Item 1.
Introduction

Hanseatic Management Services, Inc. is registered with the Securities and Exchange Commission (SEC) as an investment adviser. Brokerage services and fees differ from investment advisory services and fees. It is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker dealers, investment adviser, and investing.

Item 2.
What investment services and advice can you provide me?

Hanseatic offers investment advisory services to retail investors which includes: investment management, investment advice, and financial planning. **Investment Management:** Hanseatic makes the actual investment decisions and has discretionary authority over your account. All security positions are reviewed daily by at least two members of Hanseatic’s investment team. Additionally, at least two team members must review each final decision prior to execution for any account. All reviews are done as part of our standard services. Minimum account size is $100,000; however, on a client-by-client basis, Hanseatic may accept a smaller account size. **Investment Advice:** Hanseatic provides investment advice services to retirement savings accounts where investments are not directly managed with a Hanseatic product. Hanseatic advises on asset allocation, fund selection, market risk, performance, cost, and capital preservation for established choices within a retirement plan. You do not have to engage in investment management services with Hanseatic to engage our investment advice services. Hanseatic provides investment advice on a discretionary as well as non-discretionary basis. If the advice is nondiscretionary, you retain the ultimate decision regarding the purchase and/or sale of investments. Reviews on discretionary accounts are described in the Investment Management Section. Reviews of nondiscretionary accounts are done on an annual basis and are part of our standard services. Hanseatic has no minimum account size for investment advice services. **Financial Planning:** Hanseatic provides comprehensive planning advice and primarily focuses on areas of cash flow management, debt management, investment planning, and educational, sabbatical and/or retirement funding. Hanseatic has a conflict of interest whenever it provides investment advice and/or investment management with comprehensive financial planning services. If appropriate after analysis, Hanseatic will recommend itself as the investment manager and recommend its investment products or will recommend itself as an investment advisor. Investment management and investment advice services are engaged with an investment agreement separate from the financial planning agreement. Reviews of the financial plan are customized by the individual investor’s goals and priorities and is written in the financial planning agreement. Hanseatic does not impose prerequisite requirements for financial planning services. **For additional information:** please see our Form ADV, Part 2A brochure (Items 4 and 7).

**Ask your financial professional:**
- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

Item 3
What fees will I pay?

**Investment Management and Investment Advice:** The fees for these services are payable monthly, in arrears, at the beginning of each calendar month based on the average daily balance of assets under management (“AUM”) multiplied by 1/12th of the annual management fee indicated for the product outlined in schedule A of the written agreement. Hanseatic typically deducts fees by the 15th of the month for the previous month’s billable AUM. Fees will be pro-rated for the month in which you first invest in the strategy or exit the strategy according to the average daily balance. Asset value shall mean the total account net asset value as computed by the custodian including cash, accrued interest, taxes and accrued income from pending cash dividends, rights and warrants with the custodian. The more assets there are in your account, the more you will pay in fees; therefore, Hanseatic has an incentive to grow your account balance either by its skill in delivering performance returns or by encouraging you to make additions to the assets in your account. Hanseatic charges no performance-based fees on any of its accounts. You will incur investment costs outside of the fees charged by Hanseatic such as custodian fees, commission fees, and fees related to ETF’s. **You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.** **Financial Planning:** Hanseatic offers a complementary, initial consultation for financial planning services. Hanseatic provides financial planning services only if mutually agreed upon. Prior to commencement of financial planning services, Hanseatic requires a
| What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have? | **When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they affect the recommendations we provide you. Here are some examples to help you understand what this means.**  

When providing investment advice or financial planning services, Hanseatic will recommend itself as the investment manager and recommend its investment products or will recommend itself as an investment advisor when appropriate after analysis.  

The more assets there are in your account, the more you will pay in fees; therefore, Hanseatic has an incentive to grow your account balance either by its skill in delivering performance returns or by encouraging you to make additions to the assets in your account.  

**For additional information:** please see our Form ADV, Part 2A brochure (Items 4 and 5).  

**Ask your financial professional:**  
- Help me understand how these fees and costs might affect my investments.  
- If I give you $10,000 to invest, how much will go to fees and costs, and how much will be invested for me? |
| --- | --- |
| How do your financial professionals make money? | **Employees are compensated by salary, an individual bonus plan, and a company-wide 401k plan. Individual bonus plan is based on net profits of the company as a whole. After a period of time, employees may be offered an equity stake. There have been no changes to the compensation structure for employees within the last three years. Hanseatic does not pay any referral fees to unaffiliated persons or firms (“Solicitors”) to introduce clients to the firm. For investment advice of self-directed brokerage accounts, Hanseatic recommends and is compensated by third parties for the sale of investment products. Hanseatic will disclose its solicitor agreement terms to clients prior to any final recommendation for self-directed brokerage accounts.**  

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Item 4  
**Do your financial professionals have legal or disciplinary history?**  
No.  
Visit [Investor.gov/CRS](https://Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.  
**Ask your financial professional:**  
- As a financial professional, do you have any disciplinary history? For what type of conduct? |
| Item 5  
**Additional Information** | **For additional information about our services, please see our Form ADV, Part 2A brochure. If you would like additional, up-to-date information, a copy of this disclosure, or a copy of our Form ADV, Part 2A brochure, please call Amy Stangel, Chief Compliance Officer, at 505-314-5887.**  

**Ask your financial professional:**  
- Who is my primary contact person? Is he or she a representative of an investment-adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me? |