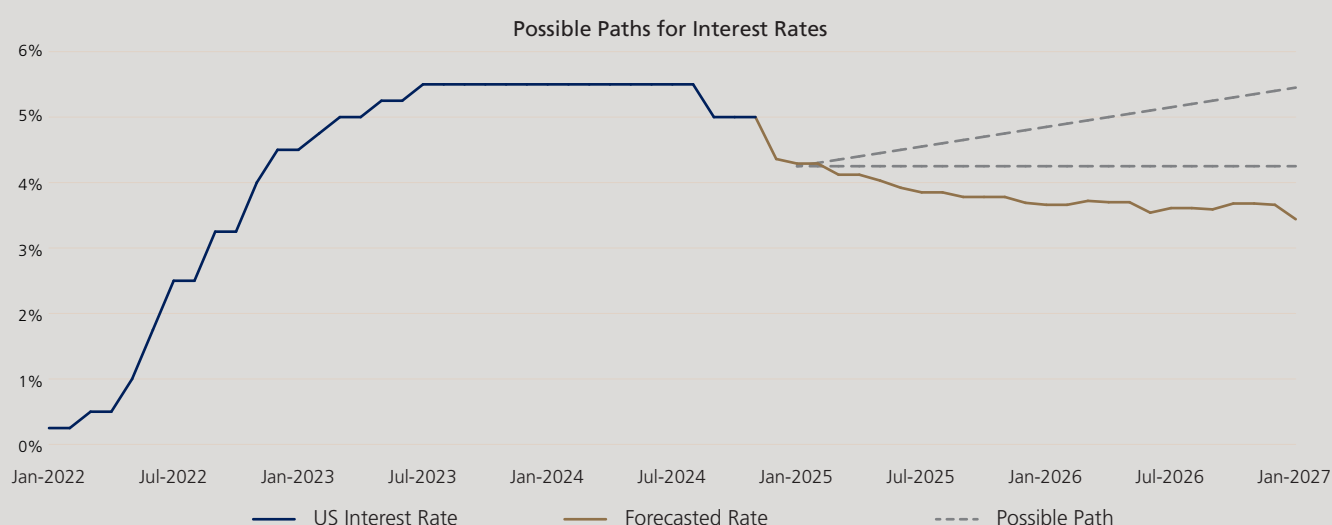
We have been unashamed bulls of equity markets, and in particular the US stock market, for many years now, ensuring that we remain fully invested and our US positioning is up to weight as it becomes an ever-larger slice of global indices. This has served us well with equities beating most other asset classes and the unique blend of innovation, technology, and rejuvenation when challenges are met, helping keep the US at the top of the performance league tables.

At this stage we see little reason to deviate from remaining fully invested with robust US growth likely to be buoyed by a Trump presidency and the interest rate cycle remaining dovish in the developed economies. **Within markets, however, we are pondering how we position for the next couple of years. Despite our love of the US we had been modestly diversifying through additions in the emerging markets and Japan in particular.** Partly this represents the fact that there are many high-quality companies sitting elsewhere in the world but also the cheap valuations on offer within these markets. More controversially, however, it reflects the high valuations within the US market. Whilst wary of becoming a bear of the US based purely on high valuations, a call which many investors have made to their detriment over recent decades, it does seem likely that the current high valuations in the US will mean that the returns over the next decade will be inferior to those of the past.

We do though wonder if we should press the pause button on this transition over the next couple of years.

Despite the drivers for such a shift remaining in place for the medium to longer term, one cannot help but wonder if **making a move out of the US is akin to swimming upstream if Trump's policies make life much harder for the rest of the global economy.** We will be giving this further thought over the coming months.

This is not to say, however, that markets are without their risks. Geopolitics is clearly a major hazard and has the potential to flare up in multiple ways over the coming years, often with little warning and a binary outcome. Trump is likely to be instrumental to this and depending on how he squares up to China, Putin and the Middle East, will likely determine if they remain contained or evolve into more systemic events. **Even more worrying though in our opinion, is how Trump's economic policies evolve.** If, as we expect, Trump seeks to turbo-charge growth within the US economy, this will place considerable pressure on Jay Powell to curtail the current interest rate cutting cycle. Ultimately, Powell, whom Trump has described as the biggest risk to the US economy (despite having been appointed by Trump), knows that his term will come to an end in 2026 and, with little prospect of re-nomination, is unlikely to shy away from raising rates against Trump's wishes, potentially curtailing the Trump-bounce as liquidity is withdrawn from markets.

Chart 11: It is not certain that interest rates will continue falling if Trump turbo-charges the US economy

There are though other outcomes that may be even more damaging. If Trump is successful in installing his own people into the Federal Reserve, who are willing to add monetary fuel to the fiscal fire, this has the potential to catalyse a huge market bubble. Almost as inevitably as night follows day, this will result in a subsequent bust which could be vicious given the high valuation of the US stock market and with a potential bubble forming in the M7. **Alternatively, the bond market may take control.** In a Liz Truss-like moment, if the US bond market starts to believe that spending and fiscal prudence are out of control, yields may spike in a disorderly fashion at a time when debt levels are at historic highs, throwing global markets into turmoil. **This is not our core scenario, with the US underpinned by its possession of the global reserve currency and dominant bond market, but it is by no means inconceivable.**

Hence the coming years look set to be eventful ones which will require careful monitoring and positioning. Nonetheless, we feel particularly well placed to actively manage such a backdrop with our long-term investment horizon helping us avoid being whip-sawed by market noise, but also our strong relationships with world-class managers who have negotiated many such challenging periods during their careers.

Portfolio commentary¹

The Portfolio's performance for the year was 13.4% after a small decline of 1.3% in the final quarter of 2024. The annual return was significantly ahead of the inflation-based benchmark, which increased 4.7% over the year after a gain of 0.7% during the quarter. The market continues to be dominated by the returns of a small number of large technology-related companies (the Magnificent 7). Hansa Global Equity Fund's ("the Fund") return was ahead of the MSCI ACWI Equal Weighted index, which removes the distortion of the Magnificent 7, over both periods, with that index returning -6.7% over the quarter and +5.4% over the year. The market-weighted MSCI ACWI + FM index returned -1.0% over the quarter and +17.5% over the year.

Within the portfolio's North American holdings, those with the ability to go short performed more strongly this quarter. **Armistice Capital Offshore Fund Ltd** gained 5.0% over the quarter taking its return over the year to 25.1%. Most of the performance came in October and November with the fund's positioning in the healthcare sector being the biggest

¹ Differences that may arise between quoted figures and 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 ("IFRS") 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.

Manager's Report

Continued

contributor. The fund predominantly invests in the healthcare sector which often has significant pricing inefficiencies that the manager is able to exploit by going both long and short.

Southpoint Qualified Offshore Fund Ltd also had a stronger quarter gaining 1.2% taking its annual return to 9.3%.

The manager's holdings in financial services were the largest contributor to performance with positions in Synchrony Financial and Capital One Financial both gaining. **iShares Core S&P 500 UCITS ETF** gained 3.6% over the quarter taking its return for the year to 25.2%, driven by the Magnificent 7.

In Europe, **Helikon Long Short Equity Fund ICAV** continued to perform strongly, gaining 6.4% in the final quarter taking its return since we purchased it in August 2024 to 21.0%.

The manager focuses on deep fundamental research to find companies across Europe and some emerging markets that are significantly mispriced by the market. The strategy has now been operating for a decade and has produced exceptionally strong performance. International Consolidated Airlines, the parent company of British Airways, Iberia, Vueling and Aer Lingus, was the fund's strongest performer during the final quarter of the year. Passenger numbers continued to grow and the cost of capital declined following a significant deleveraging exercise. The dividend has also been reinstated for the first time since the COVID pandemic which buoyed investor sentiment.

The portfolio's Global Developed Markets holdings also produced positive returns this quarter with **BlackRock Strategic Equity Hedge Fund** and **Egerton Long-Short Fund** Limited both gaining 1.4% taking their annual performance to 14.7% and 23.2%, respectively. Egerton had a much stronger year after struggling in the strong bull markets seen in 2023 and 2021.

There have been some changes to the team at the manager and the investment process refined so that it is more homogeneous across the group. Approximately 25% of the fund's US exposure is in Microsoft, Amazon, Meta and Alphabet which helped performance as did a large position in Rolls-Royce, a British engine manufacturer. The company appointed a new CEO in January 2023 and since then its performance has significantly improved with a focus on increasing pricing power and controlling costs.

Positioning in emerging and frontier markets and across Asia produced more mixed results. **BlackRock Frontiers Investment Trust PLC** gained 2.3% over the quarter taking its return over the year to 13.9%. This fund targets companies in the smaller

emerging markets (i.e. not China, Brazil, India, Taiwan or Korea) and frontier markets. The manager has become more positive on Bangladesh following the removal of Sheikh Hasina and her Awami League party from government following public unrest. A position in BRAC Bank was therefore added. An investment in OTP Bank was increased in order to top-up exposure to Hungary which will likely be a beneficiary of any resolution in the Russia/Ukraine war which the manager believes is more likely under a Trump presidency. **Schroder ISF Asian Total Return Fund** fell 5.7% during the quarter taking its annual return to 10.9%.

Redwheel Next Generation Emerging Markets Equity Fund declined 3.4% this quarter leaving it up 4.0% since purchase in March 2024.

Within the Thematic silo this quarter the technology sector made large gains following the re-election of Trump. **Polar Capital Funds PLC – Polar Capital Global Technology** gained 6.7% while the **iShares Expanded Tech Sector ETF** was up 6.1%. Over the year the Polar fund gained 30.4% while the iShares fund was up 4.6% since purchase in June 2024. The manager of the Polar fund is very bullish about artificial intelligence (AI) and has a significant majority of the portfolio invested in companies that should be beneficiaries of it. Despite having a large position in the Magnificent 7, the fund is still underweight these companies compared to its index. NVIDIA was the standout performer as demand for top quality semiconductors remained strong throughout the year. Broadcom and Marvell, both chipmakers, also performed strongly after they announced positive results with Marvell announcing that it had expanded its strategic relationship with Amazon.

The portfolio healthcare holdings were more mixed this quarter with **RA Capital International Healthcare Fund** gaining 1.5% and **Worldwide Healthcare Trust PLC** declining 14.4% taking their performance over the year to 30.4% and 13.4%, respectively. This large difference is partly down to timing with RA's performance reported a month later but mainly due to RA having had an exceptional number of investments bought by the major pharma companies.

INVESTMENT PORTFOLIO PERFORMANCE AND ASSET ALLOCATION

	Portfolio weighting as at 31 December 2024 %	Time Weighted Return for the year ended 31 December 2024 %	Index Returns ⁽ⁱ⁾ for the year ended 31 December 2024 %
Asset Allocation			
North America	46.6	14.3	24.0
Global Developed	12.9	14.0	18.7
Asia Pacific ex Japan	8.0	8.6	10.2
Japan	7.3	11.0	8.3
Europe	6.6	25.9	31.6
Technology	6.9	12.8	1.8
Health Care	3.9	6.9	1.1
Financials	3.5	24.5	24.3
Global Emerging Markets	2.7	6.2	7.5
Frontier Markets	0.8	13.9	9.4
Commodity Equity	0.0	3.3	(3.1)
Emerging Markets (ex Asia) ⁽ⁱⁱ⁾	0.0	100.0	(8.2)
Environmental	0.0	2.3	14.7
Cash/Liquidity Funds	0.8	(9.4)	6.3

PERFORMANCE ATTRIBUTION

Top Five Contributors (in USD) in terms of contribution to the overall portfolio performance	Contribution %	Performance %	Gain \$m
iShares Core S&P 500 UCITS ETF	3.1	25.2	14.0
Findlay Park American Fund	1.7	11.2	7.8
BlackRock Strategic Equity Hedge Fund	1.0	14.7	4.6
Polar Capital Global Insurance Fund	0.8	24.5	3.4
Select Equity Offshore Ltd	0.7	9.6	3.3
TOTAL	7.3		33.1

Top Three Detractors (in USD) in terms of contribution to the overall portfolio performance ⁽ⁱⁱⁱ⁾	Contribution %	Performance %	Loss \$m
BB Biotech AG	(0.1)	(11.9)	(0.5)
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	(0.1)		(0.6)

Notes:

(i) Appropriate industry-recognised indices used for comparison purposes.

(ii) YTD performance of 100% is due to the proceeds received from a partial disposal of Prosperity Quest Fund in 2024 which had been previously reduced to a nil valuation during Q1 2022 as a result of its suspension from dealing.

(iii) In the current year only three holdings in total detracted from the overall portfolio performance.

Manager's Report

Continued

ASSET CLASS EXPOSURE at 31 December 2024

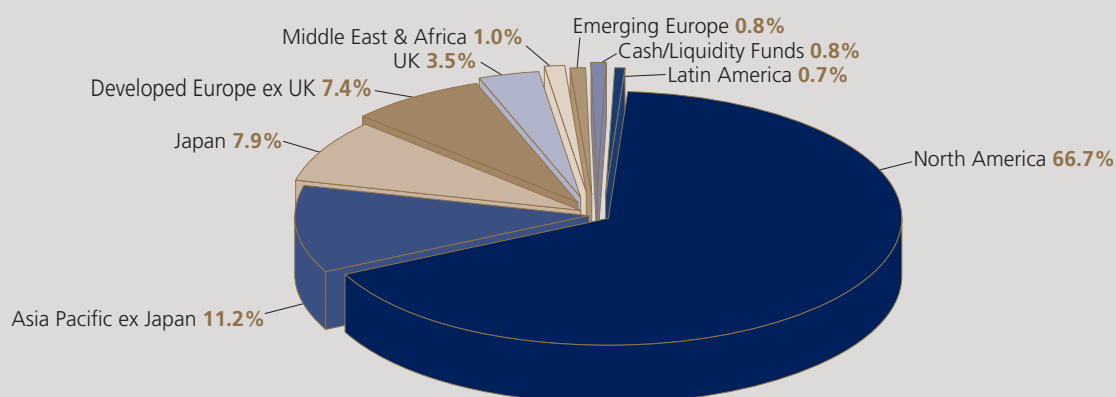
Theme	Investment Strategy	US\$	% NAV
Core Regional			
	Long-Only Equity	336,745,842	67.4
	Long-Short Equity	87,562,087	17.5
Thematic Sector			
Technology	Long-Only Equity	34,634,600	6.9
Health Care Technology	Long-Only Equity	10,077,311	2.0
	Long-Short Equity	9,291,727	1.9
Financials	Long-Only Equity	17,262,754	3.5
Cash / Liquidity		3,887,374	0.8
TOTAL		499,461,695	100.0

Investment Strategy

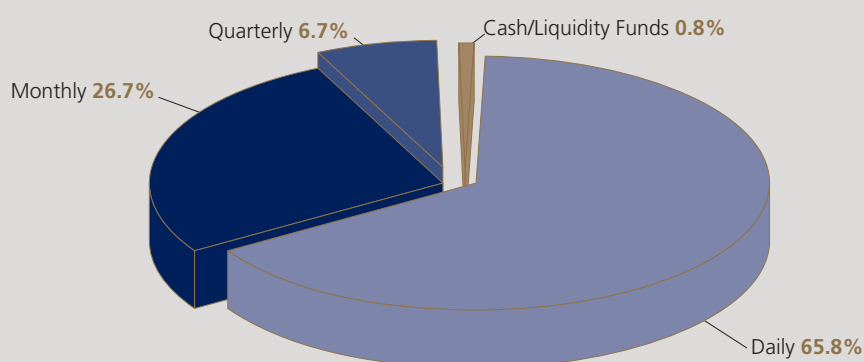
	US\$	% NAV
Long-Only	398,720,507	79.8
Long-Short	96,853,814	19.4
Cash / Liquidity	3,887,374	0.8
TOTAL	499,461,695*	100.0

*The difference between the published net asset of \$499,461,695 (2023: \$449,819,491) and the net asset value per the Financial Statements of \$498,784,849 (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 IFRS and the IA SORP and secondly, due to routine adjustments arising from the compilation of the financial statements.

GEOGRAPHICAL DISTRIBUTION AT 31 DECEMBER 2024*



DEALING FREQUENCY AT 31 DECEMBER 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 – 2024*

Purchases* – \$56.3m:

Polar Capital Funds PLC – Global Technology Fund	March & November	US\$8.4m
Redwheel Next Generation Emerging Markets Equity Fund	March	US\$4.8m
RA Capital International Healthcare Fund	July	US\$2.4m
iShares Expanded Tech Sector ETF	July, September & November	US\$15.9m
Arcus Japan Fund	July & October	US\$3.0m
Alma Capital Investment Fund	July & October	US\$3.0m
Helikon Long Short Equity Fund ICAV	August	US\$12.2m
iShares Core S&P 500 UCITS ETF	November	US\$6.6m

Sales* – \$66.4m:

iShares MSCI World Energy Sector UCITS ETF	February	US\$2.9m
KLS Corinium Emerging Markets Equity Fund	March	US\$4.8m
Findlay Park American Fund – Disruptive Growth	March & November	US\$12.8m
iShares MSCI Global Metals and Mining Producers ETF	April	US\$2.3m
Prosperity Quest Fund – Short Fund	May	US\$0.3m
GAM Start Fund PLC- Disruptive Growth	June	US\$7.3m
BB Biotech AG	July & September	US\$4.3m
Southpoint Fund	July & October	US\$14.0m
Impax Environmental Market Funds	July	US\$4.4m
iShares Core MSCI Europe UCITS ETF	July	US\$7.3m
Indus Japan Long Only Fund	July & October	US\$6.0m

*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.



Portfolio Statement

as at 31 December 2024

	Nominal Holding	Market Value US\$	% of Fund
iShares Core S&P 500 UCITS ETF	120,520.000	75,780,566	15.19
Findlay Park American Fund	281,778.224	62,427,965	12.52
Select Equity Offshore Ltd	97,165.409	38,390,694	7.70
BlackRock Strategic Equity Hedge Fund	59,720.252	35,541,353	7.13
Schroder ISF Asian Total Return Fund	61,296.140	25,414,612	5.10
iShares Core MSCI Europe UCITS ETF	222,105.000	18,057,498	3.62
Polar Capital Funds PLC – Global Technology Fund	142,728.103	17,851,004	3.58
BA Beutel Goodman US Value Fund	1,350,130.006	17,646,199	3.54
Polar Capital Global Insurance Fund	1,044,132.920	17,262,754	3.46
iShares Expanded Tech Sector ETF	164,400.000	16,773,732	3.36
Top 10 Investments		325,146,377	65.20
Schroder ISF Global Recovery	79,413.480	15,987,482	3.20
Helikon Long Short Equity Fund ICAV	11,300.000	14,800,749	2.97
NTAsian Discovery Fund	22,383.044	14,620,467	2.93
Southpoint Qualified Offshore Fund Ltd	4,473.774	14,498,513	2.91
Pershing Square Holdings Ltd	304,546.000	14,414,069	2.89
Egerton Long – Short Fund Limited	556,342.763	13,025,688	2.61
Simplex Value Up Trust	30,802.506	11,857,425	2.38
Worldwide Healthcare Trust PLC	2,556,118.000	10,077,311	2.02
Arcus Japan Fund	81,870.842	10,005,436	2.01
Armistice Capital Offshore Fund Ltd	8,700.000	9,782,571	1.96
Top 20 Investments		454,216,088	91.08
Alma Capital Investment Fund	45,497.650	9,441,341	1.89
RA Capital International Healthcare Fund	8,006.101	8,717,099	1.75
iShares Core MSCI Emerging Markets IMI UCITS ETF	249,073.000	8,500,861	1.70
Redwheel Next Generation Emerging Markets Equity Fund	34,358.358	4,970,624	1.00
Indus Japan Long Only Fund	5,385.433	4,941,736	0.99
Blackrock Frontiers Investment Trust PLC	2,085,268.000	4,110,509	0.82
Prosperity Quest Fund*	2,616.569	–	0.00
Top 27 Investments		494,898,258	99.23
SSGA USD Liquidity Fund**	60,191.890	768,994	0.15
Total investments held at fair value through profit or loss		495,667,252	99.38
Other net assets		3,117,597	0.62
Total net assets		498,784,849	100.00

*On 27 February 2022, the Fund was notified that Prosperity Quest Fund suspended its net asset valuation, subscriptions and redemptions following the impact Russian's invasion had on Ukraine. The value of the investment 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.

The Board



SUSAN NORMAN has over 25 years of boardroom experience formerly in company secretarial roles and most recently through non-executive director roles across a wide range of companies in multiple jurisdictions. She is currently an independent non-executive director of a number of Guernsey-based private equity vehicles, a venture capital fund, a real estate investment company, an AIM-listed investment company, an impact investment vehicle and other open-ended collective investment schemes. She started her career within the private banking and fund of hedge funds sectors, working with Kleinwort Benson (Guernsey) Limited and then FRM Investment Management Limited. Since 2009, she has run her own consultancy business providing company secretarial, governance and independent directorship services to a broad range of clients.



WAYNE BULPITT CBE is Managing Director of Hanseatic Asset Management LBG. He was formerly Head of Offshore Investment Services for Canadian Imperial Bank of Commerce, Global Private Banking & Trust division (1998-2001) and Managing Director of CIBC Fund Managers (Guernsey) Limited (1992-1998).



SIMON LIVESEY is Non Executive Director who returned to Guernsey in August 2017. He worked in the City of London for 27 years and was previously a Managing Director of Citigroup Inc where he was instrumental in building out the global Emerging Markets franchise through various front office sales roles. Prior to this he was a Senior Director at NatWest Markets. He is currently on the board of Polygon Group Guernsey and consults for a number of other businesses. He has extensive experience in financial markets as a result of covering real money and hedge fund managers in London, Europe and the U.S.

Report of the Directors

The Directors of Hansa Fund PCC Limited ("the Company") submit their report and the financial statements of the Hansa Global Equity Fund ("the Fund"), a cell of the Company, for the year ended 31 December 2024.

INCORPORATION

The Company was incorporated as a protected cell company in Guernsey, on 4 August 1998, and has been authorised as a Class 'B' Collective Investment Scheme in accordance with the provisions of The Protection of Investors (Bailiwick of Guernsey) Law 2020, as amended. The Company commenced activities on 25 September 1998. The principal activity of the Company is to act as an investment holding company. As at 31 December 2024 the Company had two cells: Hansa Global Equity Fund and Hansa Harbour Fund.

These financial statements only show the results for the Fund.

RESULTS

The results for the year are shown in the Statement of Comprehensive Income on page 29.

DISTRIBUTION

The Directors do not recommend the payment of a distribution (by way of a dividend) for the year ended 31 December 2024 (2023: Nil).

DIRECTORS

The Directors are listed on page 41. With the exception of letters covering the terms of appointment, there are no other service contracts proposed or in existence between any of the Directors and the Company. Furthermore, there are no contracts of significance during or at the end of the year in which any Director is or was materially interested. As of the year end and the date of this Report, the Directors or their families had interests, beneficial or non-beneficial, in the participating redeemable preference share capital of the Company as follows:

Director	2024	2023
	Number of Shares	Number of Shares
Susan Norman (appointed 25 September 2024)	—	—
Wayne Bulpitt CBE	—	—
Simon Livesey	—	—
Stephen Jones OBE (resigned 25 September 2024)	—	—

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. As at the date of these financial statements, a ceasefire deal between Israel and Hamas in the Gaza Strip has taken effect, pausing 15 months of conflict in the

Palestinian enclave. 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 ceasefire deal is still in place.

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.

Report of the Directors *Continued*

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and of its profit or loss for that year and are in accordance with applicable laws. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Fund and to enable them to ensure that the financial statements comply with The Companies (Guernsey) Law 2008, as amended (the "Law"). They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Company is an open-ended investment company registered in Guernsey, on 4 August 1998 with registered number 34312. The financial statements have been prepared in compliance with the Law.

DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditors are unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

AUDITORS

A resolution to reappoint RSM CI (Audit) Limited as auditor will be proposed at the next Annual General Meeting.



Susan Norman
Director

Date: 20 March 2025



Custodian's Report

HANSA GLOBAL EQUITY FUND FOR THE YEAR ENDED 31 DECEMBER 2024

In our capacity as Custodian of Hansa Global Equity Fund ("the Fund"), we confirm that, in our opinion, the Manager has managed the Fund during the year ended 31 December 2024 in accordance with the provisions of the principal documents of the Company and with The Authorised Collective Investment Schemes (Class B) Rules and Guidance, 2021, and no material breaches have occurred.

BUTTERFIELD BANK (GUERNSEY) LIMITED

Regency Court
Gategny Esplanade
St. Peter Port
Guernsey
GY1 3AP

Date: 20 March 2025

Independent Auditors' Report to the Shareholders of Hansa Global Equity Fund

Opinion

We have audited the financial statements of Hansa Global Equity Fund (the "Fund"), which comprise the Statement of Financial Position as at 31 December 2024, and the Statement of Comprehensive Income, Statement of Changes in net assets attributable to holders of Participating Redeemable Preference shares and Cash Flow Statement for the year then ended, and notes 1 to 20 to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union ('EU IFRS').

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the Fund as at 31 December 2024 and of its results for the year then ended;
- have been properly prepared in accordance with EU IFRS; and
- have been prepared in accordance with the Companies (Guernsey) Law 2008.

Opinion on matters prescribed by the Protection of Investors (Bailiwick of Guernsey) Law, 2020 and the Authorised Collective Investment Schemes (Class B) Rules and Guidance, 2021

In our opinion the financial statements:

- have been properly prepared in accordance with the Protection of Investors (Bailiwick of Guernsey) Law, 2020; and
- have been properly prepared in accordance with the Authorised Collective Investment Schemes (Class B) Rules and Guidance, 2021.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs UK") and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of this report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Guernsey, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information, which comprises the Chair's Statement, Alternative Investment Fund Managers Directive, Manager's Report, Custodian's Report, Portfolio Statement and Report of the Directors'. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusions thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the statement of Directors' Responsibilities set out on page 24, the directors are responsible for the preparation of the financial statements in accordance with EU IFRS and for being satisfied that they give a true and fair view, and for such internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditors' Report to the Shareholders of Hansa Global Equity Fund *continued*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is explained below.

The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of the directors to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

We obtained an understanding of the legal and regulatory frameworks that the entity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material

amounts and disclosures in the financial statements. These included compliance with Companies (Guernsey) Law, 2008.

Our testing included:

- enquiries of the directors regarding known or suspect instances of non-compliance with laws and regulations;
- enquiries of the directors regarding known or suspect instances of irregularities, including fraud;
- undertaking analytical procedures to identify unusual or unexpected relationships;
- review of minutes of meetings throughout the year;
- testing the appropriateness of journal entries and other adjustments; and
- agreement of the financial statements disclosures to underlying supporting documentation.

Owing to the inherent limitations of an audit there is an unavoidable risk that some material misstatement of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK). However, the principal responsibility for ensuring that the financial statements are free from material misstatement, whether caused by fraud or error, rests with the directors who should not rely on the audit to discharge those functions.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the Fund's shareholders as a body, in accordance with Article 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Fund's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RSM CI (Audit) Limited
Chartered Accountants
Guernsey, C.I.



20 March 2025

FINANCIAL STATEMENTS

Statement of Financial Position

as at 31 December 2024

	Notes	31 December 2024 US\$	31 December 2023 US\$
Non-Current assets			
Investments held at fair value through profit or loss	3	495,667,252	450,316,608
Current assets			
Accrued dividend income		22,394	22,603
Other receivables	5	54,059	463,603
Cash and cash equivalents	4	3,547,866	1,072,355
Total Current assets		3,624,319	1,558,561
Total Assets		499,291,571	451,875,169
Current liabilities			
Other payables and accruals	6	(506,722)	(464,893)
Total Current liabilities (excluding net assets attributable to holders of Participating Redeemable Preference Shares)		(506,722)	(464,893)
Net assets attributable to Participating Redeemable Preference Shareholders	8	498,784,849	451,410,276
Number of Shares	7	986,503.830	998,344.490
Net asset value per Participating Redeemable Preference Share*	9	US\$505.61	US\$452.16

*The difference between the published net asset value per share of \$506.29 (2023: \$450.56) and the net asset value per share per 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 ("IFRS") 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 financial statements and related notes on pages 28 to 40 were approved and authorised by the Directors on 20 March 2025 and signed on behalf of the Board by:



Susan Norman
Director

The accompanying notes on pages 32 to 40 form an integral part of these financial statements.

Statement of Comprehensive Income

For the year ended 31 December 2024

	Notes	31 December 2024 US\$	31 December 2023 US\$
Dividend and interest income		1,178,868	1,115,064
Fee rebates		359,929	285,434
Net movement in fair value of investments held at fair value through profit or loss	13	57,078,072	65,516,337
Net movement on foreign exchange		(4,708)	(13,594)
Total revenue		58,612,161	66,903,241
Expenditure			
Administration expenses		(77,546)	(76,961)
Administrator's fees	10	(274,564)	(233,910)
Auditors' remuneration		(22,616)	(18,411)
Custodian's fees	11	(146,486)	(123,026)
Directors' fees	16	(31,829)	(28,058)
Management fees	12,16	(4,882,863)	(4,100,866)
Operating expenses		(5,435,904)	(4,581,232)
Taxation	15	(81,696)	(136,346)
Net profit		53,094,561	62,185,663
Increase in net assets attributable to holders of Participating Redeemable Preference shares from continuing operations		53,094,561	62,185,663
Increase in net assets per Participating Redeemable Preference Share from continuing operations – basic and diluted	14	US\$53.58	US\$63.39

There were no sources of income or expense for the current or prior year other than these included in the Statement of Comprehensive Income above.

All activities derive from continuing operations.

The accompanying notes on pages 32 to 40 form an integral part of these financial statements.

FINANCIAL STATEMENTS

Statement of Changes in Net Assets Attributable to Holders of Participating Redeemable Preference Shares

For the year ended 31 December 2024

	Notes	2024 US\$	2023 US\$
As at 1 January	8	451,410,276	378,627,911
Increase in net assets attributable to holders of Participating Redeemable Preference shares for the year from continuing operations		53,094,561	62,185,663
Proceeds of Participating Redeemable Preference Shares issued	7	271,644	13,459,105
Payments for Participating Redeemable Preference Shares redeemed	7	(5,991,632)	(2,862,403)
As at 31 December	8	498,784,849	451,410,276

The accompanying notes on pages 32 to 40 form an integral part of these financial statements.

Cash Flow Statement of the Fund

For the year ended 31 December 2024

	31 December 2024 US\$	31 December 2023 US\$
Cash flows from operating activities		
Increase in net assets attributable to holders of Participating Redeemable Preference shares	53,094,561	62,185,663
Adjustments for:		
Movement in investments held at fair value through profit and loss	(57,078,072)	(65,516,337)
Movement on foreign exchange	4,708	13,594
Operating cash flows before movements in working capital	(3,978,803)	(3,317,080)
(Increase)/decrease in accrued dividend income and other receivables	(35,330)	1,689,540
Increase in other payables and accruals	41,829	74,652
Net cash used in operating activities	(3,972,304)	(1,552,888)
Cash flows from investing activities		
Payment for purchases of investments held at fair value through profit or loss	(71,270,096)	(47,352,593)
Proceeds from sale of investments held at fair value through profit or loss	83,442,607	52,039,619
Net cash generated from investing activities	12,172,511	4,687,026
Cash flows from financing activities		
Proceeds from issue of shares	271,644	213,090
Amounts paid on redemption of shares	(5,991,632)	(2,862,403)
Net cash used in financing activities	(5,719,988)	(2,649,313)
Net increase in cash and cash equivalents	2,480,219	484,825
Effect of foreign exchange rate changes	(4,708)	(13,594)
Cash and cash equivalents at beginning of year	1,072,355	601,124
Cash and cash equivalents at end of the year	3,547,866	1,072,355
Cash and cash equivalents made up of:		
Cash at bank	3,547,866	1,072,355

The accompanying notes on pages 32 to 40 form an integral part of these financial statements.

Notes to the Financial Statements

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\$").

2. ACCOUNTING POLICIES

a. Basis of preparation

These financial statements have been prepared in accordance with 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 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.

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. As at the date of these financial statements, a ceasefire deal between Israel and Hamas in the Gaza Strip has taken effect, pausing 15 months of conflict in the Palestinian enclave. 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 ceasefire deal is still in place.

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

There are no new standards and amendments to standards and interpretations effective for annual periods beginning on or after 1 January 2024 that are considered material to the Fund.

New standards and interpretations not yet adopted

The following standards, amendments and interpretations in issue at the reporting date which are effective after 1 January 2025 are deemed to be material to the Fund:

- The issued amendments to IFRS 7, "Financial Instruments: Disclosures" and its accompanying Guidance on implementing IFRS 7, will:
 - clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
 - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion;
 - add new disclosures for certain instruments with contractual terms that can change cash flows; and
 - update the disclosures for equity instruments designated at fair value through other comprehensive income.

Notes to the Financial Statements

2. ACCOUNTING POLICIES (CONTINUED)

c. Standards and Interpretations (continued)

New standards and interpretations not yet adopted (continued)

The standard is effective for accounting periods beginning on or after 1 January 2026. It is unlikely that the amendment will have a material impact on the Fund's annual financial statements.

- IFRS 18, 'Presentation and Disclosure in Financial Statements', is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
 - the structure of the statement of profit or loss;
 - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
 - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The standard is effective for accounting periods beginning on or after 1 January 2027. The Fund is in the process of assessing the impact of this amendment on its annual financial statements.

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).

e. Financial Instruments

Financial instruments carried on the Statement of Financial Position include investments 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 other 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. Payables

Payables and accruals are initially recognised at fair value and subsequently measured at amortised cost and are not discounted due to their short-term nature. The amounts are unsecured and usually paid within 30 days of recognition.

Notes to the Financial Statements

2. ACCOUNTING POLICIES (CONTINUED)

k. 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 year end.

l. 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.

m. Revenue recognition

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

n. 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.

o. 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 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

	31 December 2024 US\$	31 December 2023 US\$
Investments held at fair value through profit or loss	495,667,252	450,316,608

4. CASH AND CASH EQUIVALENTS

	31 December 2024 US\$	31 December 2023 US\$
Cash at bank	3,547,866	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

	31 December 2024 US\$	31 December 2023 US\$
Outstanding amounts receivable on investment disposal	–	445,083
Fee rebate income receivable	50,476	15,993
Bank interest receivable	3,355	2,236
Sundry receivables	228	291
	54,059	463,603

Notes to the Financial Statements

6. OTHER PAYABLES AND ACCRUALS

	31 December 2024 US\$	31 December 2023 US\$
Management fees	423,431	382,391
Custodian's fees	12,703	11,472
Auditors' remuneration	20,814	17,634
Administrator's fees	23,764	21,645
Directors' fees	3,519	9,548
Sundry creditors and accruals	22,491	22,203
	506,722	464,893

7. SHARES AND SHARE CAPITAL

	31 December 2024 US\$	31 December 2023 US\$
a) Authorised		
5,000,000 Unclassified Shares of US\$0.01 each	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.

	31 December 2024 Number	31 December 2023 Number
b) Issued		
Participating Redeemable Preference Shares		
In issue at the start of the year	998,344.49	974,225.46
Issued during the year	539.35	498.01
Redeemed during the year	(12,380.01)	(6,925.79)
In-Specie transfers during the year	–	30,546.81
In issue at the end of the year	986,503.83	998,344.49

	31 December 2024 US\$	31 December 2023 US\$
Share Capital		
Participating Redeemable Preference Shares		
In issue at the start of the year	9,983	9,742
Issued during the year	6	1
Redeemed during the year	(124)	(69)
In-Specie transfers during the year	–	309
In issue at the end of the year	9,865	9,983

Share Premium

Participating Redeemable Preference Shares		
Balance at the start of the year	73,809,470	63,213,009
On shares issued during the year	271,638	212,779
On shares redeemed during the year	(5,991,508)	(2,862,334)
On In-Specie transfers during the year	–	13,246,016
Balance at the end of the year	68,089,600	73,809,470

During the current year, US\$Nil (2023: US\$13,246,016) and Nil (2023: 30,546.81) Participating Redeemable Preference were transferred in specie.

FINANCIAL STATEMENTS

Notes to the Financial Statements

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

The net assets attributable to participating redeemable preference shares are represented by the following:

	31 December 2024 US\$	31 December 2023 US\$
Share capital	9,865	9,983
Share premium	68,089,600	73,809,470
Retained earnings	(42,354,203)	(38,375,400)
Capital reserves	473,039,587	415,966,223
	498,784,849	451,410,276

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

Retained earnings – 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 and gains/losses on investments held at fair value through profit or loss.

9. NET ASSET VALUE PER PARTICIPATING REDEEMABLE PREFERENCE SHARE

The net asset value per share of US\$505.61 (2023: US\$452.16) is based on the net assets at the year end of US\$498,784,849 (2023: US\$451,410,276) and on 986,503.83 (2023: 998,344.49) Participating Redeemable Preference Shares, being the number of Participating Redeemable Preference Shares in issue at the year end.

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 which is not expected to exceed 0.05% (currently paid at 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 (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. Any performance fee only becomes payable at the end of an annual accounting year.

The performance fee is equal to 10% of the amount by which the Fund outperforms its Benchmark Return in any accounting year, 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. For the current year the Manager is entitled to a performance fee of US\$102,556 (31 December 2023: US\$34,758).

The performance fee is also payable on the redemption or transfer of any share and is equal to 10% of the amount by which the net asset value per share at the date of redemption or transfer exceeds the higher of the High Watermark and the net asset value per share at the end of the previous accounting period, adjusted by any dividend per share paid and the Benchmark Return. For the current year the Manager is entitled to a performance fee of US\$311 (31 December 2023: US\$4,978).

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.

Notes to the Financial Statements

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

	31 December 2024 US\$	31 December 2023 US\$
Realised gains on disposal of investments held at fair value through profit or loss	17,373,405	8,162,599
Unrealised gains on investments held at fair value through profit or loss	39,704,667	57,353,738
	57,078,072	65,516,337

14. EARNINGS PER PARTICIPATING REDEEMABLE PREFERENCE SHARE

The earnings per share is based on a profit of US\$53,094,561 (2023: US\$62,185,663) on ordinary activities and a weighted average of 990,887.48 (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 Fund will continue to apply for a tax exempt status by paying the annual Exempt Company 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 year amounted to US\$31,829 (2023: US\$28,058). At 31 December 2024, Directors' fees of US\$3,519 (2023: US\$9,548) remained outstanding and payable by the Fund.

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 year amounted to US\$4,882,863 (2023: US\$4,100,866). At 31 December 2024, management fees of US\$423,431 (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 28. 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.

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.

Notes to the Financial Statements

17. FINANCIAL INSTRUMENTS (CONTINUED)

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. 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 31 December 2024, if the market prices of investments had been 10% lower with all other variables held constant, the net assets attributable to holders of Participating Redeemable Preference Shares would have been US\$449,218,124 (2023: US\$406,378,615) arising due to the decrease in the fair value of investments by US\$49,566,725 (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.

On 27 February 2022, the Fund was notified that Prosperity Quest Fund suspended its net asset valuation, subscriptions and redemptions following the impact Russian's invasion had on Ukraine. The value of the investment was reduced to zero during quarter 1 in 2022 as a result of its suspension from dealing.

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

As at 31 December 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\$	More than 1 year US\$	Total US\$
Non-Current Assets					
Investments held at fair value through profit or loss	329,490,957	106,700,220	59,476,075	–	495,667,252
Current Assets					
Accrued dividend income	22,394	–	–	–	22,394
Other receivables	54,059	–	–	–	54,059
Cash and cash equivalents	3,547,866	–	–	–	3,547,866
	333,115,276	106,700,220	59,476,075	–	499,291,571
Current Liabilities					
Accrued fees	(504,421)	–	–	–	(504,421)
Other payables and accruals	(2,301)	–	–	–	(2,301)
	(506,722)	–	–	–	(506,722)

Notes to the Financial Statements

17. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk (continued)

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\$	More than 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)

Currency risk

Currency risk is the risk that the 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 currency (net) exposure at the reporting date is as follows:

	31 December 2024 US\$	31 December 2023 US\$
USD	437,251,431	391,310,568
GBP	32,222,013	38,428,859
EUR	14,928,328	–
JPY	14,383,077	16,679,811
CHF	–	4,991,038

Currency risk 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:

	31 December 2024 US\$	31 December 2023 US\$
GBP	3,222,201	3,842,886
EUR	1,492,833	–
JPY	1,438,308	1,667,981
CHF	–	499,104

Notes to the Financial Statements

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 Board. The Board 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.

The following table presents the Fund's financial assets and liabilities by level within the valuation hierarchy as of 31 December 2024.

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets				
Investments held at fair value through profit or loss	147,714,547	347,952,705	–	495,667,252

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 year.

There were no changes to valuation techniques during the year.

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 year-end date which require disclosure in these financial statements.

Management and Administration

DIRECTORS

Susan Norman (Chair) (appointed 25 September 2024)
Wayne Bulpitt CBE
Simon Livesey
Stephen Jones OBE (resigned 25 September 2024)
Douglas Mackay (Alternate Director)

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Notes





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