Results analysis: Hansa Investment Company

Hansa's wide discount arguably doesn't reflect the transformative year and positive outlook.

Update
10 July 2026

- **Hansa Investment Company (Hansa) has released its annual results for the year ending 31/03/2026. During the period, the company had a NAV total return of 29.4% which compares to returns of 11.1% for the 60:40 balanced portfolio (represented by the MSCI ACWI NR GBP Equal Weighted and the FTSE All Stocks Gilts TR GBP), which is one of the company's KPIs although not a benchmark. The two share classes rose by 14.5% (ordinary shares) and 23.5% (A shares) over the year.**

- **There was considerable news flow during the year with Ocean Wilsons Holdings announcing the sale of Wilson Sons before Hansa's subsequent combination with Ocean Wilsons. This contributed to the NAV uplift in the year, as well as resulting in a much simpler multi-asset offering, with a portfolio consisting of four sleeves: country and thematic funds, direct global equities, private assets and diversifying assets.**

- **Further contributors to performance included the value-oriented funds, such as Schroder Global Recovery as the investment style continued its renaissance. The Japanese positions also performed well, reflecting an improving corporate background, with emerging and frontier markets also performing well.**

- **Elsewhere, the direct global equities sleeve rose 32% in aggregate, including strong performance from Interactive Brokers, Subsea 7 and Glencore. Diversifying funds delivered positively in absolute terms, with an aggregate return of 7.3%.**

- **One outcome of the combination was a jump in the cash level. Manager Alec Letchfield has been allocating this progressively throughout the wider portfolio this year with notable additions during the periods of market volatility towards the end of the financial year. A proportion of this is earmarked to be invested into private assets, with this sleeve 9% of total assets at the year end, with an ultimate goal of c. 20%.**

- **Part of the cash has also been used for share buybacks. The goal is to buyback between 2% and 4% of the share capital each year. The past financial year saw a combined c. 7.4m shares repurchased, about 3.6% of total share in issue.**

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- **Whilst the board is sceptical about the long-term impact of buy-backs on the discount, they do add significant economic value through buying extremely high quality assets at a discount. At year end, discounts were 46.0% and 46.2% for the ordinary and A shares respectively. These were wider than at the beginning of the year (from 38.8% and 43.5%) largely due to the strong NAV performance not being matched by the share price. Since the period end, the discounts have narrowed to 40.5% and 41.2% (as at 07/07/2026).**

- **One potential factor contributing to this recent improved rating has been the company's promotion to the FTSE 250 Index in June 2026. This has the potential to increase the potential investor base as well as attract passive money.**

- **The board has announced an interim dividend of 2p per share, due to income received from the previous holding in Ocean Wilsons.**

- **Chairman Jonathan Davie noted the significance of the corporate activity, stating it "has created value for all shareholders" as well as providing "increased confidence and clarity". With this in mind, he called the past year "one of the most important for the company since its creation".**

Kepler View

Whilst these results only cover one year in **Hansa Investment Company's (Hansa)** storied history, they are arguably some of the most significant, with the corporate activity that has completed creating a considerably different investment proposition than what was on offer at the same point last year. We have covered these in more detail in **our recent note**, although the key takeaway is that Hansa is now a much more straightforward offering for investors, and is now a diversified, multi-asset portfolio with the goal of generating long-term capital growth.

We think this profile should appeal to a wide range of investors, with the mixture of different asset, selected by an experienced and specialist team providing a "one-stop shop" solution. This looks particularly attractive at this juncture in our view due to the wide discount the shares currently trade at. The discount widened as the NAV jumped on the completion of combination, demonstrating investors have arguably been slow to react to the positive changes. Whilst the discount has narrowed slightly since the results were published, the current level is still excessive, in our view, and still reflects backward-looking hesitancy, rather than a more optimistic take on the future potential following the changes.

On a technical level, the current elevated cash levels make the effective discount even wider. Alec is allocating some of this cash towards the private assets, albeit the timing of this could prove very astute, with the manager capitalising on the volatility present in private assets in recent years. Opportunistic purchasing such as this could provide considerable long-term gains for Hansa, especially in private assets which have generally outperformed over the longer time horizons that Alec takes when making investment decisions.

One potential catalyst for the discount to narrow could be the recent promotion to the FTSE 250 Index. Historically, this has shown to be a positive contributor to liquidity as it attracts passive money, which we would expect to happen again. Furthermore, with discounts narrowing across the investment trust sector more generally, Hansa's current rating looks particularly anomalous, and we believe it is just a matter of time before this is recognised by investors. As a result, both the near- and longer-term investment cases for Hansa look particularly compelling in our view.

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