

Hansa Investment Company

Combination heralds a bigger, simpler structure

Hansa Investment Company (HICL) yesterday announced that its board has reached a preliminary agreement with Ocean Wilsons' board on the terms of a possible all-share combination. Under the deal, Hansa would acquire Ocean Wilsons' entire share capital, creating an investment company with total assets of >£900m. This transaction would build on Hansa's existing significant shareholding in Ocean Wilsons, which it has held for over 66 years, and represents a further simplification of the group structure following Ocean Wilsons' recent sale of its 56% interest in Brazilian port and maritime logistics company Wilson Sons. The deal has the support of the long-term, strategic shareholders of both Hansa and [Ocean Wilsons](#).

Hansa and Ocean Wilsons are part of the same investment management group. The two companies have similar investment objectives and significant portfolio overlap. It is expected that the combined group would maintain Hansa's existing strategy of investing in a diversified portfolio that combines hard-to-access funds, including private equity, with value-biased global equities and a defensive allocation. The boards of both companies believe this possible combination would build 'a strong platform for long-term value creation'.

Shareholders of the combined group would realise the benefits of greater scale, including improved liquidity for both groups of shareholders, and cost savings, as the fixed costs of running an investment company would be spread over a larger asset base, reducing the aggregate costs currently borne by both sets of shareholders. The management fee rate would be lower, with a tiered fee structure. This combination of cost efficiencies and a lower management fee rate would result in a lower ongoing charge, which would be 'materially more competitive' than the current respective ongoing charge ratios, according to Hansa's announcement. (HICL's ongoing charge at end-March 2024 was 1.0%.)

The combined group would introduce a new capital allocation policy that is expected to enhance returns over time, mainly through the implementation of annual on-market share buybacks of between 2% and 4% of its issued share capital. This policy would prioritise share repurchases over dividends. The boards of both companies believe this to be a more efficient approach to capital allocation, as it would be accretive to shareholder returns compared to returning value to shareholders via dividend payments.

Hansa's board expects the proposed simplified structure and increased scale to broaden Hansa's appeal to investors. In the past, some investors were wary of Hansa's Brazilian exposure, due to its illiquidity, and this has been the main reason why Hansa's shares have historically traded at a deep discount to NAV. The discount has narrowed since the news of the disposal of Wilson Sons, but remains close to 40%. However, yesterday's news has been welcomed by the market – Hansa's share price is now trading at its highest level in more than five years – and, in our view, provides scope for Hansa's discount to narrow substantially.

The exchange ratio of Ocean Wilsons shares to Hansa shares would be set with reference to the relative valuation of Hansa's and Ocean Wilsons' adjusted net assets. The agreement is conditional on the approval of both companies, but the timing of completion remains unclear. Once the deal is finalised, it is proposed that two of Ocean Wilsons' directors, Andrey Berzins and Christopher Townsend, would join Hansa's board.

Investment companies
Global multi-asset

18 June 2025

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|--------------------|---------------------|
| Price | 258.00p |
| Market cap | £310m |
| Shares in issue | 120.0m |
| Code/ISIN | HAN/BMG428941162 |
| Primary exchange | LSE |
| AIC sector | Flexible Investment |
| Financial year end | 31 March |
| 52-week high/low | 248.2p 189.3p |

Fund objective

Hansa Investment Company was created in 2019 through the redomiciliation of Hansa Trust from the UK to Bermuda. It aims to achieve medium-to long-term growth through a diversified, multi-strategy approach, combining a strategic stake in OWHL with a portfolio of global equities and predominantly third-party managed funds, giving access to primarily non-UK equities, along with more thematic and diversifying funds. Hansa Investment Company does not have a benchmark.

Analysts

| | |
|----------------|---------------------|
| Milosz Papst | +44 (0)20 3077 5700 |
| Joanne Collins | +44 (0)20 3077 5700 |

investmenttrusts@edisongroup.com

[Edison profile page](#)

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