The power of investing differently.

Annual Report
31 March

2024

Hansa Investment Company

The power of investing differently.

We are globally diversified, multi-asset class investors who seek to identify compelling investment opportunities in both long funds, hedge funds, direct global equities and private assets. We operate without being constrained by benchmarks, but instead seek to conservatively grow capital over time through investing in a blend of best-in-class public and private equities balanced by more defensive all-weather investments.

Long-term, not short-term

In an investment world that is increasingly short-term in nature and momentum driven, we seek to invest for the longer-term, playing to our multi-generational roots.

Access to the world's elite, best-in-class managers

Our long-term outlook, combined with our desire to form lasting multi-year relationships, makes us an attractive partner to many of the world's elite funds, many of which are unavailable to large institutions and retail investors.

Dare to be different

Rather than seeking to replicate indices we look to identify those areas of the market which offer attractive upside, with careful consideration of risks that may incur a permanent impairment of capital, even if this means being unconventional. Importantly, we are nimble and act quickly when needed priding ourselves on being flexible and independently minded, as illustrated by our investment in Ocean Wilsons Holdings Limited.

Operating outside the bureaucracies of a large institution

By virtue of being a smaller, dedicated fund management group with significant internal investment, we share an alignment of interest and, importantly, are not driven by asset gathering for the sake of profit maximisation.

To see more: www.hansaicl.com

Hansa Investment Company Limited

Registered in Bermuda company number: 54752

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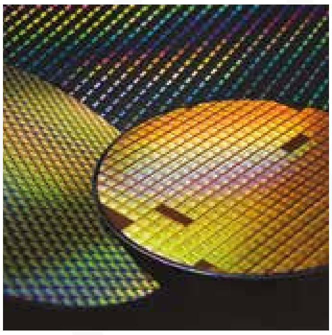
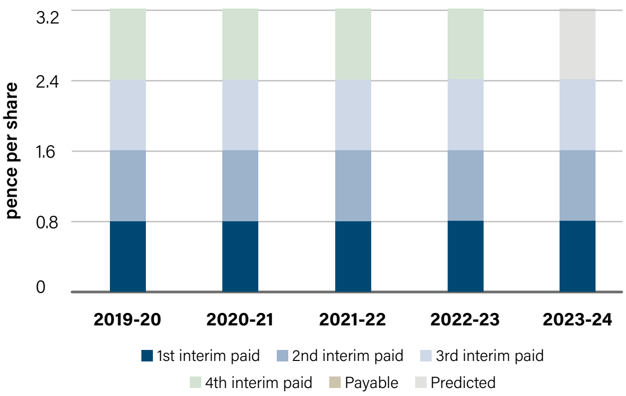


Financial summary

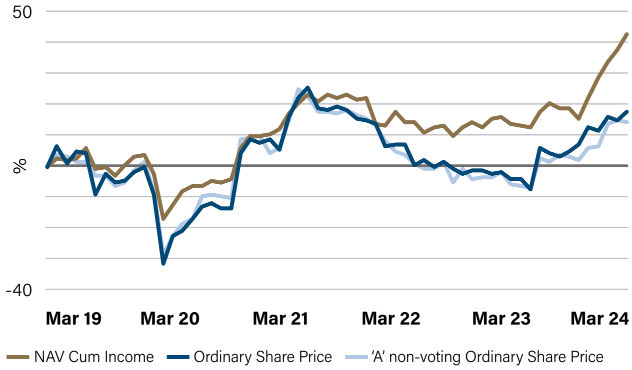
As at 31 March 2024

NAV per share 378.8p	**ORDINARY SHARES**	**'A' NON-VOTING ORDINARY SHARES**
Total assets £454.9m	**Share price** 210.0p	**Share price** 204.0p
	Discount 44.6%	**Discount** 46.1%
	Gross yield 1.5%	**Gross yield** 1.6%

Annual dividend payments

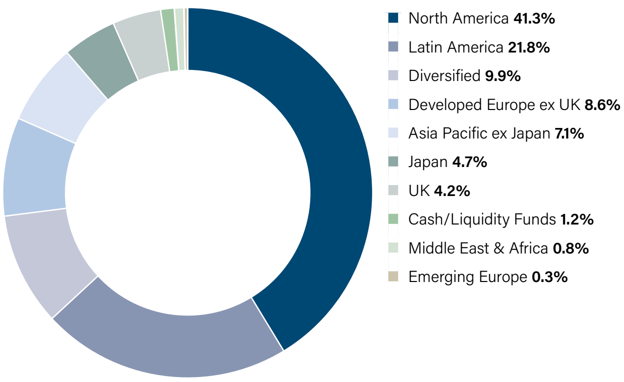


Five year total return cumulative performance

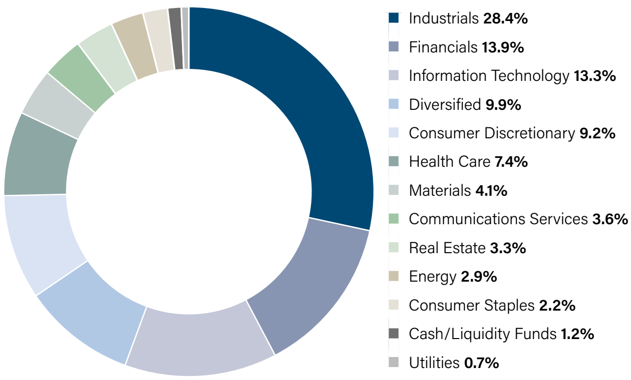


Graphs represent the combined results of the Company with Hansa Trust. To that end, prior to August 2019 where historic information relating to Hansa Trust is quoted on a 'per share' basis, it has been converted to be consistent with the number of HICL shares in issue. There is no benchmark to disclose.

Geographic exposure



Sector exposure



Chairman's report

Dear Shareholder

Jonathan Davie
Chairman

Shareholder Returns

It is very pleasing to report an increase of 14.6% over the year in the value of Hansa Investment Company Limited's ("Hansa", "the Company", HICL) investment portfolio. Our Portfolio Manager, Alec Letchfield and his team at Hansa Capital Partners LLP (HCP, "Hansa Capital Partners", "PM", "the Manager") have performed well in a very challenging market. Additionally, after a period of underperformance, it is very gratifying to report an increase of 55.3% in the value of our holding in Ocean Wilsons Holdings Limited (OWHL, "Ocean Wilsons"). Overall, the net asset value increased from 305.8p to 378.8p as at 31 March 2024, generating a 23.9% increase in the portfolio. The shareholders also received dividends totalling 3.2p per share during the period, implying a total NAV return of 25.1% for the year.

The Ordinary share price has increased from 174.0p to 210.0p, whilst the 'A' Ordinary shares increased from 170.5p to 204.0p. Regrettably the discount on the Ordinary shares increased from 43.1% to 44.6% and the 'A' Ordinary shares increased from 44.2% to 46.1%.

More details about our results and performance can be found on page 2 and also in our Portfolio Manager's detailed review of markets and portfolio performance in his Report starting on page 8.

Strategy

As memories of near-zero inflation and interest rates recede, the debate in markets has moved to where the natural rate of interest settles, with markets anticipating it to be approximately 2.5%, whilst leading economists such as Larry Summers lean towards the number being 4.5%. I prefer the latter view as if inflation gets back to 2% then a real rate of 2.5% is not unusual or unreasonable, particularly with the backdrop of voracious and increasing government debt requirements in all parts of the world.

Alec Letchfield and his team at Hansa Capital Partners, supported by the Board continue to look for opportunities to broaden and diversify the portfolio. This has been most notable with an increasing investment in Japan. Our commitment to Private Markets continues to grow as planned, with our strategy to continue to commit approximately £10m each year to this sector.

As a consequence of our recent rolling commitment to an annual investment in Private Equity and Venture Capital opportunities, the Board has decided to include this as one of the four key investment categories. Consequently, the Core and Thematic categories have been combined.

Ocean Wilsons Holdings Limited

As you will recall Ocean Wilsons announced on 12 June 2023 that it was undertaking a strategic review involving its investment in Wilson Sons and that all strategic options were being considered. A further announcement on 15 November 2023 confirmed that a number of indicative non-binding offers had been received, but the process remains ongoing. Recent results have been very encouraging, with an excellent performance by both Wilson Sons and the investment portfolio, which is continuing to demonstrate strong resilience. The Board awaits further updates, as I am sure do all other shareholders. It needs to be borne in mind that as stated by Ocean Wilsons, there can be no certainty as to the outcome of its deliberations and decisions.

Your Board remains vigilant on this very important matter for all our shareholders and continues to review and update potential strategic options.

Prospects

Stock markets have had a particularly good run in the second half of our financial year. Pleasingly, this has continued into May.

Whilst I have been correct on interest rates being higher for longer than the market participants anticipated and the oil price remaining firm, I have completely underestimated the continuing high levels of liquidity in markets, the sudden arrival of AI and the reasonably dovish comments from the Fed about progress towards their 2% inflation target.

As has been pointed out by some leading financial commentators, the relentless increase in outstanding US debt will probably become a serious problem at some point. This, of course, does not only apply to the US. What is particularly troubling is the fact there seems no determination to take any action on this. If anything, the opposite is true, with increasing amounts of debt being issued to bribe voters and special interest groups. I can only assume this will continue to reduce, to some degree, the speed of the decline in inflation and interest rates.

Our dividend policy will be reviewed after the Ocean Wilsons board have completed their deliberations on the strategic options open to the holding in Wilson Sons Limited.

It will be interesting to see if Chairman Powell starts to make any comments on this issue.

The recent increase in the price of gold is begging the question of whether it is signalling problems ahead, or just catching up with global events of both an economic and political nature. The ominous increase in the price of oil together with events in Ukraine and the Middle East will need to be monitored carefully.

On a more positive note, it is encouraging to find Europe getting through the recent winter with little stress on gas prices or its supply. In fact, stocks of gas seem to indicate a lowering of demand next year due to present storage reserves.

Discount Management

The Board is disappointed and frustrated that the discount has widened during a period of good investment performance. Our present policy of not intervening to try to reduce the discount will remain in place until we have learned about the outcome of Ocean Wilsons deliberations on the options open to Wilson Sons. At that time the Board will carry out a thorough review of its present discount management policies.

Dividends

The Board has decided to continue with its existing dividend policy of paying quarterly interim payments of 0.8p per share, being an annual total of 3.2p per share. The present plan will continue until such time as the dividend is fully covered by net revenue. It will then increase in line with any improvement in the net revenue of the Company. Currently the income generated by the portfolio is insufficient to meet this dividend commitment, with the shortfall being made up by drawing from Hansa's reserves. In principle, the Board does not believe it to be in the Company's best interests to use capital as a source from which to pay dividends. As I mentioned in my Half-Year Report, our dividend policy will be reviewed after the Ocean Wilsons board have completed their deliberations on the strategic options open to the holding in Wilson Sons Limited.

Company Bye-laws

As you may recall, one of the resolutions passed at Hansa's Annual General Meeting on 27 July 2023 was to ensure that all shareholders, if so requested, supply information relating to their tax residency. We have engaged Computershare to work with Hansa's management team to try to find and engage shareholders who have not yet responded to requests for information. I am pleased to report that some progress is being made on this issue, although much work remains to be done. I will keep shareholders updated on progress.

Shareholder Event

As you may recall, we held an event at the Mayfair Hotel in London on 27 September 2023. The presentation was live streamed via our website for those who could not attend in person.

It is our intention to hold a similar meeting on 25 September 2024 which will include presentations from myself, William Salomon and Alec Letchfield and the opportunity for attendees, whether in person or online, to ask questions.

ESG Matters

The Board remains responsible for the Company's ESG policy. In 2020, the Board adopted our Manager's Responsible Investing Policy. HCP continues to develop and refine its policy in line with the evolving nature of ESG's integration within financial services. As previously reported in 2022, the Hanseatic Group, of which our Manager is a part, became signatories to the UN PRI, a UN-supported network of investors works to promote sustainable investment. I am pleased to be able to report that they have recently received a positive response to their first annual submission.

Key Performance Indicators (KPIs)

The Board has completed its annual review of our investment KPIs and decided to maintain our previous investment stance. However, I should like to direct you to page 30 where we have added further colour to our decision to review investment performance versus a range of KPIs as opposed to a single benchmark.

Board composition

Nadya Wells has chosen not to stand for re-election as a Director of the Company at the AGM as a result of additional professional commitments that she intends to take on. The Board is starting the process of identifying a director to join the Board in Nadya's place.

Following Nadya's decision to not stand for re-election, with effect from 14 June 2024, the Board has appointed Simona Heidempergher to chair the Nomination Committee in addition to her continuing role as Chair of the Remuneration Committee.

I should like to take this opportunity to thank Nadya for her excellent and valuable contributions to the business of the Company and the Board over the period since the Company was formed in 2019 and the whole Board wishes her well in her future roles.

Annual General Meeting (AGM) and Amendment to Bye-laws

At the end of these Financial Statements, you will find a notice regarding our upcoming AGM, to be held on 2 August 2024 in Bermuda. Within the notice you will find several resolutions that are presented annually. Additionally, you will note a further resolution to adopt new Bye-laws, which is to effect two changes to the Company Bye-laws.

First, in line with developments in market and industry practice and to enable the Company to promote efficient, cost effective and modern methods of engagement with shareholders, the Company is proposing an update to Bye-law 19 which allows the Board to determine how dividends are paid to Members in the most efficient manner.

The Board intends to stop paying cash dividends by cheque and move toward payment of all dividends to Members by inter-bank transfer and electronic means.

Secondly, as you may recall, one of the resolutions passed at the Company's AGM on 27 July 2023 was to ensure that all shareholders, if so requested, supply information relating to their tax residency. To assist the existing process, the Company is proposing an update to Bye-law 83, Globally tax authorities and government agencies require financial institutions, including investment companies, to collect and report certain tax information in relation to their shareholders. In principle, this should only affect a very small number of our shareholders who are personally on our share register. Failure by those shareholders to supply the required information, will cause the Company to submit incomplete returns, with the consequent risk of penalties or censure by the authorities. This proposed update to Bye-law 83 is intended to encourage action from those few shareholders who fail to provide the information required by withholding the payment of dividends to any non-responding shareholders, until such time as the required information is received, so as to enable the Company to satisfy its reporting requirements. We have also engaged Computershare to work with us to try to find and engage shareholders who have not yet responded to requests for information. I am pleased to report that some progress is being made on this issue, although much work remains to be done. I will keep shareholders updated on progress.

Please see page 38 for more detail on the proposed changes and the more detailed reasoning behind the proposals.

I should like to thank my fellow Board members, as well as Alec Letchfield and his team at Hansa Capital Partners, for their dedicated hard work during this past year. We appreciate the support of our shareholders, for whom we are all constantly seeking to deliver value over the longer-term. I believe the Company is in a very good position to do this, whatever the markets and global economies may have in store for us in the future.

Jonathan Davie
Chairman
14 June 2024

We appreciate the support of our shareholders, for whom we are all constantly seeking to deliver value over the longer-term.

Long-term performance

Ten year company performance statistics

As at 31 March	Shareholders' Funds	Net Asset Value per share – Ordinary and 'A' Ordinary	Annual dividends	Share price (mid)		Discount/ (Premium)	
				Ordinary	'A' Ordinary	Ordinary	'A' Ordinary
2024	£454.6m	378.8p	3.2p	210.0p	204.0p	44.6%	46.1%
2023	£367.0m	305.8p	3.2p	174.0p	170.5p	43.1%	44.2%
2022	£382.9m	319.1p	3.2p	198.5p	193.0p	37.8%	39.5%
2021	£367.9m	306.6p	3.2p	198.0p	198.5p	35.4%	35.3%
2020	£276.3m	230.2p	3.2p	130.9p	135.5p	43.1%	41.2%
2019	£337.3m	281.1p	3.2p	195.5p	195.0p	30.5%	30.6%
2018	£323.1m	269.3p	3.2p	198.5p	195.5p	26.3%	27.4%
2017	£307.5m	256.3p	3.2p	173.3p	169.6p	32.4%	33.8%
2016	£255.6m	213.0p	3.2p	146.0p	145.1p	31.5%	31.9%
2015	£273.3m	227.8p	3.2p	172.0p	165.5p	24.5%	27.3%
2014	£287.4m	239.5p	3.2p	175.9p	175.5p	26.6%	26.7%

The table includes information relating to HICL and historic information relating to Hansa Trust. The years ended 2020–2024 notes HICL information. The historic year ends 2014–2019 all relate to Hansa Trust. So that data is consistent and comparable, the historic data in columns "Net Asset Value per Share", "Annual Dividends" and "Share Price (Mid)" have been restated to reflect that, as part of the redomicile of the business of Hansa Trust to HICL in August 2019, HICL issued five times as many shares in each share class of HICL as there were in Hansa Trust.

The Company's KPIs can be found further on in the Report.

To 31 March 2024	1 year	3 years	5 years	10 years
Total Return (%)				
Ordinary shares	22.7%	11.4%	17.4%	43.1%
'A' non-voting Ordinary shares	21.8%	8.0%	14.4%	39.7%
NAV	25.1%	27.4%	42.6%	79.0%

Portfolio Manager's Review

Portfolio Manager's report

Key questions for the year ahead.

Alec Letchfield
Portfolio Manager

Market review

Every year stock markets have their notable features, whether it is bull markets, the occasional crash or bubbles forming. The last financial year was no exception, but what was of particular note was the degree to which it confounded broker forecasts. As we sit here reviewing the various broker predictions for last year, we struggle to remember a year when commentators got it so wrong on so many fronts.

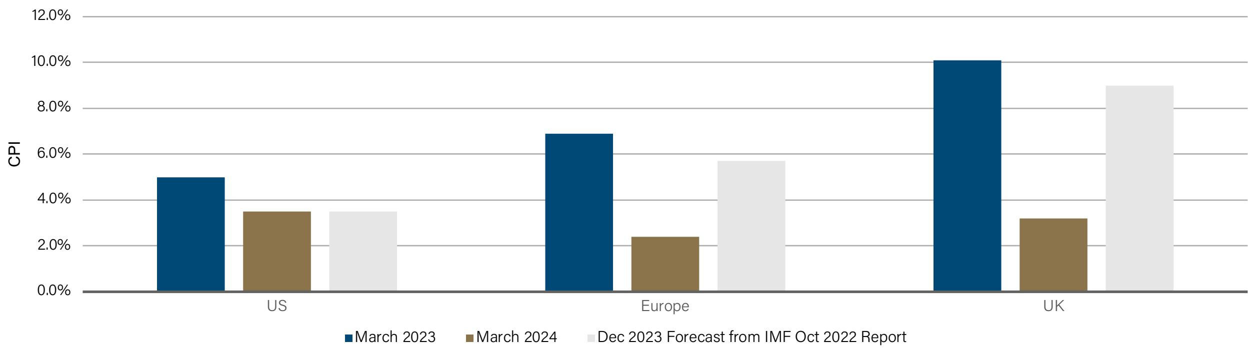
Directionally, with very few exceptions, almost all commentators expected muted markets and many thought further falls were on the cards. Following on from the challenging 2023 financial year, inflation was forecast to remain sticky and high, necessitating that interest rates remain elevated if structurally higher inflation was to be avoided. This in turn was seen by many as creating a no-win situation, whereby a recession was seen as an almost inevitable side effect of the higher rates.

The outcome was very different from this. Most notably, inflation came rattling back. In the US, inflation in March 2023 was at 5.0% and rapidly fell back to 3.1% by the end of November, before slightly increasing to 3.5% in March 2024. Europe saw inflation fall even more dramatically, from 6.9% to 2.4% during the financial year, with some regional variations such as Germany where the inflation rate took longer to decline. The UK was the laggard but even here inflation declined to 3.2% by March 2024 and even beat Rishi Sunak's target levels which looked optimistic only a few months back.

Similarly, growth levels have confounded the bears with economies mostly avoiding even modest recessions. Most notably, despite the much higher interest rates, the US economy has remained remarkably robust. Buoyed by both a consumer who is still willing to spend and a corporate sector that seems to be largely unaffected by the higher borrowing costs, growth stayed in the black. Other economies were a little more mixed, with Germany for example dipping into mild recession, but overall the outcome was much better than forecast by most. Whether this means we have avoided recession completely, or merely delayed it, is up for debate.

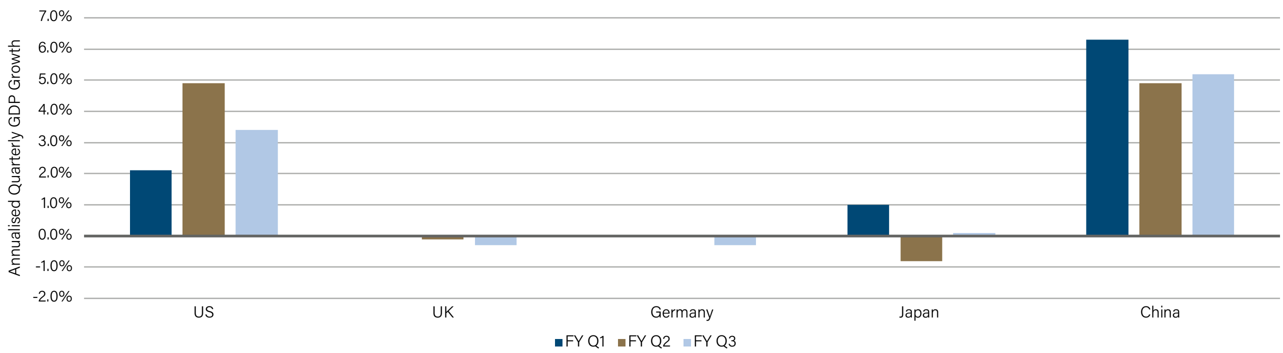
An area where forecasters were proved right was interest rates remaining higher for longer but, even here, it was for the wrong reasons. Central bankers were

Chart 1: Actual inflation in 2024 financial year has been much lower than consensus forecasts.



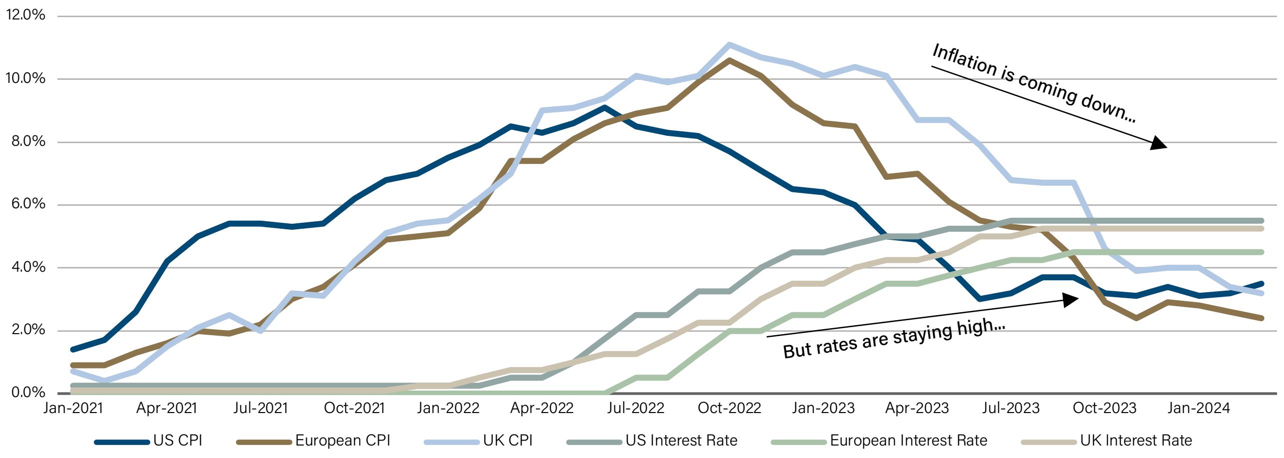
Source: Bloomberg, IMF

Chart 2: Major economies have been surprisingly robust and mostly avoided recessions in the last year.



Source: Bloomberg

Chart 3: Interest rates remain high despite inflation falling sharply.



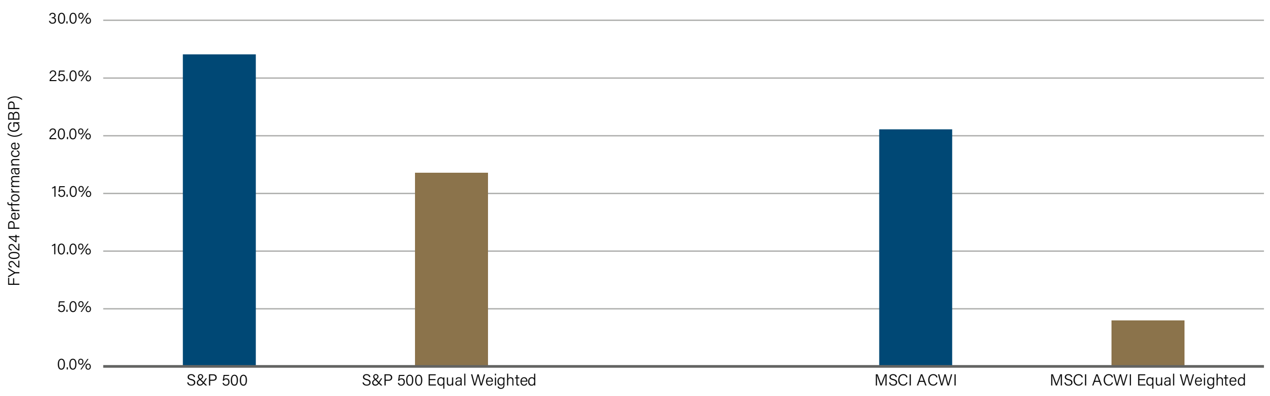
Source: Bloomberg

initially behind the curve as the sharp rise in inflation in 2022 caught them somewhat by surprise. They then pivoted to become inflation hawks and shot up rates, quicker and higher than many anticipated, in an effort to control the inflationary pressure. Although inflation then started falling sharply as price rises, firstly of goods and then of services, dropped away, central bankers continued in their higher for longer rhetoric, while investors started anticipating multiple rate cuts in 2024. Now, when inflation has slightly increased again in the US and investors have dramatically reduced their rate cut expectations, the Fed has switched to become modestly dovish, still predicting it will soon be cutting rates.

At the country level, the forecasters' track record was little better. The consensus coming into the last financial year was for emerging markets, Japan and Europe, to outperform the US. Partially, this was a reflection of emerging markets being seen as having been more prudent in their fiscal and monetary policies, both during and after COVID, and with many exiting the tightening phase of their monetary cycles last year, whereas developed markets were earlier in their cycles. With the valuation gap between the US and the rest of the world also extreme, largely due to the preponderance of technology companies within the US stock market, almost all commentators were underweight in the US and overweight in the other regions.

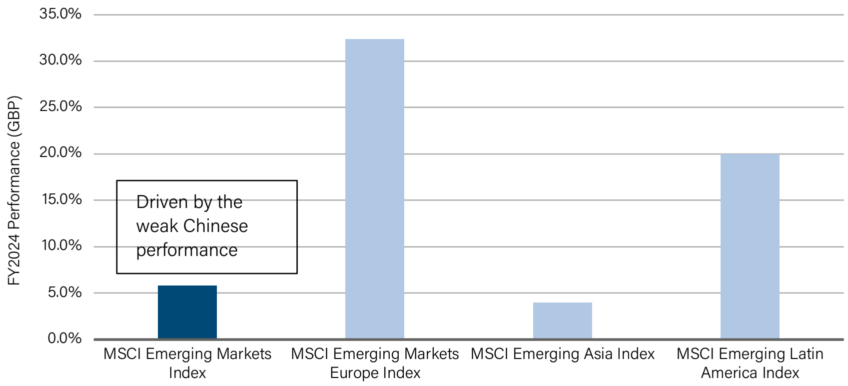
Yet again the US confounded the bears. In what is almost certainly one of the largest, if not the largest, money losing trades of recent times, the desire to forecast the demise of the US was once again proved to be wrong. As we always say, you bet against the US at your own peril! Rising by 26.2% in the year, the US market helped drag the wider stock market up by 20.5% by virtue of it now accounting for a lofty 63.7% of the World Index. Underlying this performance were five US mega-cap technology names – Microsoft, Alphabet, Amazon, NVIDIA and Meta – with the group surging by 80.7% over the year as AI fever grabbed investors' imaginations. Outside of these names however the story was less good, with the rest of the S&P 500 rising by just 16.1%. This concentration created a challenging backdrop for many active managers with most being not only underweight in the wider US market but also underweight in the mega-cap five names, due to their high valuations and for risk management reasons with managers unwilling to have such a large proportion of their funds invested in such a small number of names.

Chart 4: The performance of S&P 500 and MSCI ACWI in the last year has been driven by a few mega-cap tech names.



Source: Bloomberg

Chart 5: Performance has diverged across the emerging markets.



Source: Bloomberg

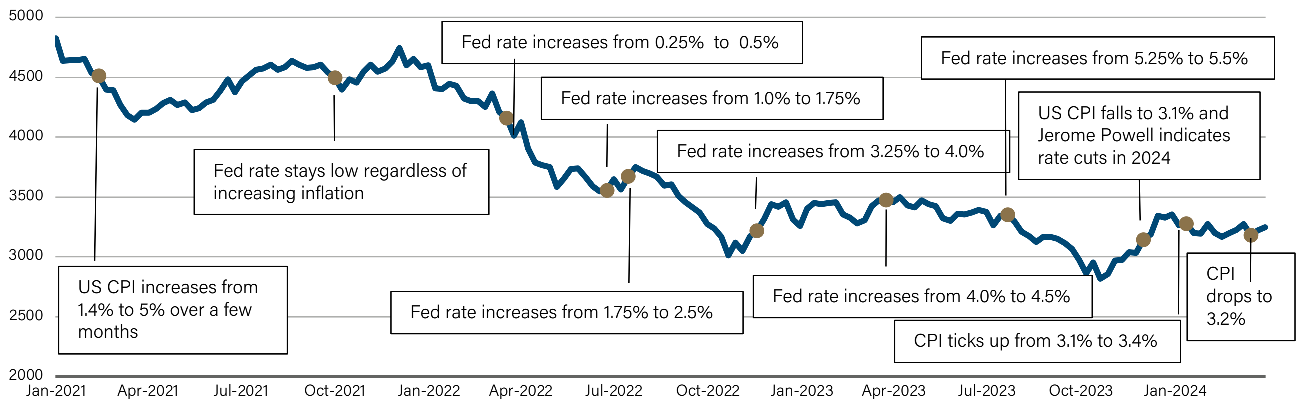
Outside the US the picture was mixed. The emerging markets could only manage a 5.8% rise, but this was largely a reflection of the poor performance of China which faces challenges on a multitude of fronts. Not only has it failed to deliver the post-COVID rebound many had hoped for, but China has also become embroiled in a wider East versus West struggle. It wasn't all one-way traffic within the emerging markets, however, with countries such as India and Brazil producing excellent returns. Japan was also notably strong. Despite seeing numerous false dawns, the current revival appears to be more persistent with numerous measures being put into place by the government and genuine change happening in the corporate sector.

An area where there was little consensus was the outlook for bonds. On the one hand, some believed yields being back at levels where they offered a real alternative to equities, combined with the prospect of slowing growth, created a better backdrop for bonds (albeit one which was better for government bonds and shorter dated investment grade debt, than for high yield bonds where spreads remained extremely tight). On the other, a number of commentators argued we were entering a more protracted bear market in bonds that would take many years to play out with the spectre that this might become disorderly due to the high debt taken on in many areas of the economy. The year-end outcome of global government bonds falling by 3.9% suggested a rather poor backdrop, although global high yield bonds rose by 8.7%. The journey, however, was anything but muted with the asset class seeing wild swings depending on which camp held sway as the year progressed.

Emerging markets could only manage a 5.8% rise, but this was largely a reflection of the poor performance of China.

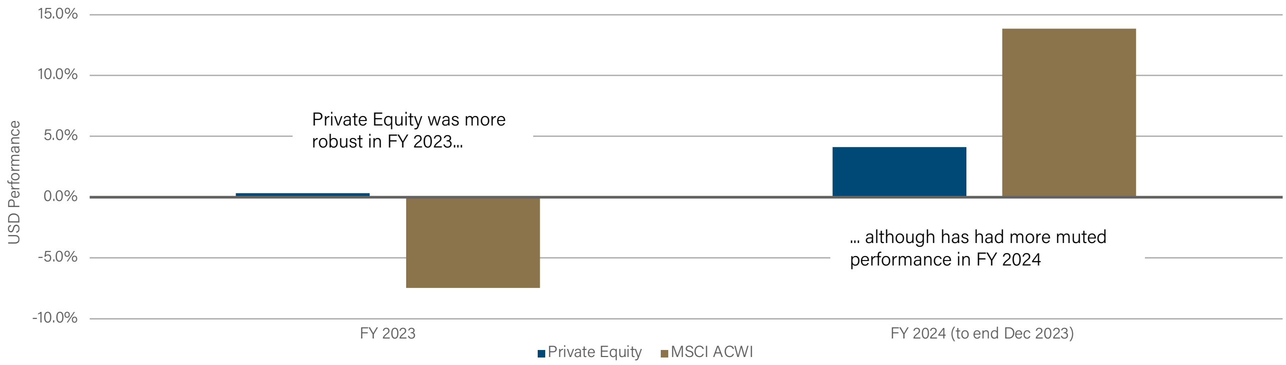
Chart 6: US Treasuries have been muted overall in the last year but the journey has been volatile.

Bloomberg US Long Treasury Total Return Index



Source: Bloomberg

Chart 7: Private markets lagged in FY 2024 following good relative performance in FY 2023 (in USD).



Source: Preqin

In contrast to the excitement seen in bonds, alternative investments were more muted over the past year. Private Equity (PE), which was one of the bright spots in the 2023 financial year bear market, was more muted in the 2024 financial year. Whilst the final year numbers are yet to fully come through, the returns to the end of December 2023 were a rise of 4.1%. This relative underperformance versus public markets is unsurprising with the sector typically lagging public market performance by six to nine months. Hopefully this represents the full extent of the underperformance. However, we do note one or two worrying signs in the form of PE firms being built on a model of cheap debt and a number of managers engaging in activities such as continuation funds, which smells a little like the can being kicked down the road.

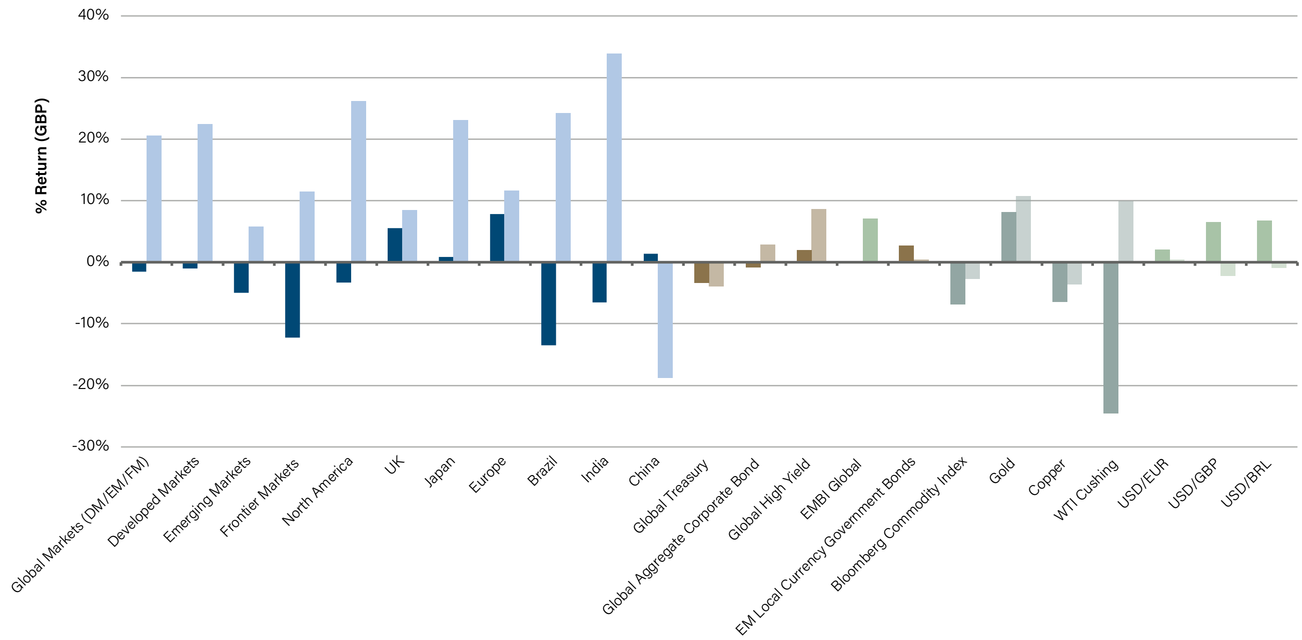
Key questions for the year ahead

Despite our scepticism on broker forecasts, it doesn't mean we disregard them entirely. Instead, we believe markets are faced with just a handful of important drivers and questions at any one time. Understanding what these drivers are and where the consensus stands on them is key to constructing portfolios. Often there are a number of likely outcomes and our aim is to create all-weather portfolios that can thrive in these different scenarios.

Hence, as we enter the 2025 financial year, we view the following as being key to the success of markets in the year ahead:

1. Has the battle against inflation been won and are we returning to a low inflation environment?

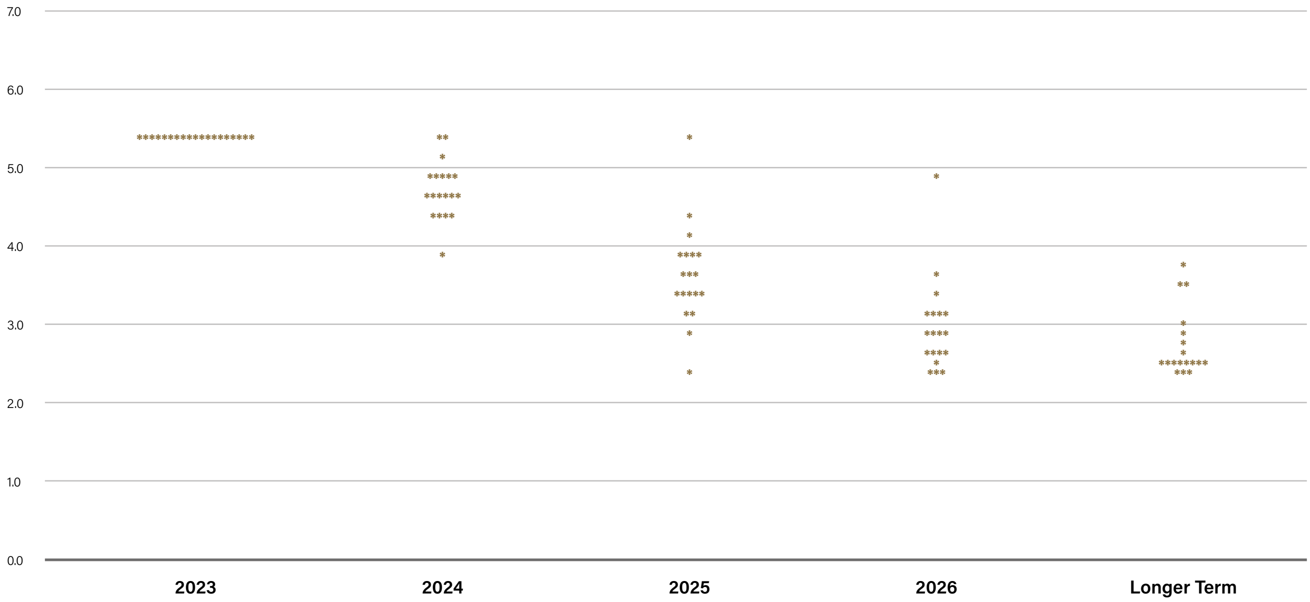
Chart 8: Performance of equity markets by country, global bonds, commodities and currencies.



Source: Bloomberg

Chart 9: The Fed's dot plot indicates rate cuts in 2024.

Fed policymakers' projections for the midpoint of US interest rates (%)



Source: The Federal Reserve. The dots represent the Fed members' projections for interest rates.

2. Is a recession inevitable in the next year?
3. Is it too early to buy bonds?
4. Contrasting Asian fortunes – Japan versus China.
5. What are the tail risks in the year ahead?

1. Has the battle against inflation been won and are we returning to a low inflation environment?

As discussed previously, 2023 was notable for the extent to which inflation fell back from the extremes of 2022. The headline forecasts are, however, still above central bank targets raising the question as to whether it is only a matter of time before this final inflation is eradicated, or if the low hanging fruit has been had and this last element of inflation will prove to be stickier and ultimately necessitate central bankers to remain hawkish for longer.

Initially, the consensus was that COVID had caused a reset in the world inflationary order and a number of the factors that had caused persistent deflation over the past 10 years, such as globalisation and the power of the corporate sector over the labour force, were coming to an end. Hence, whilst the base effect from the supernormal inflation of 2022 meant that inflation appeared to be dropping sharply, inflation is now structurally higher.

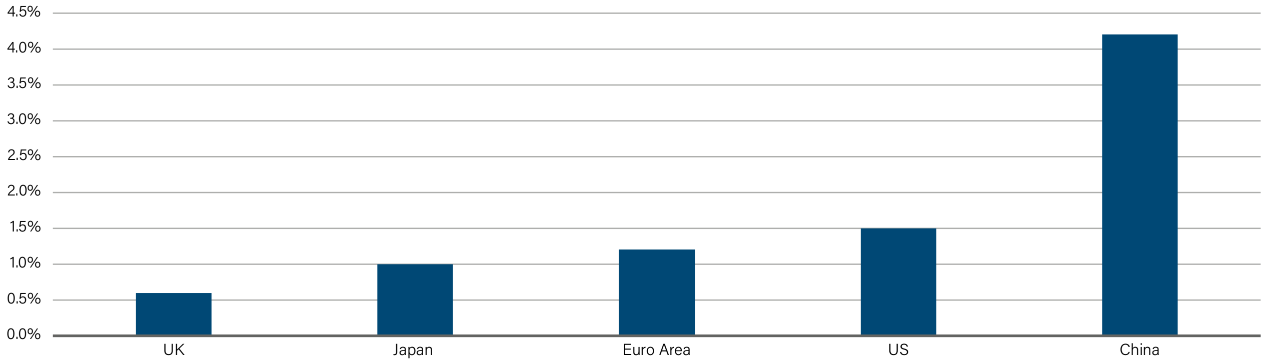
There is, however, an alternative view to which we are becoming increasingly sympathetic. For much of the post-COVID period commentators have been trying to overlay conventional economic cycle analysis in what is, in practice, a completely unique backdrop. This played out in the form of revenge buying, as consumers exited COVID lockdowns with supply unable to meet demand. We then had service sector and wage inflation as certain sectors were hit by labour shortages due to people retiring early or making lifestyle choices favouring their quality of life over work. Increasingly, however, these factors are proving to be temporary and we are seeing a return to pre-COVID norms. On the goods side, demand has fallen away and supply has caught up (and in some places overtaken demand). On the service side, which initially looked to be stickier, we are seeing signs that important components of service inflation, such as shelter costs and wage inflation, are normalising. Hence, whilst the jury remains out, we are increasingly optimistic that inflation is not structurally very high, albeit we equally do not see markets moving back to a deflationary backdrop anytime soon. This could prove positive for interest rates, markets and long duration assets in general.

2. Is a recession inevitable in the next year?

One would think that if we are seeing the last remnants of COVID passing their way through the system, with inflation beaten and rate cuts on the cards, this would remove the threat of recession. Unfortunately, the reality is not quite as simple. The challenge with inflation and rates is that inflation is backward looking, whereas rates are instruments that impact economies in the future. It would appear that central bankers would rather err on the side of caution and ensure inflation is completely eradicated from the system, before they risk loosening monetary policy and avoid running the risk that they need to pivot by moving too early. No central banker wants to be remembered as the one who caused deep, entrenched, long-term inflation and would rather keep rates higher for longer even if this catalysed a recession.

Our hope, and view, is that the data continues to indicate that the inflationary battle is won and central bankers will stay true to their word of being driven by the data. Encouragingly more recent comments from the Federal Reserve governors have been saying just this with even more hawkish members, such as Governor Waller, sounding more dovish in their comments. Reinforcing this

Chart 10: The IMF is forecasting positive real GDP growth for 2024.



Source: IMF

position is the prospect of a US election. Despite claims of independence, central bankers are increasingly driven by political pressure, and the pressure on them to shore up the economy in an election year will be powerful. Hence, we would argue that without a significant policy misstep, a recession should be avoided, and, at worst, any recession will be a soft one.

3. Is it too early to buy bonds?

Interlinked with the outlook for interest rates and inflation is the outlook for bonds. Depending on which side wins through, bonds will rise or fall accordingly. If inflation does in fact remain persistent, necessitating that rates have to go higher and potentially catalysing a recession in the process, this will likely weigh heavily on bond prices in 2024. Conversely, if the disinflation we saw in 2023 continues bringing forward the prospect of rate cuts, then the rally we saw in the latter part of the year is likely to continue.

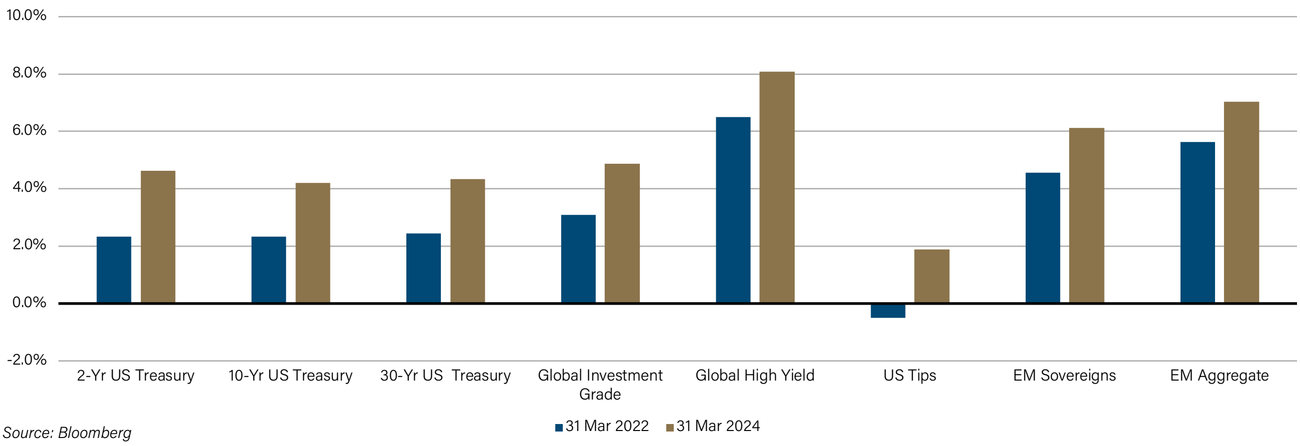
Regardless of which scenario plays out, the rise in yields seen over the past 18 months has seen bonds shift from a position of having deeply unattractive risk/reward characteristics, with zero yields, zero inflation and zero rates making them extremely vulnerable to any disappointment, to one where they now have historically more normal yields with positive real yields and for the first time in many years providing a genuine alternative to equities. Whilst we would avoid high yield bonds, given their sensitivity to recession, and with spreads not offering a sufficient margin of safety, we do think that short and mid duration bonds can be bought and, if held to maturity, should provide attractive returns.

4. Contrasting Asian fortunes – Japan versus China

One of the most notable features of the past 12 months has been the starkly diverging fortunes of China and Japan. As highlighted above, China faced challenges within its important real estate sector, from geopolitical pressure and from a sluggish post-COVID rebound, whereas Japan was enjoying the benefits of government measures encouraging corporates to become more competitive and, to some degree, its economy benefiting at the expense of China.

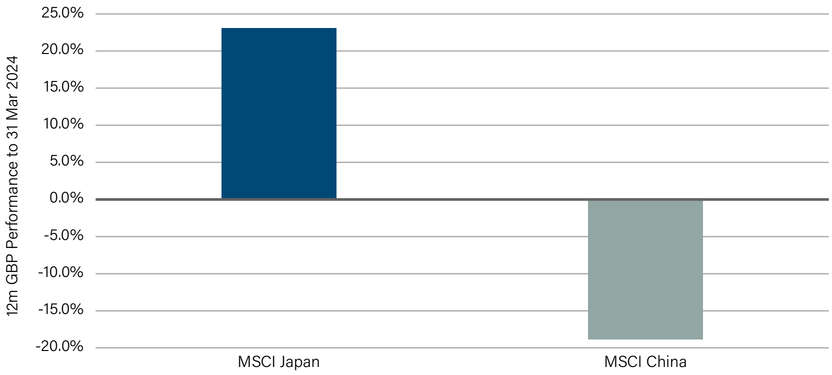
The key question for the year ahead is whether to expect more of the same or if a contrarian view is the way forward? Typically, we would tend to favour the contrarian view. Japan has a long history of grabbing failure from the jaws of success as efforts to change eventually peter

Chart 11: Yields have significantly increased over the last two years.



Source: Bloomberg

Chart 12: Japan has outperformed China by over 35% in the last 12 months.



Source: Bloomberg

out, often due to political instability and institutional inertia. This time around though we are feeling more optimistic. Politically, Japan is looking unusually stable at the governmental level (although political manoeuvring is always going on within the Liberal Democratic Party) and, even without this stability, there is cross-party acceptance that Japan has to be more ambitious in its actions if it is to compensate for the structural challenges it faces. With an aging population and the Chinese powerhouse breathing down its neck, Japan increasingly recognises radical action is needed and productivity growth is a necessity if it is not to slide into oblivion. This recognition, combined with Japan's starting point of low valuations and deeply inefficient balance sheets, creates huge opportunities for investors, especially given the herd-like mentality of corporate Japan – if one does it, others tend to follow to avoid losing face.

Clearly, this change in direction is not without risks. Time and again, Japan has failed to deliver and even if it is successful, we would expect it to be a slow and rather tortuous journey but, even so, we remain significantly overweight in Japanese equities at this juncture.

Conversely, China's history has been one of substantial structural gains interspersed by the occasional missteps which have typically represented excellent buying opportunities. Whether it was Tiananmen Square in 1989, when China faced significant sanctions from the developed world, or the aftershocks of the Asian crisis in the early 2000s, these in fact represented excellent entry points.

Why then would we not view the current situation in China as being another opportunity to buy? Well, it possibly does represent a tactical buying opportunity, but our main concern at this juncture is that we see several significant binary risks. Following his coronation as president for life, Xi Jinping has shown his hand on two counts. One, he is an unashamed communist leader who will unilaterally move the goal posts in the pursuit of his goals. Whether it is the overnight regulation of the education sector or installing government officials into the big Chinese tech companies, this changing backdrop makes investing very difficult. Two, the growing wedge between the East and the West is creating a potentially significant risk to stock prices. In particular we would highlight the situation with Taiwan. Whilst one would hope that the fate of Russia following its invasion of Ukraine would put Xi off from forcibly taking control of Taiwan, the unification of Taiwan and China is Xi's ultimate aspiration and the one thing you can say about Xi is that he always follows through on his word. How the West and the US would react to such a move is open to debate, but one would not want to be a holder of Chinese assets at that point. Whilst we do not think China will invade Taiwan imminently, it represents a binary risk that we feel is not well compensated at this point.

A couple of years back we had pondered whether we should be adding a structural position in China, reflecting its growing economic power and importance on the world stage. Ultimately, we decided not to as we saw the negatives discussed above starting to evolve. Instead, we remain content to leave it to our specialist Asian managers to invest in China on a tactical basis as they see fit and not to view the current situation as a time to add a structural stake to our portfolios.

5. What are the tail risks in the year ahead?

As long-term investors, tail risks always remain at the forefront of our minds, as it is often these that catalyse more extreme pullbacks in stock markets. Worryingly the current environment looks especially vulnerable to such risks. Structural shifts, as we are seeing at present, often place considerable stress on those areas of the market that have been built on the continuation of the status quo.

Top of the list is the step change in rates and bond yields. As we have discussed in the past, a number of sectors built their business models on rates remaining low, gorging themselves on free money and boosting their returns in the process. Commercial real estate and private equity are particularly notable on this front. Both sectors took on more and more debt and saw their fund sizes ramp up on the back of the often-illusory high returns they generated. Already, the speed with which yields have risen has placed pressure on a number of players. Commercial real estate has been at the forefront of this with the funding issues coming at a time when the demand for real estate has dropped sharply, due to the trend towards working from home post-COVID. PE has been more immune, but it is possible that a slower-motion crash may be in motion. Currently the PE firms have been kicking

US debt levels have risen significantly in recent years, rising from $10 trillion in 2000 to $33 trillion in 2023, at a time when funding costs are becoming more expensive and the demand for US bonds is diminishing.

the can down the road, by slowing their realisations and avoiding taking any losses through the use of structures such as continuation funds. Ultimately, they are gambling markets will normalise and they will have avoided the need to sell at more distressed levels. Time will tell.

This slow-motion crash may also be the key story for other sectors in the year ahead. The next couple of years will be a much more active period for the rollover of debt and it will be interesting to see which companies and sectors have been swimming naked. At this point we're not overly worried about the broader corporate sector, with companies typically managing themselves more prudently post the financial crisis, with lower levels of debt and generally longer maturity profiles, but it will be an area to watch closely, especially if economies dip into recession.

Perhaps more worrying is the debt that has been accumulated in the government sector. Crises rarely strike the same area twice and, whereas corporates were the main victims in the Global Financial Crisis (GFC), government debt is looking more vulnerable this time around. Typically, governments, in particular developed market governments, are seen as possessing more prudent finances and often have the luxury that they are perceived as the safest form of debt and hence are able to fund their debt come whatever. Government debt levels have, however, been rising sharply over recent years and dangerously so in many cases. Having spent their way out of the GFC, governments then embarked on a second round of major spending to dampen the impact of COVID. This pushed borrowing up to precariously high levels and could result in a disorderly sell-off if confidence is lost. We have seen a mini version of this already with the Truss/Kwarteng debacle in late 2022, resulting in a collapse in gilt prices on the back of imprudent policy measures.

Despite the challenges faced in the UK, it is in practice a sideshow with the real danger lying in the US. US debt levels have risen significantly in recent years, rising from $10 trillion in 2000 to $33 trillion in 2023, at a time when funding costs are becoming more expensive and the demand for US bonds is diminishing. Importantly, both China and Japan, who have historically been important marginal buyers of US government bonds, are increasingly looking elsewhere. Japan is likely to start investing more into domestic bonds on the back of higher yields, as it moves away from its Yield Curve Control measures, while China is trying to wean itself off buying US Treasuries to reduce its dependence on the US market, in light of the sanctions the West put on Russia post its invasion of Ukraine.

At this stage we have a watching brief on the situation and do not anticipate an imminent collapse in the US government bond market. Partly this reflects the lack of options for global investors, with the US bond markets remaining the only real viable option to absorb global liquidity, but also the US has the luxury of being able to print money to ultimately fund this debt. Nonetheless, we will be monitoring the situation closely and we hope that debt is ultimately reduced to lower and more sustainable levels and doesn't become a source of global market volatility.

The other tail risk we watch closely is geopolitical. For many years we have had relative geopolitical harmony with the US hegemony creating a favourable backdrop for global stock markets and with the US's influence encouraging the adoption of capitalist models based on the rule of law, with the desire to do business being at the heart of the US mantra. Increasingly, however, the combination of the rising power of the East with the unholy undemocratic alliance between China, Russia and India, and to some extent the US stepping back from its role as the global policeman, is creating a less stable and more volatile global backdrop. Already we have seen this with Russia's invasion of Ukraine and now the conflict in the Middle East. Dictators and undemocratic actors around the world are increasingly seeing the model established by the East as a real alternative to the one pushed forward by the US and the West for several decades.

Unfortunately, we fear future years will see geopolitics becoming an even greater problem and whilst one would have hoped that the events in Ukraine and the Middle East would have solidified the world against tyranny, they have in fact polarised the world into competing factions. Hence, whilst we have typically ignored geopolitical risk in the past, often viewing it as an entry point into markets, we are increasingly having to factor these risks into our investment rationales, which is particularly challenging given the binary nature of the outcomes.

Rising geopolitical tensions:

"I've made clear with President Xi that we seek competition, not conflict.

***Joe Biden** on China*

"We have to stop being naive about the threat we face from China. We no longer have the luxury of time. We need to act now to get ahead of this threat.

***Mike Rogers**, Republican House Armed Services Committee chairman*

"Western countries led by the United States have contained and suppressed us in an all-round way, which has brought unprecedented severe challenges to our development.

Xi Jinping

"Insofar as Canada is concerned, they have consistently given space to anti-India extremists and violence.

Indian foreign ministry

"They chose to attack us and undermine us with a scale of misinformation and disinformation in their media that was comical.

***Justin Trudeau** on India*

Conclusion

Almost invariably the drivers of stock market returns can be distilled down to two or three key factors. The last financial year was all about inflation, with few market participants predicting the extent to which it would pullback which set-off a domino effect of missed growth targets, interest rates remaining high and surprisingly strong equity markets.

Inflation is also likely to play an important role in the year ahead, with the focus now on whether inflation can be brought back to central bank targets, freeing up central bankers to start cutting rates and avoiding a hard landing. Previously we had been more in the camp that the low hanging fruit had been had with this last slice of inflation proving more challenging to remove, creating scope for disappointment as rates stay higher for longer. More recently, however, we had become more sympathetic to this rump inflation also dropping out as important inflationary components such as shelter inflation and wages become less problematic. Recent data has indicated that inflation has ticked back up in early 2024 leading to the possibility of delays in global rate cuts which may well disappoint markets, who seemed to think inflation had been beaten. We are still of the view that inflation is on the downward trajectory, even if the journey is not as linear as markets had hoped it would be, although there is a risk that central banks will cut too much, too fast due to political pressure.

This backdrop should create a reasonable environment for global stock markets with falling inflation, peak rates and a soft landing good for both equities and bonds. Volatility is however likely to remain a feature. The inflationary journey will in all probability be a mixed one and certainly not linear. As alluded to above, there is the real risk of policy misstep by central banks who are not as independent as many believe them to be. Similarly, we do not think we are returning to the backdrop we saw in the 2010s. As we have discussed in the past, we view this period as being something of an anomaly and think it unlikely we will return to an environment dominated by low volatility, deflation and zero rates any time soon. Hence, whilst remaining broadly pro-risk as we enter the 2025 financial year, we have introduced more balance into portfolios both at the country level, including a meaningful overweight to Japan, but also across asset classes with bonds becoming a genuine alternative to equities. We have also blended styles through owning value and growth rather than the rather unidirectional portfolios we ran over the last cycle. We remain vigilant and think active management will be even more important for the period ahead.

Portfolio Review and Activity

Global equity markets performed very strongly over the course of the financial year, with the MSCI ACWI NR Index (GBP) rising 20.6%. Bonds struggled, with the FTSE UK Gilts All Stocks TR Index flat over the year, with investors pushing back their forecasts for interest rate cuts as inflation fell more slowly than some had hoped. The UK CPI rose 3.2% over the year.

The portfolio performed very well during the year with the Company's NAV total return outperforming the global market, with a gain of 25.1%. As well as being ahead of all three KPIs, this return is also strongly ahead of the performance of a traditional 60:40 equities and bonds portfolio (up 12.0% over the financial year).

The Company's position in Ocean Wilsons was a strong contributor during the financial year, with a return of 64.8%.

The Company's net asset value per share rose from 305.0p at the end of March 2023 to 378.6p at the end of March 2024; with 3.2p per share having been paid out in dividends during that time.

Core and Thematic Funds

The Core Regional and Thematic silo returned 19.2% for the financial year.

The Company's North American holdings were amongst the strongest performers largely keeping up with the regional index. **Pershing Square Holdings** delivered a return of 46.4% over the financial year. The manager's decision to initiate a position in Alphabet in early 2023 proved to be an excellent one with the company strongly contributing to performance throughout the year. A position in Chipotle Mexican Grill also increased significantly in value following very strong results, which

US commercial real estate has been a huge beneficiary of low interest rates. The current higher rate world is now testing many business models.

showed traffic growth accelerating and successful new product launches. The company continues to grow its restaurant count at 10% a year in North America and is now increasing investment in its international expansion. **Findlay Park American** gained 28.9%, while **Select Equity** increased by 23.4%, with Select slightly lagging due to its lower exposure to large cap technology stocks. **Beutel Goodman US Value** did well considering its value bias with a return over the last year of 17.2%.

In Japan, two new positions, **Arcus Japan** and **Alma Eikoh Japan Large Cap**, were added in November and they have since performed well with returns of 15.4% and 11.2%, respectively, since purchase. Arcus' largest holding, IHI Corp, performed very strongly in February and March 2024 as investors forecasted the company would post record operating profits for the year ahead. The company had suffered with an issue in its aero engines division that has now largely been contained, which led to a large operating loss in the year ending March 2024. For **Alma**, Mitsubishi Heavy Industries was a strong performer benefiting from the thematic drivers of increasing defence expenditure and the energy transition. The Japanese government has been investing heavily to improve their defensive capabilities in the face of a more assertive China following decades of relative calm. **Indus Japan** gained 9.8% over the year, while **Simplex Value Up** has been more muted, up 4.5%, as its small/mid-cap bias and benchmark agnostic strategy meant it benefited less from the broad market upswell.

Within our emerging and frontier market holdings, **BlackRock Frontier Investment Trust** continued its strong run with a return over the last 12 months of 19.5%, compared to the MSCI FM Index which gained 11.5%. Much of the trust's financial services exposure performed well, with Bank of Georgia seeing a significant increase in its share price following its acquisition of Armenian

Once again BlackRock Frontier Investment Trust was a strong contributor to performance, returning 19.5% over the last twelve months. Saudi IT company Elm was the trust's top performer.

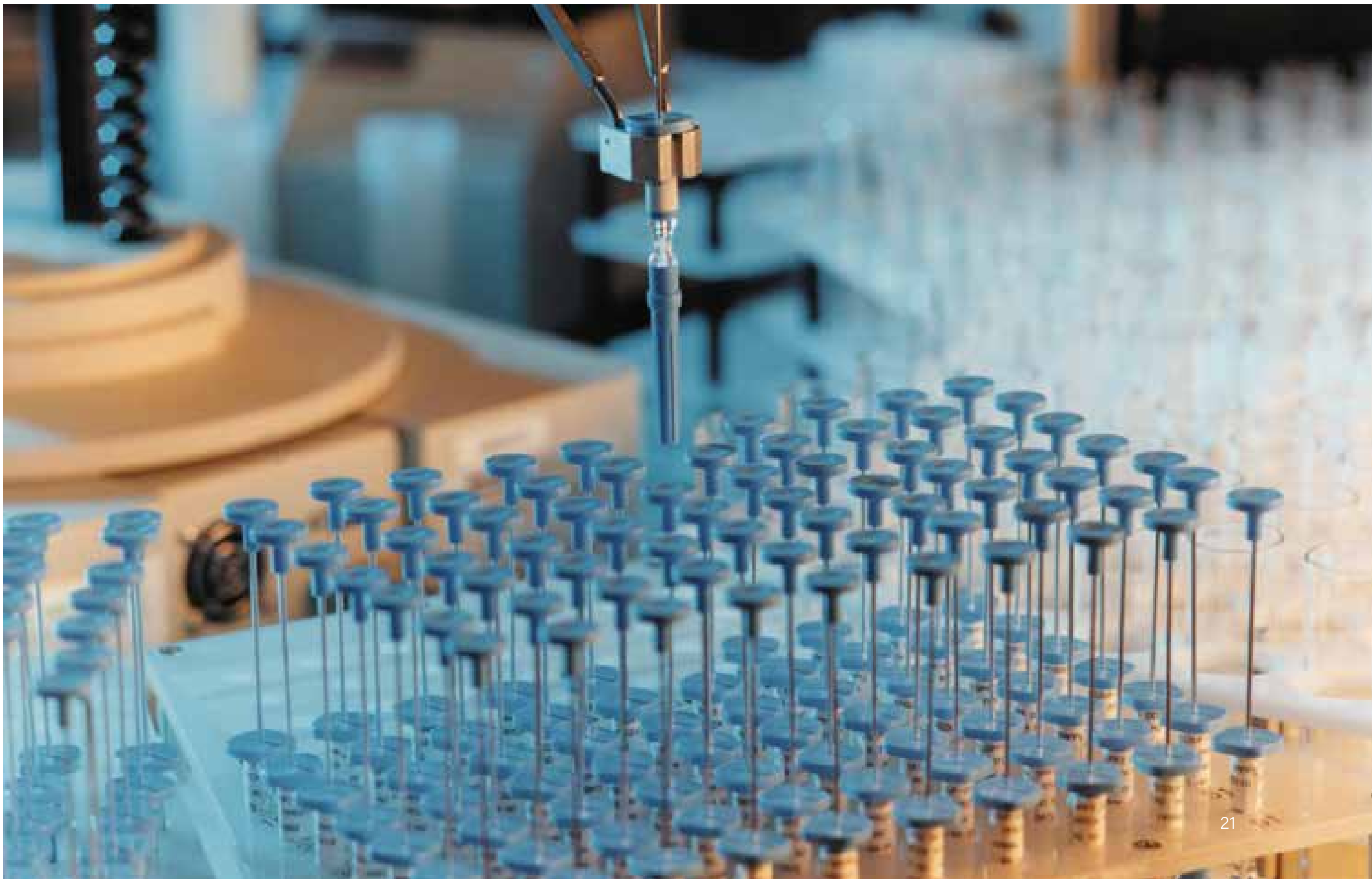
After many years of stagnation, Japan is starting to benefit from a more dynamic corporate sector, driven in part by government-induced change. The question with Japan, as ever, is whether the changes are persistent.

bank Ameriabank, which allowed the company to access the fast-growing Armenian market. The manager also added to its position in Bank Central Asia in Indonesia given its relatively stronger funding franchise, though performance has been volatile since. E-commerce company Kaspi performed well after announcing net profit numbers that were up 60% from the previous year, with strong growth in all areas of the business. In the last quarter we sold **KLS Corinium Emerging Markets Equity** following poor performance and a rapid decline in assets under management and added **Redwheel Next Generation Emerging Markets Equity**, which we feel is better placed to succeed going forward.

Schroder Asian Total Return benefited from its significant underweight to China throughout the year, gaining 8.7% over the whole year, while the MSCI AC Asia Pacific ex Japan Index was up just 5.3% over the last 12 months. Aside from the structural underweight to China, the manager's holdings in the semiconductor producers, TSMC and Samsung Electronics, performed strongly as they benefited from the surge in interest in AI. These were the fund's largest two holdings accounting for c.18% of the fund at the end of March 2024. **NTAsian Discovery** delivered an annual return of 7.7%.

There were some exceptional performances in the thematic holdings, with **RA Capital International Healthcare** gaining 42.7%. The fund has seen several of its portfolio companies being acquired over the last six months. Icosavax was acquired by AstraZeneca at slightly above the IPO price, representing a gain of over 160% over the last year. Carmot Therapeutics was acquired by Roche for $2.7bn upfront reflecting a 3.5x uplift from the company's last valuation, with an additional $400m if certain milestones are met. The company has a series of promising treatments for type

RA Capital International Healthcare's +42.7% gain was helped in part by AstraZeneca's $1.1 billion acquisition of respiratory vaccine developer Icosavax. *Photo courtesy of AstraZeneca.*



2 diabetes and obesity, areas which have seen a surge in investor interest over the last year. **Worldwide Healthcare Trust** made a return of 8.3% over 12 months, while **BB Biotech** was down 6.9% over the year.

Both technology funds had strong years with **Polar Capital Global Technology** gaining 26.8% and **GAM Star Disruptive Growth** increasing 33.7%. The Polar fund has leant into AI with a significant amount of its holdings positioned to directly benefit from the increased investor interest in the area. Its top 10 holdings include five of the Magnificent Seven (NVIDIA, Microsoft, Meta, Alphabet and Apple) with Amazon also being a large position for much of the last year. The fund is also significantly overweight semiconductors with Advanced Micro Devices, TSMC and Samsung Electronics all in the portfolio (alongside NVIDIA) over the course of the year. **GAM** is slightly different with the manager being more cautious on AI with a smaller weighting to semiconductors and more investments in small and mid-cap technology companies. **Polar Capital Global Insurance** has also performed well, gaining 21.3% over the year. Pricing in the insurance market continues to be strong with many companies producing significantly higher profits off the back of it.

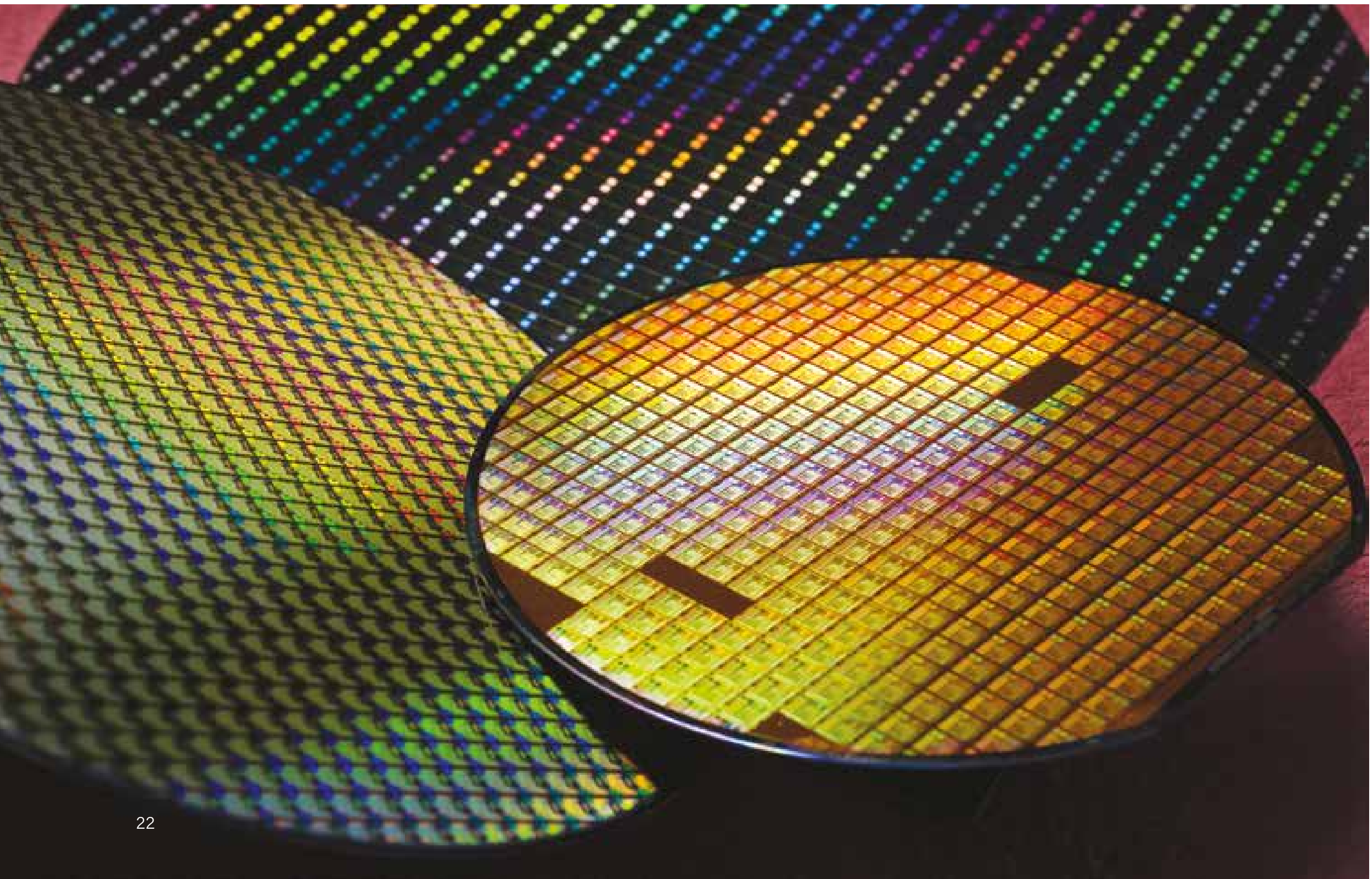
Diversifying Funds

The diversifying holdings are intended to provide an alternative source of returns, whilst dampening volatility and displaying low beta to the equity market. It is pleasing that they have contributed positively over the longer-term, especially when compared to the strongly negative returns from bonds in that period. The Diversifying silo returned 5.3% over the year, while the FTSE All Stocks Gilts Index was flat. Over three years, the diversifying silo has returned 13.0%, far ahead of the 20.6% loss of the Gilts Index.

Some of the portfolio's alternative hedge funds have performed especially strongly. **Prana Absolute Return** made an impressive 17.2% over the year. The fund is an equity market neutral long/short fund specialising in investing in the financials and business services sectors. The strategy focuses on trying to hit singles rather than home runs, meaning that no one particular trade was a big winner for the fund, but more the team got the general direction of travel of the market correct.

As well as a leaning into AI, Polar Capital Global Technology is significantly overweight semiconductors, with Advanced Micro Devices, TSMC, Samsung Electronics and NVIDIA all in its portfolio.

Photo courtesy of TSMC.

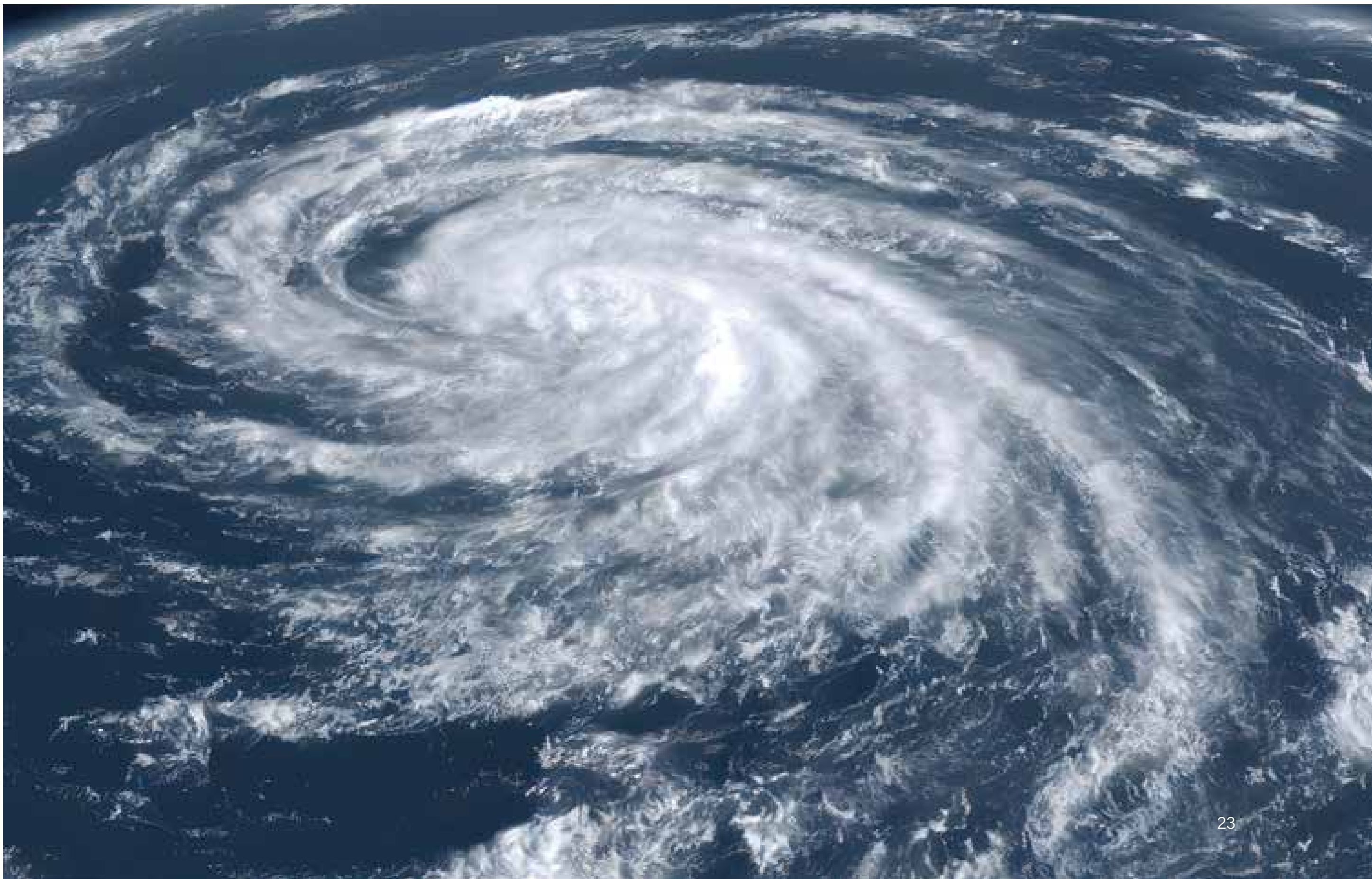


Some long positioning in the insurance industry contributed positively with some banking positions benefiting from higher interest rates as well. The two trend-following **CTA funds**, **GAM Systematic Core Macr**o and **Schroder GAIA BlueTrend**, also performed strongly over the year with returns of 7.6% and 13.6%, respectively. BlueTrend has benefited from being more trend focused while the GAM strategy, which has a value model alongside its trend model, has not been quite as strong although it has still performed well.

Nephila Iron Catastrophe Fund, a specialist strategy investing in catastrophe bonds and other insurance-related securities, also continued to perform well and is now up 24.2% since purchase in May 2023. We believe these strong returns reflect the extremely strong pricing environment in the space and will have been boosted by the relatively low US hurricane activity during the 2023 season. Pricing continues to look attractive for the 2024 season, remaining at similar levels to the previous year, with only a limited amount of new capital entering the market. The macro trading fund **Hudson Bay** rose 5.6% over the year. The fund has performed well during the period we have held it, but we took the decision to reduce its position size at the end of the year after the manager changed the liquidity terms and increased the amount of costs charged to investors as fund expenses. **MKP Opportunity Fund** made a small loss over the year, being down 0.2%.

The portfolio's diversifying fixed income holdings mostly managed to deliver positive performance over the year, despite gilts being flat over that period. **Selwood Liquid Credit Strategy** was the strongest, gaining 14.5%. The fund sells credit default swaps to investors looking for protection against potential defaults of investment grade debt. Demand has remained robust as rising rates have made some investors nervous about whether companies will be able to refinance their debt piles. **Apollo Total Return** also performed well, being up 8.4% over the year. **BioPharma Credit** had a poor first six months but was stronger in the latter part of the year and delivered a return of 1.6% over 12 months. The company had a difficult period in mid-2023 when a loan to LumiraDx looked in danger of default. However, the manager took a very active role in the situation and forced the company to sell itself to Roche

Nephila Iron Catastrophe Fund benefited from a strong pricing environment and a relatively low level of US hurricane activity.



Bergman & Beving, the Swedish-listed group specialising in acquiring and developing niche companies in the industrial and construction industries, was a significant contributor to performance. We added to our holding during the year.

Photo courtesy of Bergman & Beving

in January 2024, in a deal which will return the majority of the manager's invested capital. The market reacted positively to this development, making up the earlier losses and vindicating the protection the manager wrote into their loan agreement which allowed them to force the sale.

Private Equity

As we look to add an element of private equity exposure to the portfolio, we made four commitments during the financial year. These were to **BPEA EQT Mid-Market Growth Partnership**, **Triton 6**, **TrueBridge Capital Partners Fund VIII** and **TrueBridge Direct Fund III**. These now sit alongside prior commitments to **TA XV**, **Khosla Ventures VIII**, **GGV Discovery IV-US** and **GGV Discovery IV-Asia**. All are Limited Partnership vehicles that will draw down capital over several years as the managers identify investment opportunities. We feel we are putting together a very high-quality group of funds in the private equity arena that will add differentiated exposures to the portfolio. It can take several years to build a private equity portfolio and it is important not to rush to reach a target allocation and overcommit. While private equity markets have been more sedate over the last year, we anticipate activity picking up during the year ahead and we will continue to be prudent about which funds we commit to. Such investing requires a long-term mindset that we think sits well with the portfolio's structure.

Global Equities (direct)

The portfolio rose 14.7% over the past year, with the biggest contributors being **Interactive Brokers**, **Subsea 7** and **Bergman & Beving**. The biggest detractors were **CK Hutchison**, **Orion** and **Dollar General**.

It's been an exciting journey over the past seven years as we transitioned the portfolio from UK equities to a global equity portfolio. During this time, we've achieved an annualized return of 10%.

Last year, our portfolio exceeded expectations, achieving a remarkable 20% earnings growth, surpassing our initial projection of 10%. Despite this exceptional performance, we think the intrinsic values should grow by 10% in the next year, in line with consensus analyst forecasts.

What's truly compelling is the potential for further performance improvement. Despite the impressive growth, our businesses continue to be undervalued, trading at just 70% of our growing

intrinsic value. Our portfolio's current P/E ratio of 10.9x 2024 earnings may appear conservative compared to the market's 18x, but the quality of our businesses remains underappreciated. Should the market recognise this quality and revalue our holdings, we're positioned to compound at even higher rates.

GCO embodies the qualities we prize in our investments: a high-quality business with sustainable growth, led by a management team that's both aligned and accomplished. Yet, despite these remarkable attributes, GCO remains underappreciated, affording us the opportunity to own it with a significant margin of safety.

Let's delve into the pillars of our investment thesis:

Quality: With a rich 160-year history, GCO stands as a stalwart in the insurance industry, offering credit insurance alongside traditional homeowner and auto coverage. Despite the perceived risk in credit insurance, GCO's disciplined underwriting practices and the market's oligopolistic nature have ensured consistent profitability and high margins.

Growth: Over the past two decades, GCO has delivered impressive growth, boasting a 15.6% CAGR in book value per share, far outpacing global peers. With a promising outlook for continued growth, fuelled by its excess capital of €1.3 bn for strategic acquisitions, GCO is primed to sustain its trajectory of double-digit growth in book value and EPS.

Management: The Serra family's majority ownership spanning over 75 years underscores their prudent stewardship of GCO. Their conservative management style, characterised by a long-term horizon and strategic capital allocation, resonates with our investment philosophy. Instead of chasing short-term gains, they prioritise value creation through counter-cyclical capital deployment and astute acquisitions.

Valuation: Despite its sterling fundamentals, GCO's valuation remains compelling. While our initial investment in 2020 was made at 9.5x P/E and 0.8x book value, GCO's current trading multiples of 7x P/E and 0.8x book represent an even wider discount to historical and peer averages. The valuation remaining low has worked to our advantage as we were able to add to our holding at attractive prices.

Despite the stubbornly low valuation the shares have returned 80% since our investment, as GCO has produced robust earnings growth and dividends. We estimate the business's intrinsic value at €54 per share today, with the potential to reach €92 in the next 4-5 years if they maintain their low teens ROE, offering us an enhanced margin of safety at the current price of €35.

In summary, GCO epitomises the type of investment opportunity we actively seek—combining quality, growth, sound management and attractive valuation—a recipe for sustainable long-term value creation.

Overall, we remain optimistic about the future prospects of our portfolio and are excited about the opportunities that lie ahead. We look forward to continuing our journey of delivering strong returns for our investors, while carefully managing risk and maintaining our focus on long-term value creation.

During the year as well as initiating a position in **Eurowag**, we added to our positions in **Bergman & Beving**, **Subsea 7**, **Interactive Brokers**, **GCO**, **Glencore** and **CTT**, reduced our positions in **EXOR**, **CK Hutchison** and **Arch** and sold our positions in **ViaSat**, **CVS** and **Dollar General**.

Ocean Wilsons Holdings

As the largest integrated provider of port and maritime logistics in Brazil, the Ocean Wilsons subsidiary, Wilson Sons, has a strong competitive position. It is the leading provider of towage services in Brazil with the largest and most modern fleet, as well as operating major container terminals in the north and south of the country: Salvador and Rio Grande. The company is benefiting from the continuing recovery in global trade, as well as a rebounding demand for its offshore energy-linked services, which should provide the basis for improved performance of the firm's assets.

Wilson Sons operational results have shown strong growth across the business during 2023 and the fourth quarter results (released in March 2024) reflected this. There was strong revenue growth over the course of the year (10.6% higher than the prior year), driven by excellent towage results, operational growth in container terminals and a strong recovery in offshore energy-linked services. Results in the towage division were particularly strong, with higher volumes and an increase in average revenue per manoeuvre, combined with the launch of two new tugboats. In the container terminal division, operational growth has been mainly driven by a surge in volume at the Rio Grande terminal (+21.9%). The number of vessel turnarounds in the offshore support bases were 37.6% higher than the previous year, thanks to markedly higher demand for the company's offshore energy-linked services.

The investment portfolio shares many characteristics with the portfolio held directly within Hansa Investment Company, with a preference for funds with clearly defined strategies run by managers with skin in the game. The portfolio delivered a return of 10.1% for the 2023 calendar year, with particularly strong performance coming from its core regional exposures later in the year. The most recent valuation for the investment portfolio was $310.9m as at the end of December 2023. Performance has been helped by thematic exposures to the technology and insurance sectors. Several of the technology holdings have benefited significantly from the surge in investor interest in AI, while the insurance industry has seen elevated pricing continue into 2024. Some of the largest private equity positions include venture capital funds of funds managed by Stepstone, US buyout and growth funds managed by KKR and TA Associates and a financials-focused fund managed by Reverence Capital. Dividends totalling $9.1m, in four tranches, were paid to the parent company from the portfolio throughout the year. The board of Ocean Wilsons Holdings has proposed increasing the annual dividend payment to shareholders from 70p to 85p per share from 14 June 2024.

Following its 12 June 2023 announcement regarding the strategic review of the OWHL's investment in Wilson Sons, the board of OWHL updated investors on 15 November 2023 to state they have engaged Banco BTG Pactual S.A. as an advisor. The board also confirmed they have received a number of indicative non-binding offers. The board has previously stated that the review will consider all potential strategic options and there can be no certainty as to its outcome. We will report on any further developments as they are made known.

Alec Letchfield
Chief Investment Officer
March 2024

A New Panamax container vessel enters the port of Santos, supported by Wilson Sons tugboats. New Panamax ships can carry up to 13,000 twenty-foot cargo units and weigh up to 120,000 tonnes.

The portfolio

As at 31 March 2024

Investments	Fair value £000	% of net assets
Core Regional Funds / Thematic Assets		
Findlay Park American Fund	31,578	6.9
iShares Core S&P 500 UCITS EFT	27,202	6.0
Select Equity Offshore Ltd	22,690	5.0
Blackrock European Hedge	17,387	3.8
Pershing Square Holdings Ltd	13,482	3.0
Schroder ISF Asian Total Return	11,516	2.5
Polar Capital Global Technology	10,056	2.2
BA Beutel Goodman US Value Fund	9,338	2.1
iShares Core MSCI Europe UCITS ETF	9,331	2.1
Schroder ISF Global Recovery	8,817	1.9
Polar Capital Insurance Fund	8,349	1.9
Indus Japan Long-Only Fund	7,878	1.7
Armistice Capital Offshore Fund Ltd	6,592	1.5
Simplex Value UP Master Fund	5,735	1.3
GAM Star Fund PLC – Disruptive Growth	5,502	1.2
Redwheel Next Generation	4,855	1.0
iShares Core EM IMI UCITS ETF	4,408	0.9
NTAsian Discovery Fund	4,385	1.0
BlackRock Frontiers Investment Trust PLC	4,051	0.9
RA Capital International Healthcare Fund	3,769	0.8
Impax Environmental Markets Fund	3,662	0.8
Ishares MSCI World Energy Sector UCITS ETF	3,250	0.7
Ishares MSCI Global Markets & Mining Prods ETF	1,751	0.4
Arcus Japan	1,731	0.4
BB Biotech AG	1,699	0.4
Alma Capital	1,668	0.4
	230,682	**50.8**
Strategic		
Ocean Wilsons Holdings Limited[1]	130,004	28.6
Wilson Sons	*96,263*	*21.2*
Ocean Wilsons (Investments) Limited	*33,741*	*7.4*
	130,004	**28.6**

Continued >

Investments	Fair value £000	% of net assets
Diversifying		
Global Event Partners Ltd	8,269	1.8
DV4 Ltd[2]	7,697	1.7
Hudson Bay International Fund Ltd	4,061	0.9
Selwood AM - Liquid Credit Strategy	3,889	0.9
GAM Systematic Core Macro (Cayman) Fund	3,361	0.6
MKP Opportunity Offshore Ltd	3,328	0.7
Schroder GAIA BlueTrend	3,277	0.7
Nephila Iron Catastrophe Fund Ltd	3,141	0.7
Apollo Total Return Fund	2,618	0.6
Keynes Systematic Absolute Return Fund	2,542	0.6
Prana Absolute Return Fund	2,178	0.5
BH Absolute Return Government Bond	1,820	0.4
Vanguard US Govt Bond Index Fund	1,492	0.3
BioPharma Credit PLC	1,259	0.3
Lazard Convertible Global	717	0.2
	49,649	**10.9**
Global Equities (direct)		
Interactive Brokers Group Inc	6,365	1.4
Grupo Catalana Occidente SA	4,691	1.0
Subsea 7	4,598	1.0
Orion Engineered Carbons SA	3,902	0.9
Arch Capital Group Ltd	3,896	0.9
Exor NV	3,302	0.7
Bergman & Beving	3,104	0.7
Coats Group PLC	2,778	0.6
Glencore PLC	1,719	0.4
CK Hutchison	1,630	0.4
CTT-Correios de Portugal	1,553	0.3
Eurowag	938	0.2
	38,476	**8.5**
Private Assets		
Khosla Ventures VIII	135	0.0
BPEA Equity Mid-Market Growth Partnership	99	0.0
Truebridge Direct VIII	80	0.0
Truebridge Capital VIII	28	0.0
	342	**0.0**
Total investments	**449,153**	**98.8**
Net current liabilities	(421)	(0.1)
Net current assets	5,815	1.3
Net assets	**454,547**	**100.0**

[1] Hansa Investment Company Ltd owns 9,352,770 shares in Ocean Wilsons Holdings Limited (OWHL). In order to better reflect Hansa Investment Company's exposure to different market silos, the two subsidiaries of OWHL, Wilson Sons and Ocean Wilsons (Investments) Limited (OWIL), are shown separately above. The fair value of the Company's holding in OWHL has been apportioned across the two subsidiaries in the ratio of the latest reported NAV of OWIL, that being the NAV of OWIL shown per the 31 December 2023 OWHL Financial Statements, to the market value of OWHL's holding in Wilson Sons, that being the bid share price of Wilson Sons multiplied by the number of shares held by OWHL at 31 March 2024.

[2] The holdings within the private assets silo, as well as DV4 Ltd are unlisted Private Equity holdings. As such, their value is estimated as a Level 3 Asset in note 19. All other valuations are either derived from information supplied by listed sources, or from pricing information supplied by third party fund managers.

Strategic Review

Investment objective, strategy and performance

Investment objective policy

The Company objective is to grow the net assets of the Company over the medium to long-term by investing in a diversified and multi-strategy portfolio.

The Company seeks to achieve its investment objective by investing in third-party funds, global equities and other international financial securities. The Company may invest in quoted and unquoted securities.

The Company currently holds a strategic position in the share capital of OWHL. The Company will not make further investments into OWHL.

The Company has no set maximum or minimum exposures to any asset class, geography or sector and will seek to achieve an appropriate spread of risk by investing in a diversified global portfolio of securities and other assets.

Investment strategy

The Portfolio Manager, engaged by and acting on behalf of the Company, seeks to build a multi-strategy portfolio by selecting investments across four key investment categories, in addition to the strategic investment in OWHL:

- Core / Thematic – investments, typically through third-party funds, selected by the Portfolio Manager to provide appropriate regional and thematic exposures.
- Thematic – investments, typically through third-party funds, that reflect key investment themes the Portfolio Manager believes will generate excess returns.
- Diversifying Assets – investments, typically through third-party funds and directly, that create asset diversification within the portfolio.
- Global Equities (direct) – a diversified portfolio of global equities identified by the Portfolio Manager as having long-term growth potential.

Although the Company has no set maximum or minimum exposures to any asset class, geography or sector, the Board establishes set guidelines which the Portfolio Manager adheres to. These can be adjusted by the Board. While the proportion of the portfolio represented by each of these categories will vary over time, the Board establishes parameters for the Portfolio Manager, based on its view of the global investment environment. The Board has set the following guidelines for each category as a percentage of the portfolio (including the strategic investment in OWHL):

- Core / Thematic: 0-75%
- Diversifying Assets: 0-40%
- Global Equities: 0-40%
- Private Assets: 0-15%

The Portfolio Manager has a strong focus on identifying investments with excellent fundamentals, taking a long-term approach to investing, good alignment and not seeking to replicate a benchmark. These investments range from those sectors benefiting from structurally higher growth, such as technology, to assets which the Company believes stand on unwarranted discounts to their intrinsic value.

During the year, further commitments to limited partnerships have been made as part of the build-out of a private equity programme. This follows the prior year's agreement between the Portfolio Manager and the Board to add an allocation to Private Equity and Venture Capital to the Portfolio. This is expected to be a multi-year programme, which will develop access to investments that are not available in public markets. The long-term nature of private equity aligns well with the long-term investment horizon of the Company, and the Board believes this new exposure will be seen as very attractive by existing and potential future shareholders.

Borrowing limits

The Board considers whether returns may be enhanced if the Company introduces leverage at appropriate times. The Company has an unsecured lending facility through its Custodian, Banque Lombard Odier & Cie SA ("Lombard Odier"), in the amount of £30m, subject to there being sufficient value and diversity within the portfolio to meet the lender's borrowing requirements. The Portfolio Manager is able to utilise this facility as required up to the upper limit available. No amounts have been drawn from this facility during the year.

Investment monitoring and key performance indicators (KPIs)

We recognise that measuring the performance of portfolios is essential to both determining if they are meeting their return targets and the risks taken in achieving these returns. However, we also passionately believe that the benchmarks and/or comparators against which portfolios are measured should be appropriate for achieving the end objectives, with poorly chosen benchmarks often encouraging short-term actions which more often than not are damaging to meeting the longer-term aspirations.

It is for this reason that we believe it right to adopt a handful of KPIs rather than a single benchmark. As long-term multi-asset class investors we are seeking to both preserve and grow the real spending power of our capital over time through the dynamic selection of different countries, assets and sectors. No one benchmark captures this approach and, indeed, the adoption of a single benchmark may result in the fund deviating from its longer-term goals in the pursuit of short-term returns.

Instead, the Board believes that considering the portfolio performance against the following KPIs will provide a more informed understanding of the performance of the portfolio and if it is meeting its longer-term objectives:

Objective	KPI	Indices used
Safe return	UK Government bonds	FTSE Gilts All Stocks TR Index
Growing the real spending power of money through time	Achieve returns that are higher than inflation	UK CPI
Long-term capital growth	Equity market performance	MSCI All Country World Index (both market cap weighted and equally weighted to remove the distorting effect of the Magnificent 7)

The Board regularly, and at least quarterly, reviews the returns and the performance of the Company with the Portfolio Manager, including an analysis using the KPIs.

Additionally, whilst not specifically a KPI, the cost of managing the Company is monitored against the NAV (the ratio between costs and the NAV is also known as the 'ongoing charges percentage per annum ratio'); and the discount/premium the shares sell at in relation to the NAV are likewise monitored.

The Board of Directors monitors the returns made in absolute and relative terms against the KPIs established. The comparisons are made over 1, 3, 5 and 10 year time horizons.

i) Shareholders and company – total returns

To 31 March 2024	1 year	3 years	5 years	10 years
Share price total return				
Ordinary shares	22.7%	11.4%	17.4%	43.1%
'A' non voting Ordinary shares	21.8%	8.0%	14.4%	39.7%
Portfolio NAV	25.1%	27.4%	42.6%	79.0%

ii) Discount/premium

A comparison is made between the (discount)/premium of the Company's two classes of shares and of the AIC average.

To 31 March 2024	1 year average	3 years average	5 years average	10 years average
Share price total return				
Ordinary shares	(41.4%)	(38.4%)	(36.9%)	(31.9%)
'A' non voting Ordinary shares	(42.9%)	(39.4%)	(37.3%)	(33.2%)
AIC (%)	(12.1%)	(8.7%)	(7.6%)	(5.4%)

Note: AIC only produces an AIC average for one year.

Whilst there are investment trusts that exhibit one or more similarities to the Company, the Board does not consider the Company to have any direct peers.

iii) Key performance indicators

The following are the KPIs the Board uses to assess the returns of elements of the portfolio and of the Company as a whole.

To 31 March 2024	1 year	3 years	5 years	10 years
NAV Total Return	25.1%	27.4%	42.6%	79.0%
NAV Total Return (Ex OWHL)	14.0%	10.6%	37.0%	71.8%
FTSE UK Gilts All Stocks TR Index	0.0%	-20.6%	-17.5%	7.8%
UK CPI Inflation	3.2%	21.6%	24.3%	33.4%
MSCI ACWI NR (GBP)	20.6%	33.8%	73.9%	203.3%

iv) Expense ratios

To 31 March 2024	1 year	3 years	5 years	10 years
Ongoing annual charges (%)	1.0	1.1	1.1	1.1

To comply with the Packaged Retail and Insurance-based Investment Products Regulation (PRIIP), the Company has issued a PRIIPs Key Information Document (KID) for each of its two share classes. In the PRIIP, KID regulations are very prescriptive as to how costs are calculated and presented. In particular, in addition to the costs of the Company itself noted above, the PRIIP calculation also incorporates the costs of the directly held fund investment vehicles themselves, but not those for directly held equities. Based upon the financial results for the year to 31 March 2023, the PRIIP KID cost ratio is 1.78% per annum.

Shareholder profile

Capital structure

The Company has 40,000,000 Ordinary shares of 1p (1/3 of the total capital) and 80,000,000 'A' non-voting Ordinary shares of 1p (2/3 of the total capital) each in issue. The Ordinary shareholders are entitled to one vote per Ordinary share held. The 'A' non-voting Ordinary shares do not entitle the holders to vote or receive notice of meetings, but in all other respects they have the same rights as the Company's Ordinary shares. See also Note 13 in the Notes to the Financial Statements.

Shareholder profile

The Company's shares owned at 31 March 2024 are as follows:

	Ordinary shares		'A' non-voting ordinary shares	
Institutional and wealth managers	16,326,624	40.82%	72,605,306	90.76%
Directors	11,220,745	28.05%	3,817,123	4.77%
Private individuals	12,423,589	31.06%	3,348,753	4.19%
Other	29,042	0.07%	228,818	0.29%
	40,000,000		**80,000,000**	

Substantial shareholders

As at 31 March 2024, the Directors were aware of the following interests in the Ordinary shares of the Company, which exceeded 3% of the voting issued share capital of that class.

	No. of voting shares	% of voting shares
Nomolas Ltd	10,347,125	25.87%
Victualia Limited Partnership	10,347,125	25.87%
Sky Hill Limited	1,730,000	4.33%

These holdings are correct as of 31 March 2024 and have not changed as at the signing date of these Financial Statements.

Hansa Investment Company traces its origins back to 1912 when the Alto Paranà Development Company was launched to develop forestry in Brazil. Having become an investment trust company in the late-1940s, the Company became closely associated with the Salomon Family, initially through Sir Walter Salomon, whose family trusts became substantial shareholders. The late-1950s also saw the acquisition of a significant shareholding of Ocean Wilsons Holdings Limited through the issuance of the 'A' non-voting Ordinary shares by the Company's predecessor, Hansa Trust. Over the following decades, the Salomon family helped to build the publicly-owned and independently run investment company we know today, with its focus on delivering reliable long-term asset growth for shareholders.

The wider Salomon family remain significant investors in the Company. William Salomon, Sir Walter's son, a director of HICL and Senior Partner of the Company's Portfolio Manager, is interested in 10,347,125 of the shares held by Victualia Limited Partnership, representing 25.9% of the voting share capital. In addition, William Salomon has further interests in the Company's shares; the total interest is detailed in the Directors' Interests section. Other members of the wider Salomon family, who are also descendants of Sir Walter, are interested in a further 12m shares in the Company.

Restrictions associated within the share classes

The giving of powers to issue or buy back the Company's shares requires an appropriate resolution to be passed by shareholders. Proposals for the renewal of the Board's powers to buy back shares are set out in the Notice of the Annual General Meeting.

There are: no restrictions concerning the transfer of securities in the Company; no agreements between holders of securities regarding their transfer known to the Company; and no agreements between the Company and its Directors concerning compensation for loss of office. Notwithstanding the foregoing, the Company can require any holder of the Ordinary voting shares to transfer some or all of its shares (or otherwise refuse to register any transfer of shares) to avoid the Company, if the Company were a company which was resident for tax purposes in the UK, being regarded as a "close company" as defined in s.414 of the UK Income and Corporation Taxes Act 1988, to another person whose holding of such shares, in the sole and conclusive determination of the Board, would not cause the Company to be a close company. Additionally, the Company's Bye-Laws provide for the voting rights of Ordinary shares to be automatically reallocated to other shareholders to prevent the Company becoming a close company.

As at 14 June 2024, the date of signing of the Annual Financial Statements, there have been no disclosures to the Company of changes of interests under DTR 5.

Board and management shareholdings

Directors' Interests

The interests of Directors and their connected parties in the Company at 31 March 2024 are shown below:

	Ordinary shares of 1p each		'A' non-voting ordinary shares of 1p each		Nature of interest
W Salomon	11,169,345	27.92%	3,587,123	4.48%	Beneficial
J Davie	45,000	0.11%	230,000	0.29%	Beneficial
S Heidempergher	6,400	0.02%	–	–	Beneficial
Total	**11,220,745**	**28.05%**	**3,817,123**	**4.77%**	

As at 14 June 2024, the date of signing the Annual Financial Statements, there were no changes to report to the Directors' holdings.

William Salomon is the senior partner of Hansa Capital Partners LLP. Fees payable to Hansa Capital Partners LLP amounted to £3,065,129 (including Portfolio Management and Additional Administrative Services Provider (AASP) functions). The fees outstanding at the year end amounted to £285,000. During the year, no rights to subscribe for the shares of the Company were granted to, or exercised by Directors, their spouses or infant children.

Portfolio Manager's interests

As at 14 June 2024, the date of signing of this Annual Report, the management and staff of the wider Portfolio Manager's group (Hanseatic Asset Management LBG, an Investment Manager and AIFM located and regulated in Guernsey), excluding the holding of William Salomon, shown above, were interested in circa 10.3m shares in the Company – a mixture of Ordinary and 'A' non-voting Ordinary shares.

Stakeholder engagement

Requirements of Section 172 UK Companies Act

As required by the AIC Code, the Board describes below how it has met the requirements of Section 172 of the UK Companies Act, as applicable to the Company. This includes an explanation of how the Board has sought to promote the Company for the benefit of its members, how it has taken into account the likely long-term consequences of decisions and how it fosters relationships with stakeholders. The Company is an investment company with an appointed Portfolio Manager. As a result, it has no direct employees or customers. The Board has identified the Company's shareholders, its Portfolio Manager (as well as the Additional Administrative Services Provider, "AASP"), its other key service providers as its key stakeholders.

STAKEHOLDER	INTERACTION
Shareholders	The shareholder base is a mixture of private investors, wealth managers and asset managers across both classes of the Company's shares. The Board monitors changes in the shareholder base at its Board meetings. The Company communicates through the publication of Annual and Half-Year Financial Statements, through detailed quarterly and monthly factsheets, as well as through the Company's website. The Company also holds periodic shareholder presentations incorporating presentations by the Board and key service providers to keep shareholders informed. The Board seeks to understand the opinions of a wide variety of shareholders. The Company maintains a dedicated email address for shareholders to contact the Board (HICLenquiry@hansacap.com) and shareholder correspondence and feedback is a regular item of discussion at Board meetings. The Company continues to meet shareholders and other interested parties facilitated by its broker, as well as through direct contact. The Portfolio Manager also runs an outreach programme in conjunction with an investor relations specialist. Investors are also kept informed through paid-for editorial pieces and discussion with media organisations. The Board uses online shareholder presentations to enable shareholders to meet with the Board and Portfolio Manager. Whilst the Board believes there is still a place for face-to-face shareholder updates, the strong attendance at the online events encourages the Board that these online events will remain a feature of the Company's shareholder outreach. The next shareholder event is planned for 25 September 2024 as a hybrid online and physical meeting.
Portfolio Manager and AASP	The Board's main working relationship is with the staff of HCP as the Portfolio Manager and the AASP. HCP is responsible for the Company's portfolio management (including asset allocation, stock and sector selection in accordance with guidelines established by the Board). It is also responsible for administrative and operational functions including day-to-day oversight of the other key service providers (Administrators, Custodians, Registrar and Company Secretarial). Successful management of shareholders' assets by the Portfolio Manager is crucial to enable the Company to deliver its investment strategy and meet its objective. The AASP also assists with the preparation of the Annual and Half-Year Financial Statements as well as Factsheets and website updates. The Board works closely with the AASP to approve disclosures made via these publications.
Other key service providers	Key service providers are the Company's Administrator (Apex Fund Administration Services (UK) Ltd), Custodian (Lombard Odier) and Registrar (Computershare Investor Services (Bermuda) Limited). Whilst the Board looks to the Portfolio Manager and the AASP to keep a day-to-day oversight of these providers, they are contracted directly to the Company. As such, the Board retains ultimate responsibility for their roles. The AASP reports regularly on operational matters. The Board seeks to visit each provider at least annually for a face-to-face meeting to discuss service levels, operations and future developments.

Main areas of engagement

KEY AREA	TOPIC	ENGAGEMENT AND OUTCOMES
Investment strategy and ESG matters	The Investment Strategy incorporates appropriate ESG considerations. For clarity, the Company does not purport to be a "Green" fund. However, through its ESG disclosures and reporting the actions of its Portfolio Manager, it seeks to give clarity to the processes around assessing the Environmental, Social and/or Governance aspects to its investment decisions and ongoing monitoring.	The Board has engaged with the Portfolio Manager and encouraged them to develop a responsible investment policy. The Board notes that the Hanseatic Group, of which the Portfolio Manager is a member, is a signatory to the UNPRI. The Board wholeheartedly supports this policy. See page 45 for further information.
Discount management and share buybacks	It is a great frustration to the Board that the discount has not tightened over the past year. It is also noted that there has been general widening of investment trust spreads due to market volatility and declining retail participation in the markets.	The Board is mindful of, and regularly considers, the share price compared to the NAV and related discount. The Board is of the view that providing transparency and clarity to investors, as well as promoting demand for the Company's shares, should create a positive impact on the discount for the medium to longer-term. To this end, the Board has redeveloped the Company's website, its Annual and Half-Year Financial Statements and its factsheets and quarterly reviews. The Board continues to develop the Company's branding and communications strategy with shareholders and potential shareholders alike. The aim is to enhance and broaden the understanding of the Company, with the ultimate objective of widening the shareholder base and deepening the market for shares. The primary objective of the Company is to generate a good economic return over the medium to long-term and create a compelling investment proposition for private investors, enabling them to gain access to investments not readily available. This in due course should increase demand for the Company's shares. Each investment company must consider its own particular circumstances and objectives in assessing what is in the best interests at any particular point in time for the company and its shareholders. Your Board continues to focus on the construction of a portfolio to create long-term value and it is in the light of this that it decided to build an allocation to Private Equity. The Board has considered a share buy-back policy but does not consider this would have a significant effect on the discount, at which the shares trade. In the opinion of the Board: ▪ it reduces the number of shares outstanding and therefore the liquidity of the shares in the marketplace; reduced liquidity may, in fact, cause a rise in the discount; ▪ it means a liquid investment portfolio needs to be maintained, compromising the ability to have a portfolio of special situations; the maintenance of the long-term investment policy and its portfolio takes precedence over the short-term discount policy; and ▪ the holding in OWHL would represent an even greater percentage of the portfolio and buying back shares would raise the relative exposure to Brazil, which the Board does not wish to do, giving preference to the return generation potential and benefits of diversification generated by the investment portfolio.

Capital structure	The Company has two separate share classes, both of which are traded on the LSE. The Ordinary shareholders are entitled to one vote per Ordinary share held. The 'A' non-voting Ordinary shares do not entitle the holders to vote or receive notice of meetings, but in all other respects they have the same rights as the Company's Ordinary shares. Consideration has been given to whether the two share classes could be merged in some way.	The current position of Ordinary and 'A' Ordinary share classes remains unchanged as the majority of Ordinary shareholders have informed the Board they do not wish to alter the present structure at the present time.
Dividends	The Board continues to support maintaining the dividend at 3.2p until it is fully covered by net income. At that time it plans to increase it in line with any increase in the net income of the Company.	The portfolio held by the Company is currently constructed for long-term capital appreciation rather than income generation. As a result, the income generated by the portfolio is insufficient to meet this dividend commitment and the shortfall is made up from the Company's reserves. In principle, your Board does not believe it to be in the Company's best interests to use capital as a source from which to pay dividends.
Maintaining levels of service from service providers	The Company does not have direct employees. Rather, its operations are conducted by several key service providers. The Company enters into service-level agreements with each provider. The Board oversees these services to ensure best practice is followed and that the Company is receiving a comprehensive service and value for money.	The independent members of the Board annually review the performance of the Portfolio Manager. Additionally, the day-to-day performance of other key service providers (Administrator, Custodian and Registrar) are monitored by the AASP on behalf of the Board. In addition, there is an annual review of service providers' annual Controls Audit Reports. Members of the Board also visit each key service provider annually to review performance and understand any changes in their businesses.

Notice period for general meetings

The Company's Bye-Laws permit that the Company's general meetings (other than AGMs) may be held on 14 days' notice.

Annual General Meeting

The Company's Notice of Annual General Meeting is included in this Report.

Authority to repurchase 'A' non-voting Ordinary shares

A resolution will be proposed at the forthcoming AGM, seeking shareholder approval for the renewal of the authority for the Company to repurchase its own 'A' non-voting Ordinary shares. The Board believes the ability of the Company to repurchase its own 'A' non-voting Ordinary shares in the market could potentially benefit all equity shareholders of the Company in the long-term.

The Company's Bye-laws are drafted in such a way that the Company may from time to time purchase and cancel its own shares. However, the Company requires that shareholders' approval to repurchase shares be sought. At the AGM the Company will therefore seek the authority to purchase up to 11,992,000 'A' non-voting Ordinary shares (representing 14.99% of the Company's issued 'A' non-voting Ordinary share capital, the maximum permitted under the FCA Listing Rules), at a price not less than 1p per share (the nominal value of each share) and not more than 5% above the average of the middle-market quotations for the five business days preceding the day of purchase or, where a series of transactions have taken place the higher of the last independent trade and current highest independent bid on the trading venue where the purchase(s) will be carried out. The authority being sought, the full text of which can be found in the Notice of Meeting, will last until the date of the next AGM.

The Company is seeking authority to use its realised capital reserve to allow repurchase of shares in the market. The decision as to whether the Company repurchases any shares will be at the absolute discretion of the Board. Any shares purchased will be cancelled.

The Directors consider that all the resolutions to be proposed at the forthcoming AGM, as set out in the Notice of AGM, are in the best interests of shareholders as a whole and unanimously recommend all shareholders to vote in favour. Guidance on how to vote at the AGM can be found in the notes to the Notice of AGM.

If the Board considers a significant proportion of votes have been cast against a resolution at the AGM, the Company will explain, when announcing the results of voting, what action it intends to take to understand the reasons behind the results of the vote.

Bye-laws

The Company seeks shareholder approval to amend its Bye-laws. The resolution will be proposed as a special resolution. The proposed amendments are being introduced in the Bye-laws primarily to:

- provide the Company with a more modern, efficient and cost-effective approach to paying dividends to shareholders; and
- encourage action from the very small number of shareholders who fail to provide information required by the Company to enable it to meet its reporting obligations under the Foreign Account Tax Compliance Act (FATCA), the Common Reporting Standard (CRS) or any similar law or regulation.

In more detail, the key proposed changes are as follows:

a) Method of Payment of Dividends – Bye-law 19

Bye-law 19 has been updated to provide the Company with discretion to prescribe the manner in which dividends and other monies are paid. Currently the Company pays dividends by cheque or electronic payment. The use of cheques has reduced in recent years, while development of new payment methods (that offer greater efficiency, improved security of payments and reduced costs) has steadily increased. There has therefore been a move by companies across the market to re-evaluate their dividend payment processes and allow their Boards to determine the most efficient manner to pay dividends to shareholders, including that it is in the best interests of members for payments to be made exclusively by inter-bank transfer or other electronic means approved by the Board. The updates to Bye-law 19 will provide the Company with the same discretions, and the ability to apply different methods of payments or different combinations of methods to different shareholders or groups of shareholders.

Where payment of the dividend or other monies cannot be made by the Company to a Member in the method prescribed by the Board using the information that member has provided, or the member has not provided the Company with the required information, account or address details necessary in order for the Company to make the payment, a new Bye-law 19.3 has been included to provide that such dividend or other monies will be treated as unclaimed until the Member can provide the required details to the Company.

b) Withholding payment of dividends from shareholders who refuse to provide FATCA or CRS information to the Company - Bye-law 83.

The FATCA rules which require certain non-US financial institutions to report information about shareholders and other "account holders" are underpinned by a special US withholding tax, which applies to both the income and gross proceeds of sale derived from US investments. To avoid the withholding tax, a financial institution must comply with its FATCA due diligence and reporting obligations, whether imposed under a direct agreement between the financial institution and the IRS, or under the domestic law of the jurisdiction in which the financial institution is established. In addition, the financial institution may be subject to financial penalties under its domestic law if it fails to comply with the relevant due diligence and reporting obligations. In order to meet its reporting obligations under FATCA, the Common Reporting Standard, or any similar law or regulation, the Company must collect and provide certain information on its shareholders. Where the Company's shareholders fail to provide the required information ("Non-Responders"), the Company's reporting is deficient, and the Company may be subject to negative intervention from the authorities in Bermuda, including finding itself subject to financial penalties. There are a small number of shareholders who do not respond to requests for information. In order to resolve this, the Company's Bye-laws were updated in 2023 to put in place a mechanism (under Bye-law 83) to obtain the required information or remove the Non-Responders from the Company's register of members.

As a further effort by the Company to encourage Non-Responders to provide the required information, the Company has proposed updates to Bye-law 83.3 to allow the Company to withhold payment of dividends to Non-Responders until they provide the required FATCA/CRS information to the Company. To the extent exercised, this withholding sanction will only be implemented after efforts by the Company to first obtain the necessary information from the Non-Responder.

Please also see set out in the AGM Notice on page 82 a summary of the two proposed amendments to the Bye-laws.

Principal risks

The Company has risk management processes in place which enables the Board to identify, assess and manage the principal risks faced by the Company. Consistent with the AIC Code and UK Corporate Governance Code, these risks are considered to have the potential to threaten the Company's business model, future performance/returns, solvency, liquidity, reputation, or regulatory status. An integral part of this process is the maintenance and ongoing evaluation of the Company's Risk Assessment & Controls (RAC) Matrix, which identifies both the risks and associated controls operating within the Company and relevant third-party service providers. To ensure emerging risks are assessed on an ongoing basis, the Board reviews the RAC Matrix at each Board meeting, considering HICL's current and future anticipated risk environment. The Board also receives updates at each meeting from the Portfolio Manager and the AASP on operational risk matters. Additionally, as part of the risk management processes, the Company also annually reviews the Custodian, Administrator and Registrar assurance reports of their internal controls (e.g. AAF 01/06, AAF 01/20, ISAE 3402). The impact of any exceptions are considered by the Board.

Consideration of the Company's principal risks and uncertainties, is made in the context of the Company's stated objective of generating superior, but sustainable, long-term growth in shareholder value. The main risk being that over the long-term (determined as greater than five years), shareholders do not make a return from investing in the Company. The Company's closed-ended fund structure is also considered to be in alignment with its stated objective, especially within extremely volatile market conditions. This is due to the portfolio not having to be managed and maintained to manage potential significant redemptions or short-term liquidity needs as open-ended funds would. Additionally, the closed-ended structure can take advantage of less liquid market opportunities as part of its portfolio holdings.

The principal risks and uncertainties identified and associated controls in place to manage these risks are described below:

PRINCIPAL RISKS – EXTERNAL	CONTROLS TO MITIGATE RISKS
Market risk – long-term company share performance *Market risk includes interest rate, currency, equity, credit, inflation, concentration, liquidity and macro geopolitical risks.*	The Board: ▪ has appointed an appropriate PM whose performance for the Company is reviewed and challenged on a quarterly basis; ▪ has set investment guidelines and restrictions, which are reported against by the PM on a monthly basis; ▪ operates an asset allocation model, which is regularly reviewed and discussed with the PM; and ▪ monitors and discusses portfolio construct and performance quarterly.
Performance risk, share price, liquidity and discount monitoring *Low market trading volumes of Company shares and the discount to the NAV becoming inherent in the share price.*	The Board: ▪ regularly reviews the share price, discount level and portfolio performance; ▪ maintains periodic oversight on shareholder-base; ▪ actively seeks feedback both directly from shareholders and indirectly through the Company's Broker or specific outreach programmes involving the Portfolio Manager; ▪ has the ability to buy-back non-voting shares of the Company; and ▪ initiates strategies to reduce discount over the medium term.
Tax, accounting, legal and regulatory risks *Adverse outcomes resulting from legislative changes to tax, legal and regulatory requirements. Adverse outcomes from not meeting ESG expectations.*	The Board: ▪ obtains regular updates and advice from relevant professional advisers; ▪ maintains oversight and receives regular reporting on the legislative and regulatory changes, which impact HICL, as monitored by the PM; ▪ maintains the Company's membership with the Association of Investment Companies; ▪ has adopted the PM's responsible investing policy; ▪ has set explicit expectations on the integration of ESG considerations within the investment process; ▪ continues to develop ESG disclosures in compliance with reporting regulations; and ▪ receives documented confirmation of the PM's adherence to relevant regulatory requirements and emerging sanction risks.
Reputational risk *Negative behaviours, publications or market sentiment impacting the reputation of the Company.*	The Company: ▪ requires the annual selection of Board members, all of whom must have a commitment to governance; ▪ has direct oversight of PM; ▪ communicates with investors and the public in a clear and transparent manner; and ▪ has set pre-approval procedures for accuracy and reliability of such information.

PRINCIPAL RISKS – INTERNAL	CONTROLS TO MITIGATE RISKS
Operational risk *Risks associated with process, system and control failures including those associated with the Company's third-party service providers.* *Operational areas considered includes Liquidity, Safeguarding of Assets and Reliability of Financial Reporting.*	▪ Pre-approval processes are in place prior to the publication of any financial information. ▪ Identification and certification of key controls by AASP compliance team. ▪ Due diligence is undertaken prior to appointing all service providers. Regular performance reviews of third-party providers are made and, where relevant, the Company annually requests independent service provider assurance reports on the operating effectiveness of their internal controls. ▪ An overdraft facility provides a contingency for any short-term liquidity shortfall. A pre-approval payment process is in place as part of an overall cash management process. ▪ An independent Custodian is appointed to safeguard the Company's assets. This Custodian is bound by regulatory and legal contractual obligations and liabilities. Regular reconciliations are undertaken to ensure accuracy of records.
Gearing/balance sheet risk *Risk of over-gearing the balance sheet and creating financial stress on the Company.*	▪ A maximum limit on the overdraft facility is in place. ▪ Any increase in overdraft or credit facility requires Board pre-approval.

Insurance

The Company through its Bye-laws has indemnified its Directors and Officers to the fullest extent permissible by law. During the year the Company also purchased and maintained liability insurance for its Directors and Officers.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, including its financial position, are set out in the Chairman's Statement and the Portfolio Manager's Report within this Annual Report.

After due consideration of the Balance Sheet, estimated liabilities for the 12 months following the signing of this Report and having made appropriate enquiries, the Directors have concluded the Company is a going concern and has adequate resources to continue in operational existence for at least 12 months. Assets of the Company consist of securities, the majority of which are traded on recognised stock exchanges, or open-ended funds run by established managers. The Financial Statements are prepared on a going concern basis.

Longer-term viability statement

In addition to the Statement of Going Concern, the Directors are also required to make a statement concerning the longer-term viability of the Company. The Directors consider 12 months to be a relatively short time frame when considering performance and look to the longer-term for both the performance and risks associated with the Company. The Directors consider a period of five years to be a more representative period, which aligns with the Portfolio Manager's longer-term horizon. This period is sufficiently long to manage short-term market volatility and allow longer-term performance to work through. The Board continually monitors the Investment Strategy and Investment Guidelines issued to the Portfolio Manager and directs the Portfolio Manager to target long-term capital preservation. Further, whilst the Board has sanctioned the use of gearing, the facility available to the Portfolio Manager is relatively small compared to the NAV of the Company. Finally, a number of the more significant costs in each financial year are contracted to be calculated on the basis of the underlying NAV of the Company. As such, in a period of negative portfolio performance, the cost base should also fall.

Barring unforeseen circumstances and taking account of the Company's current position, the principal risks, the longer-term strategy for the portfolio, including a diversified and liquid asset base and the lack of gearing, the Directors confirm they have a reasonable expectation that the Company will continue to operate and meet its liabilities as they fall due for the next five years.

Governance

The Board of Directors

The Directors who served the Company during the year to 31 March 2024 are:

Jonathan Davie
Chairman

Jonathan became Chairman of Hansa Investment Company in June 2019. He was a director of Hansa Trust from January 2013 until its liquidation in November 2021. He is also a partner of First Avenue Partners, an alternatives advisory boutique.

Jonathan qualified as a Chartered Accountant and then joined George M. Hill and Co. and became an authorised dealer on the London Stock Exchange. The firm was acquired by Wedd Durlacher Mordaunt and Co. where Jonathan became a partner in 1975. He was the senior dealing partner of the firm on its acquisition by Barclays Bank to form BZW in 1986.

Jonathan developed BZW's Fixed Income business prior to becoming chief executive of the Global Equities Business in 1991. In 1996 he became deputy chairman of BZW and then vice chairman of Credit Suisse First Boston (CSFB) in 1998 on their acquisition of most of BZW's businesses. He focused on the development of CSFB's Middle Eastern business. He retired from CSFB in February 2007.

Simona Heidempergher
Remuneration Committee Chair

Simona became a Director of the Company in June 2019. Simona has extensive experience as an executive and non-executive director in a range of companies, including listed companies, investment funds and research organisations, across multiple jurisdictions.

For the past 21 years, she has been a director of Merifin Capital, an established European privately owned investment company. Prior to this she had roles as VP Investments at CDB Web tech, a listed investment vehicle, and as research associate at Heidrick & Struggles, a leading executive-level search and leadership consultancy firm and as project coordinator at Ambrosetti Group, an Italian consulting company. Currently, Simona is the chair of the board of directors of the Stramongate Group, a Luxembourg public company, director of The European Smaller Companies Trust, a Janus Henderson Asset Management Investment Trust listed on the London Stock Exchange and director of Industrie Saleri Italo S.p.A. an Italian private company in the automotive supplier sector.

Following Nadya Wells' decision to not stand for re-election, with effect from 14 June 2024, the Board has appointed Simona Heidempergher to chair the Nomination Committee in addition to her continuing role as Chair of the Remuneration Committee.

Richard Lightowler
Audit Committee Chairman

Richard became a Director of the Company in June 2019. Richard has 26 years' experience in public accounting being partner of KPMG in Bermuda for 20 years. He was head of the KPMG Insurance Group in Bermuda for 15 years, a member of the firm's Global Insurance Leadership Team and Global Lead Partner for a number of large international insurance groups listed on the New York and London Stock Exchanges.

Richard has significant regulatory experience, previously advising the Bermuda Monetary Authority and working with clients regulated by the PRA, FRC and FCA, as well as other international regulators. He also has extensive experience in risk and corporate governance and significant transaction experience. Richard is based in Bermuda. Richard also holds non-executive directorships with Aspen Insurance Holdings, Geneva Re, Oakley Capital Investments and Phoenix Re Limited.

William Salomon

William became a Director of the Company in June 2019. He was a Director of Hansa Trust from 1999 until its liquidation in November 2021. He has a significant, long standing, investment in the Company.

William's experience in investments and finance is important to the Board in developing and monitoring investments in special investment themes and in the Company's strategic investment through Ocean Wilsons Holdings Limited in Wilson Sons.

William is the senior partner of Hansa Capital Partners LLP, the Portfolio Manager and Additional Administrative Services Provider, deputy chairman of Ocean Wilsons Holdings Limited and a director of its Brazilian listed subsidiary Wilson Sons Holdings Brasil S.A.. William was formerly the vice chairman of Close Asset Management Limited and chairman of the merchant bank Rea Brothers PLC.

Nadya Wells

Nominations Committee Chair and Senior Independent Director

Nadya became a Director of the Company in June 2019. Nadya has 29 years' experience in emerging and frontier markets as a long-term investor and corporate governance specialist. She spent 13 years as portfolio manager with the Capital Group investing in Global Emerging Markets and prior to those five years with INVESCO Asset Management Limited, investing in public and private equity managing a closed ended fund. She started her career in management consultancy with Ernst & Young.

She holds a non-executive directorship at Baring Emerging EMEA Opportunities plc where she is senior independent director. Nadya is an independent non-executive director on the boards of various Luxembourg SICAVs managed by large global asset managers. She also works in academia conducting research and consulting in the public and private sector on financing in Global Health. She holds an MBA from INSEAD, France.

You will note from the Chairman's Report that Nadya has chosen not to stand for re-election as a Director of the Company at the AGM as a result of additional professional commitments that she intends to take on. The Board is starting the process of identifying a director to join the Board in Nadya's place. Nadya will remain as a Director until the Company's AGM.

Board members are selected based on their individual and complementary skills and experience and their ability to commit sufficient time to drive the Company's success. All Directors will retire at each AGM and offer themselves for consideration for re-election.

The Board recommends the re-appointment of each of the four Directors who have put themselves forward, based on their continuing contribution to the Company and its shareholders. The service contracts between the Company and each of the Directors do not allow for any compensation payment in the event of loss of office.

Organisation and objectives

This section explains how the Board has organised the Company and seeks to deliver its objectives.

Board committees and roles

The Directors consider that, in order to fulfil their responsibilities as the Directors of the Company, they should all be members of every sub-committee where possible. Where a Director cannot be a member of a committee, they should attend the meetings unless a conflict exists and it would be inappropriate for them to be present.

Audit Committee

Richard Lightowler is the Chairman of the Audit Committee. The Audit Committee consists of all independent Directors of the Board. The Audit Committee exists to assist the Board in the financial and narrative reporting of information relating to the Company, the review of the Internal Controls and Risk Management systems, the oversight of the Company's annual audit and assessment of the independence, performance and quality of Company's external auditor PricewaterhouseCoopers Ltd. The Committee meets at least twice a year – timed to review the Annual and Half-Year Financial Statements prior to their approval and release.

The AIC Code of Corporate Governance ("the AIC Code") indicates that all independent Directors can be members of the Audit Committee including, if agreed by the Board, the Chairman of the Board. The Board is of the opinion that, particularly as the Company has relatively few Directors, shareholders benefit from the views of all Directors. Therefore, Jonathan Davie, as Chairman of the Company, is also a member of this Committee. The Board further acknowledges that the AIC Code states all Committee members should be independent. Therefore, William Salomon is not a member of the Committee although attends as a non-member. The Committee reports its recommendations to the Board for final approval.

See page 55 for the Audit Committee Report

Nomination Committee

The Committee was chaired by Nadya Wells throughout the Company's financial year. All independent members of the Board are members of the Nomination Committee. William Salomon attends the Committee but is not a member.

The Committee reviews the structure, size and composition (including the skills, knowledge and experience) of the Board and makes recommendations to the Board with regard to any changes, as necessary. It also considers succession planning of directors, taking into account tenure and performance of board members as well as challenges and opportunities facing the Company, and what skills and expertise are, therefore, needed on the Board in the future. If a skills-gap or pending vacancy is identified, the Committee is responsible for identifying and nominating candidates to fill Board vacancies as and when they arise.

Following Nadya's decision to not stand for re-election, with effect from 14 June 2024, the Board has appointed Simona Heidempergher to chair the Nomination Committee, in addition to her continuing role as Chair of the Remuneration Committee.

See page 60 for the Nomination Committee Report.

Management Engagement Committee

The Committee is chaired by Jonathan Davie. All independent members of the Board are members of the Management Engagement Committee. The Committee has two primary roles. Firstly, to review the functional and operational performance of the Portfolio Manager with the Company's investment policy. Secondly, to review annually the performance of any other key service providers to the Company.

The level of management fees, level of service provided and the performance of the Portfolio Manager are reviewed on a regular basis to ensure these remain competitive and in the best interests of shareholders. The Board, after the annual recommendation of this Committee, considers whether the engagement of the Portfolio Manager is in the best interests of the shareholders. The Committee members also carry out periodic visits to the key service providers, as well as seeking feedback on the performance of other service providers from the Portfolio Manager in its capacity as Additional Administrative Service Provider.

The Committee reports its recommendations to the Board for final approval.

Remuneration Committee

The Committee is chaired by Simona Heidempergher. All independent members of the Board are members of the Remuneration Committee. William Salomon attends the Committee but is not a member. The Committee is responsible for the broad policy for the remuneration of the Company's Chairman and non-executive Directors pursuant to the Company's Bye-laws. The Committee takes into account all factors which it deems necessary. When setting the remuneration policy for Directors, the Committee reviews remuneration trends across the wider industry, including the use of external independent surveys, and considers the ongoing appropriateness and relevance of the remuneration policy. The level of directors' fees should be set at a level which attracts and retains high calibre candidates. Fees are monitored against external benchmarks taking specific note of each Director's duties, time commitments to properly fulfil all obligations and duties and also relative to other comparable companies in comparable jurisdictions. No Director sets their own individual remuneration.

The Committee reports its recommendations to the Board for final approval.

See page 57 for the Directors' Remuneration Report.

Long-term impact of decisions – ESG matters

In the natural positive progression of HCP's commitment to further integrating ESG and climate relevant considerations within its investment process, the Hanseatic Group, of which HCP is a member, has become a signatory of the United Nations supported Principles for Responsible Investment (UNPRI).

With ever-growing global concerns and developments surrounding matters such has climate change, social inequalities and ethical corporate strategy and governance, the Board believes there is a communal duty for meaningful and effective action to be taken and are committed to doing so. It is the Board's belief that responsible investing and a well-run sustainable business model aids in generating superior long-term returns.

The Board is responsible for the Company's ESG policy. In 2020, the Board adopted the Portfolio Manager's Responsible Investment Policy, which is applied to all Company investments in funds and companies, in both public and private markets. In line with the evolving nature of ESG's integration within financial services, the PM continues to review and develop their policy of responsible investing within their investment process. This involves ensuring environmental, social and governance factors are integrated throughout the investment management process, including within the due diligence, decision-making and investment monitoring processes.

As long-term investors, HCP has a natural desire to be a responsible investor and a good corporate citizen. HCP's approach begins by communicating its expectations to fund and company investments that they should take ESG issues seriously, clearly report on them, be responsible owners and to continuously show positive indicators of aspiring to do the right thing.

HCP does not operate an exclusionary policy, as excluding whole sectors or countries is not a sustainable, or reasonable approach to its investment activities. Each fund manager or company is assessed as an individual, taking into account the sector and country within which they operate and their direction of travel in ESG enhancements.

HCP seeks to ensure that all investee managers and companies are thinking longer term and that they are also thinking about their longer-term impacts across the spectrum of their business. This certainly includes the negatives – such as understanding how companies are lowering their carbon emissions, ensuring they are not using forced or child labour in their supply chains, taking care not to deplete natural resources, or be involved in deforestation. But it also includes the positive impacts, for example, knowing if a company is taking advantage of the opportunities it may have from climate change by developing greener energies, recycling used clothing, or designing biodegradable fabrics. HCP's involvement with the managers and companies is ongoing and pushes them to manage the risks and take advantage of the opportunities in a tailored and considered manner. A manner that reaps longer-term benefits for the Company, as well as the environment and the greater society.

Following the first UNPRI submission by the Hanseatic Group, made in 2023, we are pleased to report that they received very positive feedback on both their policies and approach adopted.

Fund investments

HCP seeks to invest in funds who are responsible owners of their investee companies, have specific consideration as to how their investee companies manage their ESG responsibilities and seek to engage with those company boards, if they are failing in their duties. Where a manager is not living up to these standards, HCP will first seek to engage the management team and encourage improvement. If the managers engagement is weak, or if the communicated concerns are not sufficiently addressed and their positive commitment to do so is not apparent, HCP's ultimate action would be to reduce the current investment, exit, or not invest in the first place. Whilst HCP does not seek to exclude fund managers that invest in sectors such as energy or countries such as China, it would, however, expect such managers to properly articulate how they operate in such areas and manage the potential ESG considerations. HCP's investment philosophy favours those fund managers who are typically long-term in their approach and seeks to invest in high-quality, well-managed companies that are often higher-returning. As a result, although we do not set limits, there is a natural bias away from these companies and sectors that score less well on ESG metrics.

Company investments

When considering direct equity investments HCP seeks to ensure that company management teams are responsible custodians of their businesses, report clearly on ESG metrics and seek to improve on those areas in which they are lagging.

Taskforce on Climate-Related Financial Disclosures

As a closed-ended investment company, HICL is exempt from the annual reporting requirement to publish statements in line with the Taskforce on Climate-Related Disclosures' (TCFD) framework of recommendations and recommended disclosures. However, considering the Board and the PM's approach to responsible investing and the Company's core investment objective to generate superior, but sustainable, medium to long-term growth in shareholder value, we have elected to provide relevant information on our approach to the TCFD recommendations.

Governance

Strong corporate governance practices are intrinsic to how the Board operates. The Board oversees a long-term and sustainable approach to business strategy of the Company. This in part is done by adopting a Responsible Investment Policy, which aims to integrate sustainability, climate-related risks and opportunities, social responsibility and strong governance into the Company's investment process. This is consistent with HCP's approach to its ESG assessment of fund managers and company investments.

Risk Management

Climate-related risks within the Company's investments are identified, assessed and managed by HCP as the Portfolio Manager. As part of the portfolio risk management and monitoring process, HCP combines long-term and purpose-driven engagement with underlying fund managers and companies, active voting and setting a clear escalation framework. This approach aims to identify and address climate-related issues and minimise systemic risks that may impact the assets within the portfolio. Engagement can take several forms, including regular and ad hoc meetings with management, formal written correspondence, or the Portfolio Manager participating in relevant shareholder votes for current investments.

Strategy
The Company's strategic objective is to grow its net assets over the medium to long-term by investing in a diversified and multi-strategy portfolio. In line with this objective, the Board are responsible for pursuing the growth of shareholder value. Responsible investment and the integration of ESG risks and opportunities within the investment process is aligned with the Company's values and heritage. HCP becoming a signatory to UNPRI is part of our overall strategy.

Metrics and targets
In relation to the Portfolio Manager's investment process, a more holistic approach is taken by assessing an investment by their intent and direction of travel, rather than purely by specific targeted metrics. The ESG assessment of a fund manager or company will involve HCP developing a view by utilising their published ESG reporting, the information received through the due diligence and engagement processes and other external research. The Company has no material information to report in relation to metrics and targets.

Ocean Wilsons Holdings Limited
OWHL has two investments – Ocean Wilsons Investments Ltd, an investment portfolio and a holding in Wilson Sons Holdings Brasil S.A., a Brazilian maritime business. From an ESG standpoint, our Portfolio Manager is also the investment advisor to the Ocean Wilsons Investments' portfolio. The Board understands that our Portfolio Manager is engaging with Ocean Wilsons Investments' board on their Responsible Investing Policy. As a Board we receive periodic updates from Wilson Sons, an operating business with several thousand employees, regarding their business including issues relevant to ESG considerations. Wilsons Sons is listed on the Novo Mercado ("New Market") B3 listed segment and is a member of the Carbon Disclosure Project which, in partnership with companies and governments, aims to build a truly sustainable economy, by measuring and understanding the environmental impact. In 2022, Wilson Sons achieved a grade B performance in the climate change questionnaire for the maritime transportation segment. This was an improvement from the grade C performance achieved in 2021, making Wilson Sons in line with 44% of companies in the maritime sector that publicly disclose their data to CDP. Wilson Sons continues to be proud of their focused approach to health & safety, staff wellbeing and the preservation of the environment and communities they operate in. This continued focus was awarded through the "Great Place to Work" certification, which is a standard of excellence for work environments, and have been ranked in the top quintile of the S&P Global 2022 Corporate Sustainability Assessment. As in many heavy industries, there is a focus on safety and improving working practices to minimise staff injuries. To this end, Wilson Sons has a non-negotiable commitment to ensuring the health and safety conditions of all employees, customers and third parties at their facilities. Their commitment to maintaining an increasingly safe working environment is reflected by their continuous trend of reduction in lost-time injuries, which in 2022 was reduced to a frequency rate of 0.50 incidents per one million hours worked. This rate exceeds the world-class benchmark. Additionally, the reduction of Greenhouse Gas emissions remains a focus for Wilson Sons, who achieved a 5% reduction in their total emissions in 2022, achieved through the adoption of state-of-the-art technologies, such as replacing diesel equipment with electrically powered alternatives at their container ports. Additionally, the company has maintained its commitment to proactively publish its Greenhouse Gas Emissions Inventory (GHG) in the public emissions registry, a platform managed by the Brazilian GHG Protocol Programme. In 2022, Wilson Sons maintained their gold seal by the programme. Further information can be seen in their Sustainability Report, published on their website www.wilsonsons.com.br/en.

Carbon offset and charitable support
Each year, there are a number of flights for individual Directors to attend Board meetings in Bermuda. Therefore, the Board has elected to offset the carbon impact of its travel on behalf of the business though a relationship with Greenfleet Australia (www.greenfleet.com.au). This year, circa 163 tonnes of carbon dioxide has been offset. Greenfleet Australia runs a tree planting offset programme.

Additionally, during the year the Board looked for an environmental cause to sponsor that has direct relevance to Bermuda, our country of domicile. Given its island status, Bermudians are more aware than most of the marine environment. Marine life is under threat from climate change, acidification of the sea, pollution and invasive species. But these threats are compounded by overfishing, which strips the ocean of life, and so reduces its capacity to produce oxygen, absorb carbon dioxide and regulate the climate. It's estimated that almost 94% of commercial fish stocks are fully or overexploited and 90% of large, predatory fish are gone. Overfishing therefore represents a major threat for the food security of millions and could have devastating consequences for Earth's climate if these ecosystems fail. Amongst many worthy organisations, we discovered the Blue Marine Foundation, an environmental charity dedicated to restoring the ocean to health by addressing overfishing and supporting marine conservation projects. The ocean is the world's largest carbon sink: by combating overfishing and the associated impact on the wider marine environment, Blue Marine aims to help life in the ocean perform its vital function of stabilising the Earth's climate. By partnering with Blue Marine, the Company supports their work around the world ultimately benefiting us all and, in particular, maritime communities like Bermuda. The Company has committed to a charitable gift of £10,000 per annum towards Blue Marine's work.

Streamlined Energy and Carbon Reporting (SECR) and Greenhouse Gas Emissions (GGE)
The Company has no direct greenhouse gas emissions to report from the day-to-day operations of its business. However, as noted above, the attendance of Directors at Board meetings in Bermuda means travel related carbon emissions which are "Scope 3 Indirect Emissions" for the purposes of the SECR. The Board has further estimated the emissions associated with the flights to be in the region of 237 tonnes of CO2 in any 'normal' year.

Social, Community, Human Rights, Employee Responsibilities Policy
The Company does not have any employees. The Company has no direct social, community or human rights impact. Its principal responsibility to shareholders is to ensure the investment portfolio is properly invested and managed.

Service providers

Service Provider Policy

The Company has no employees and operates through third party service providers. The Board has contractually delegated to external organisations the management of the investment portfolio, the custodial services which include safeguarding of the assets and the day-to-day accounting and company secretarial requirements. Each of these contracts is only entered into after proper consideration of the quality and cost of services, which are regularly reviewed and monitored.

The key service provider relationship to the Company is Hansa Capital Partners as the Portfolio Manager and Additional Administrative Services Provider (AASP) to the Company.

The Board carries out the following activities as part of its oversight of third party service providers:

Monitors performance, costs and commitment to a successfully implemented controls environment

The Board, at its regular meetings, reviews reports prepared by both the Portfolio Manager and the Administrator, which enable it to monitor the performance and costs of the third-party suppliers to the Company. The Additional Administrative Services Provider has an ongoing dialogue with each provider to monitor their processes and systems and, in addition, members of the Board meet with key providers at least annually to discuss performance.

Monitors Portfolio Manager performance

The Board reviews reports prepared by the Portfolio Manager at its regular meetings, which enables it to monitor the investment performance, risks and returns. The Portfolio Manager attends each Board meeting where there is an active dialogue on performance, process, risks and opportunities and governance matters.

The Board identifies key controls and regularly monitors them through compliance reports on control effectiveness.

Determines investment strategy, guidelines and restrictions

The Board determines the investment strategy in conjunction with the Portfolio Manager. The strategy is monitored regularly with adjustments made as required.

The Board issues formal investment guidelines and restrictions; compliance with these is reported by the Portfolio Manager's compliance officer quarterly and is also monitored independently by the Administrator.

Determines gearing levels and capital preservation through the use of hedging instruments

The Board, taking account of advice from the Portfolio Manager, determines the maximum level of borrowings the Company will undertake. The Company will not invest in derivatives for speculative gain, but may use derivatives for efficient portfolio management and hedging purposes.

The providers

Portfolio Manager & Additional Administrative Services Provider

Hansa Capital Partners LLP is the Portfolio Manager for the Company. It is responsible for all assets in the portfolio, other than the Company's investment in OWHL. The Board is in regular contact with the investment management team at HCP which is led by Alec Letchfield. Additionally, Alec Letchfield is invited to quarterly meetings of the Board to formally present portfolio updates and discuss market trends. The Portfolio Manager's detailed review of the year can be found on page 8.

HCP charges a portfolio management fee at an annual rate of 1% of the net assets of the Company (after any borrowings) and after deducting the value of the investment in OWHL, on which no fee is payable. The Portfolio Manager has charged £2,917,937 for the year ended 31 March 2024 (year ended 31 March 2023: £2,824,000). Hanseatic Asset Management LBG, a company connected to Hansa Capital Partners and which is also the AIFM, separately charges an investment management fee to the investment subsidiary of OWHL.

The terms of the Portfolio Management Agreement permit either party to terminate the agreement by giving to the other not less than 12 months' notice, or such shorter period as is mutually acceptable. There is no agreement between the Company and the Portfolio Manager concerning compensation in respect to the termination of the agreement. In its annual assessment of the Portfolio Manager, the Board concluded that, because of the skills and experience of the management team it is in the best interest of shareholders that the Portfolio Manager remains in place under the present terms. Details of the fees paid to the Portfolio Manager can be found in Note 3 to the Financial Statements.

HCP also acts as the AASP to the Company. This role ensures a number of the day-to-day processes for the Company are carried out, as well as providing oversight of, and a liaison between, a number of the Company's service providers and the Company itself. HCP is paid £115,000 per annum for this service (year ended 31 March 2023: £115,000).

Auditor

The Company's independent Auditor is PricewaterhouseCoopers Ltd, a Bermudan registered firm. Auditor independence rules restrict the amount and type of non-audit related work that can be performed by a company's Auditor. Any non-audit related work must be pre-approved by the Board. PwC did not provide any non-audit services in the year.

Company Secretary

The Company has engaged Conyers Corporate Services (Bermuda) Limited ("Conyers") as its Company Secretary. During the year to 31 March 2024, Conyers has charged £44,156 (year ended 31 March 2023: £38,275).

Alternative Investment Fund Manager

As a Bermudan resident, the Company is defined as a UK Alternative Investment Fund (AIF) under the UK Alternative Investment Fund Manager's Directive (UK AIFMD). As such, the Company and the AIFM are subject to a more limited set of UK AIFMD requirements, which are largely in relation to marketing the Company's shares into the UK. The Company appointed Hanseatic Asset Management LBG, with effect from 29 August 2019, to act as its AIFM, with responsibilities for the Portfolio Management and Risk Management functions. The AIFM has delegated the provision of Portfolio Management services to Hansa Capital Partners LLP but remains responsible for the Risk Management function. The AIFM does not charge a direct fee for its services, although it does recharge any third-party fees incurred.

Administrator

The Company has engaged Apex Fund Administration Services (UK) Ltd as its Administrator. The Administrator has charged £152,722 for the year ended 31 March 2024 (year ended 31 March 2023: £149,722).

Custodian

The Company has engaged Banque Lombard Odier & Cie SA as the Company's Custodian. During the year to 31 March 2024, Lombard Odier charged £182,717 for the custodial service (year ended 31 March 2023: £180,335).

Registrar

During the year, the Company's Registrar was transferred from Link Market Services (Guernsey) Limited to Computershare Investor Services (Bermuda) Limited ("Computershare"). The total Registrar charges were £134,083 for the year ended 31 March 2024 (year ended 31 March 2023: £91,728).

Report of the Directors

The Directors have chosen to report on some items within the body of the Strategic or Governance Reports, while others remain within the Report of the Directors.

Items included within Strategic or Governance reports

The following items are listed within the Strategic or Governance Reports:

- Statement of the existence of qualifying indemnity provisions for Directors.
- Dividend policy and payments made during the year.
- Names of Directors, at any time in the year and the Directors' details and attendance at Company meetings.
- Streamlined Energy & Carbon Reporting and Greenhouse Gas Emissions.
- Stakeholder Engagement – while the Company has no employees, suppliers or customers, the Directors give regular consideration to the need to foster the Company's business relationships with its stakeholders, in particular with shareholders and service providers. The effect of this consideration upon the principal decisions taken by the Company during the financial year is set out in further detail in the Strategic Report.

Items reported within the Directors' Report

Disclosure to the Auditor of Relevant Audit Information

The Directors confirm that, so far as they are aware, having made such enquiries and having taken such steps as they consider they reasonably ought, they have provided the Auditor with all the information necessary for it to be able to prepare its Report. In doing so each Director has made themself aware of any information relevant to the audit and established that the Company's Auditor is aware of that information. The Directors are not aware of any information relevant to the audit of which the Company's Auditor is unaware.

Board composition and diversity

The Board recognises and is supportive of the new FCA Listing Rules (LR 9.8.6(9)) which aim to improve transparency on the diversity of company boards and executive management teams and was implemented for accounting periods starting on or after 1 April 2022. Accordingly, boards of UK incorporated companies are required to report annually on whether the specific three FCA targets have been met, and if they have not been met, the reasons why. These three targets are:

(i) at least 40% of the individuals on its board of directors are women;

(ii) at least one of the following senior positions (Chair CEO, Senior Independent Director, CFO) on its board of directors is held by a woman; and

(iii) at least one individual on its board of directors is from a minority ethnic background;

The tables below set out the gender and ethnic diversity composition of the Board as at 31 March 2024. The Board is pleased to report it is compliant with each of the three FCA targets as at 31 March 2024. Two of the five Directors are women (40%), one of whom holds the senior position of SID, and one of the five Directors is from a minority ethnic background. As reported elsewhere in this Annual Report, Nadya Wells has chosen not to stand for re-election at the Company's forthcoming AGM. She remains a Director of the Company at the time of signing of this Annual Report. The Board is starting the process of identifying a director to join the Board in Nadya's place and will update Shareholders in its next Annual Report regarding ongoing board diversity against the Listing Rule targets.

As per LR 9.8.6(10), numerical data is disclosed in the tables below, which shows the Company's compliance with these three FCA targets.

Gender Diversity	Number of Board members	Percentage of the Board	Number of senior positions on the Board[1]
Men	3	60%	2
Women	2	40%	1
Other	-	-	-
Not specified/prefer not to say	-	-	-

Ethnic Diversity	**Number of Board members**	**Percentage of the Board**	**Number of senior positions on the Board[1]**
White British or other White (including minority-white groups)	4	80%	2
Mixed/Multiple Ethnic Groups	1	20%	1
Asian/Asian British	-	-	-
Black/African/Caribbean/Black British	-	-	-
Other ethnic group, including Arab	-	-	-
Not specified/ prefer not to say	-	-	-

[1] Note, the format and information supplied in the above tables are as prescribed by the FCA's Listing Rules. HICL is a Bermudan incorporated, externally managed closed-ended investment company. As such, HICL does not have any employees or appoint executive board positions. Accordingly, the senior board positions which the Company defines as applicable are Chairman and Audit Committee Chairman.

This data was provided by the individual Directors, at the request of the Committee, asking them to indicate how the Company should categorise their ethnic background for the purposes of the FCA requirements of Board diversity.

Capital Structure
The Company's Capital Structure is described in the "Shareholder Profile and Engagement" section.

Corporate Governance Report
The Corporate Governance Report, including the Financial Risk Management Review of the Company, is included in this Report.

Approval of the Directors

The Directors consider the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. Further details demonstrating the Company's performance, business model and strategy have been included within the Strategic Report.

For and on behalf of the Board

Jonathan Davie
Chairman
14 June 2024

Corporate Governance Report

Corporate Governance Code

Internal Controls

The UK Corporate Governance Code ("UK Code"), requires the directors of UK listed companies to review the effectiveness of the company's risk management and system of internal controls on an annual basis. The Board is committed to sound corporate governance, robust risk management processes and effective systems of internal controls. The Board reviews and considers the effectiveness of internal controls regularly and review exception reporting at least quarterly. The Directors, through the procedures outlined below, keep the system of risk management and internal controls under review.

The Board recognises its ultimate responsibility for the Company's system of risk management and internal controls and for monitoring their effectiveness. In order to perform this responsibility the Board receives regular reports on all aspects of risk management and internal control from the Company's service providers (including financial, operational and compliance controls, risk management and relationships with other service providers); the Board will instigate necessary action in response to any significant failings or weaknesses identified by these reports.

Financial Reporting

The Board has a responsibility to present a fair, balanced and understandable assessment of annual, half-year and other price sensitive public reports and reports to regulators, as well as to provide information required to be presented by statutory requirements. To ensure this responsibility is fulfilled, all such reports are reviewed and approved by the Board prior to their issue.

The Board confirms there have been no specific events since 31 March 2024, of which the Board is aware, which would have a material impact on the Company.

Compliance with the provisions of the UK Corporate Governance Code

The Board of Hansa Investment Company has considered the Principles and Provisions of the AIC Code. The AIC Code addresses the Principles and Provisions set out in the UK Code, as well as setting out additional Provisions on issues that are of specific relevance to the Company.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the FRC in the UK, provides more relevant information to shareholders.

The Company has complied with the Principles and Provisions of the AIC Code.

The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

Association of Investment Companies Code

The AIC Code has 17 principles. The Company sets out below how it has complied with the Principles and Provisions:

Board Leadership and Purpose

A. *A successful company is led by an effective board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society.*
The Board is formed of five Directors with a complementary mix of skills and experience to lead the Company. Two Directors served on the board of the Company's predecessor, Hansa Trust, whilst three Directors were appointed at the formation of HICL. All have significant and relevant experience. All Directors are focused on generating long-term value for shareholders and there is significant share ownership in the Company's shares amongst the Directors. The Board engages at least quarterly with its Portfolio Manager challenging performance, process, risk, cost and strategy.

B. *The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.*
The Board believes that the Company's purpose, values and strategy are clear: to create long-term growth of shareholder value. The Board fosters a culture that is open to new ideas and is able to influence its service providers through effective challenge and regular robust review of performance. The Board sets the standard for openness and professionalism that the Company's key service providers follow. In particular, there is regular interaction between the Board and the Company's Portfolio Manager and also the AASP for day to day liaison with other service providers.

C. *The board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.*
The Board, through the work of its Committees and regular Board meetings ensures regular measurement against the Company's objectives. The adequacy and effectiveness of internal controls is considered at each Board meeting.

D. *In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties.*
The Board considers its stakeholders to be its shareholders and its key service providers. The Board is committed to transparent reporting in all its communications. It actively engages with shareholders via an annual general meeting, periodic shareholder presentations, the next of which will be held on 25 September 2024, quarterly factsheets, website

communication and with feedback also received through outreach programmes by the Company's broker and Portfolio Manager, as well as direct one-to-one correspondence. The Board engages with other key service providers through the operations of its AASP on a day to day basis, as well as via at least one annual meeting with each to ensure accountability and value-added performance.

Principle E is omitted by the AIC Code.

Division of Responsibilities

F. ***The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information.***
The Chairman is Jonathan Davie. The Chairman promotes and encourages active participation from all Directors at Board meetings. Further, whilst adhering to membership guidelines, sub-committees also seek to include as many Directors as possible to ensure a broad range of views. All Directors receive regular monthly and quarterly information prepared by the Portfolio Manager and Administrator, as well as portfolio performance presentations from the Portfolio Manager.

G. ***The board should consist of an appropriate combination of directors (and, in particular, independent non-executive directors) such that no one individual or small group of individuals dominates the board's decision making.***
The Board consists of five Directors. All have a financial background but each also brings individual specialisms and experience that are complimentary. Their biographies are noted earlier on in the Report. Four Directors are deemed independent. The fifth, William Salomon, is the Senior Partner of the Company's Portfolio Manager and, therefore, is deemed non-independent. All Directors are actively involved in decisions and committees unless conflicts exist which preclude this. Accordingly, Mr Salomon does not participate in the evaluation of the performance of the Portfolio Manager due to his role as senior partner of that firm. Nor does he participate in decisions regarding the Company's largest asset (by value) OWHL, due to him being a director of that company. Finally, Mr Salomon is not a member of the Audit, Nominations or Remuneration Committees due to his non-independent status, although he does attend meetings of those Committees. The culture of open and honest communication and forthright discussion means no individual or small group dominate decision making.

H. ***Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold third party service providers to account.***
The Directors confirm they have sufficient time to meet their responsibilities. Directors consult with the Company before accepting other appointments, to confirm capacity to do so and that no conflict exists. In considering appointments and potential conflicts of interests the Board considers the available time each Director has to commit to the Company. A formal calendar exists for the Board meetings and sub-committees. Ad-hoc meetings may be arranged without advance materials for time-sensitive matters. The Portfolio Manager and AASP report to scheduled Board meetings, giving the Directors the opportunity to challenge performance, raise issues and offer guidance.

I. ***The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.***
The Company Secretary and AASP support the Board in identifying and monitoring all governance matters. Additionally, Directors are able to consult external professional advisors to assist them in the performance of their duties as and when required. Board reporting and materials are refined on an ongoing basis.

Composition, succession and evaluation

J. ***Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.***
The Board has appointed a Nominations Committee chaired by an independent director. The Nominations Committee conducts a formal due diligence process on all appointments and considers annually the continued suitability and performance of directors. The Company believes a diverse Board brings many benefits and, as such, there is no restriction placed on Board membership. Inclusivity, diversity, variety of experience and personal strengths are all incorporated in the decision making for director selection and succession planning.

K. ***The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed.***
The Directors have a broad range of backgrounds including investment management, finance and banking as well as operational experience. Biographies of all Directors are shown earlier on in the Report. Each director retires and is subject to re-election at the AGM. The decision to propose directors for Nomination at the AGM is made by the Nomination Committee. The Nominations Committee is tasked with maintaining a broad range of skills and experiences at times of succession.

L. ***Annual evaluation of the board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.***
The Nominations Committee is responsible for the ongoing consideration of Board composition and to identify any skills gap, now or in the future. The Nomination Committee considers Board effectiveness annually.

Audit, risk and internal control

M. ***The board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of external audit functions and satisfy itself on the integrity of financial and narrative statements.***
The Board has specifically delegated the appointment and monitoring of the Company's external Auditor to its Audit Committee. The Company's Auditor was formally appointed in November 2019. The tender process was led by the Chairman of the Audit Committee. The Audit Committee considers the independence and effectiveness of the external Auditor at least annually. The Company's Auditor does not provide other services to the Company. The Company rigorously follows policy and procedure to ensure effectiveness of the external audit and integrity of financial reporting. Refer also to the Audit Committee Report.

N. ***The board should present a fair, balanced and understandable assessment of the company's position and prospects.***
The Board considers and approves all relevant shareholder communications. The Annual and Half-Year Reports are reviewed by the Board to ensure they present a fair and balanced view including commentary on going concern and long-term viability. The Audit Committee considers the fairness of the Financial Statements before recommending them to the Board for approval.

The Annual and Half-Year Reports provide fair, balanced and understandable commentary on the Company's performance and prospects.

O. ***The board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives.***
Principal risks are identified by the Board and risk appetite established against these risks. Day to day risk management is undertaken by the Portfolio Manager and AASP within the parameters established by the Board. The Board meets with the Portfolio Manager at each scheduled Board meeting where there is opportunity to discuss particular aspects of the portfolio and associated risks. Operational risk and compliance reporting are also regularly discussed by the Board. Emerging risks are monitored and incorporated into the risk appetite framework as they arise.

Remuneration

P. ***Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success.***
The remuneration of Directors is overseen by the Remuneration Committee, chaired by Simona Heidempergher. The Directors each receive a fixed annual fee and do not receive any additional element based on performance of the Company. Additionally, Directors offer themselves annually for re-election at the Company's AGM.

Q. ***A formal and transparent procedure for developing policy on remuneration should be established. No director should be involved in deciding their own remuneration outcome.***
The Directors' Remuneration Report notes that each Director is paid a fixed fee representative of their roles and additional responsibilities on the Board. This fee level is reviewed by the Remuneration Committee annually considering performance, time commitments and market conditions. Recommendations are made to the Board for approval. Further detail is provided in the Remuneration Committee Report.

R. ***Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.***
Performance, individual contribution and market conditions are all considered when setting directors' fees.

Compliance with The Financial Conduct Authority Listing Rules

The Directors are responsible for ensuring that:

- Adequate accounting records are kept, that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements are consistent with the relevant requirements under the UK Companies Act 2006.
- The assets of the Company are safeguarded; and for taking reasonable steps for the prevention and detection of fraud and other irregularities.
- The Report of the Directors and other information included in the Annual Report is prepared in accordance with both Company Law in Bermuda and, where required, the UK. The Directors are also responsible for ensuring the Annual Report includes information required by the Listing Rules of the FCA.
- The Company has effective internal control systems, designed to ensure that adequate accounting records are maintained; and that financial information on which the business decisions are made, which is issued for publication, is reliable. Such a system of internal control can provide only reasonable, but not absolute, assurance against material misstatement or loss.
- The Company Financial Statements for each financial year are prepared in accordance with International Financial Reporting Standards (IFRS). IFRS means standards and interpretations issued (or adopted) by the International Accounting Standards Board (IASB). The Directors must not approve the Financial Statements unless they are satisfied they give a true and fair view of the state of affairs and profit or loss of the Company for that period.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with International Financial Reporting Standards; and
- prepare the Financial Statements on the going concern basis, unless it is inappropriate to presume the Company will continue in business.

Under the FCA Listing Rules and the UK Code, the Board is responsible for:

- disclosing how it has applied the principles and complied with the provisions of the AIC Code and, thereby, the UK Code, or where not, to explain the reasons for divergence.
- reviewing the effectiveness of the Company's systems of risk management and internal controls.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website: www.HansaICL.com. Visitors to the website need to be aware that legislation governing the preparation and dissemination of the Financial Statements may differ from legislation in their own jurisdictions.

Responsibility statement

The Directors confirm that:

- The Financial Statements are prepared in accordance with applicable international accounting standards and present fairly, in all material respects, the financial position of Hansa Investment Company.
- The Strategic Report, including the Chairman's Statement and the Report of the Directors includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties it faces.

The Directors consider the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable. Further commentary demonstrating the Company's performance, business model and strategy has been included within the Annual Report.

For and on behalf of the Board

Jonathan Davie
14 June 2024

Audit Committee Report

The Audit Committee comprises solely independent Directors, as required by the AIC Code and endorsed by the FRC. It is chaired by Richard Lightowler. Given the size of the Board and the range of experience they bring, all non-committee Directors are invited to attend the Audit Committee meetings. However, only the independent member Directors are able to vote. Recommendations of the Audit Committee are brought before the whole Board for discussion and ratification.

The Audit Committee ensures fair, balanced and understandable reporting of Company results.

The principal roles of the Audit Committee are to ensure that:

- the integrity of financial reporting within the Annual and Half-Year Reports taken as a whole are fair, balanced and understandable and provide information necessary for shareholders to assess the Company's performance, business model and strategy;
- the independence, objectivity and effectiveness of the external Auditor is maintained and monitored. The Committee also reviews the external Auditor performance in terms of quality and value;
- the financial reporting internal controls system of the Company are adequate and effective.

Financial Reporting and Internal Controls

In discharging its duties and, in particular, matters relating to the approval of the Annual Report, Half-Year Report and the review of the Company's internal controls, the Committee considers reports and presentations made by the Company's Auditor, Administrator, Company Secretary, Additional Administrative Services Provider (including those of its Compliance Officer) and Legal Advisers.

In its review of the Financial Statements, the Committee pays particular attention to the ownership of assets, the valuations of the portfolio and recognition of income. In this regard we receive regular reporting from the Portfolio Manager and AASP, including reports on the effectiveness of internal controls in these areas. In addition, the Committee discusses with, and receives reports from, the Auditor on the nature and scope of work performed on valuation and ownership of assets and on income recognition.

The Company's Custodian confirms title of all assets in its custody. In its consideration of valuations, the Committee notes that 76% of the Investment Portfolio by value is held in assets that are either traded or listed on an exchange or are cash. Further, of the remaining 24% unquoted fund investments, the majority primarily hold traded securities. Valuations for these funds are supplied by third party managers. The Audit Committee recognises that 52% of the total portfolio assets are Level 1 and 45% are Level 2 securities. Given the significant level of externally valued assets, the Committee is satisfied with the valuation process. There is very limited management judgement in determining valuations. The Company holds approximately £8m (1.7%) in private assets carried at valuations determined by the investment manager. The Audit Committee considers the work done by the Portfolio manager, including obtaining audited NAVs and the work of the external Auditor in its assessment of fair values reported. Revenue recognition does not involve significant judgement or the use of estimates.

The Audit Committee also considers the potential need for an internal audit function on an annual basis, recognising the FRC guidance on proportionality. The Audit Committee considers internal compliance testing at the Administrator and Portfolio Manager to be sufficiently independent and robust to negate the need for a standalone internal audit function.

No material control weaknesses or incidents of potential fraud were identified. The Company's service providers implement clear whistleblowing, anti-bribery and corruption policies. The Company received direct reporting from service providers on internal controls and audit reports on their internal controls.

The Committee is authorised by the Board to investigate any activity within its terms of reference, to seek any information it requires from any officer or service provider to the Company, to obtain outside legal or other independent professional advice and to secure the attendance of third parties with relevant experience and expertise if it considers this necessary.

The Chairman of the Audit Committee formally reports to the Board following each Audit Committee meeting and on other occasions as requested by the Board.

The Audit Committee confirmed to the Board that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Audit: Independence and quality

The Audit Committee considers the external Auditor's independence, objectivity, scope of work engagement team experience, compliance with relevant ethical and professional standards and overall quality of service through a process of feedback from the Company advisors, including the AASP, the Portfolio Manager and direct discussion with the Auditor. The Committee also meets with the Auditor in an executive session at least annually. The current audit partner is Scott Watson-Brown who has led the audit since the Company's inception in June 2019 and the appointment of PricewaterhouseCoopers Ltd as its Auditor.

Auditors' remuneration and terms of engagement are approved by the Audit Committee. Any non-audit services must be pre-approved by the Audit Committee to ensure objectivity and independence of the audit is not compromised. No non-audit services are provided by PricewaterhouseCoopers Ltd to the Company. Further information on fees paid to the Auditor is contained in "Other Expenses" within Note 4 of the Financial Statements.

Company Auditor

The Company's independent Auditor is PricewaterhouseCoopers Ltd, a Bermudan registered firm ("PwC Bermuda"). PwC Bermuda has audited the Company since our incorporation in 2019. Their audit has been supported by PricewaterhouseCoopers LLP of the UK ("PwC UK"). To improve the efficiency of the audit, the Directors recommend the appointment of PwC UK as the Company's Auditor for the year ended 31 March 2025. PwC Bermuda will continue to provide support to PwC UK. The Audit Committee and Board remain very satisfied with quality of work by the external auditors. This change in roles is being made for efficiency purposes only.

For and on behalf of the Audit Committee.

Richard Lightowler
Audit Committee Chairman
14 June 2024

Directors' Remuneration Report

Annual statement

The Company has five non-executive Directors. The Board has appointed a Remuneration Committee. The Chairman of this Committee is Simona Heidempergher. All independent members of the Board are members of the Remuneration Committee. William Salomon attends the Committee but is not a member.

Each Director was initially appointed during June 2019 following the creation of the Company. Each Director presents themselves for annual re-election at the Company's AGM.

Policy on Directors' remuneration

The Board's policy is that the remuneration of non-executive Directors should be a fixed-fee only. This fee should reflect the experience of each director, time commitment required to fulfil the role, market conditions, financial and reputational risks undertaken and additional responsibilities. The remuneration does not include a performance related element and Directors do not receive bonuses, share options, pensions or long-term incentive schemes. The aggregate remuneration of the Board will be kept within the limits set out in the Company's Bye-laws, as amended from time to time.

In assessing current and future levels of director compensation, the Remuneration Committee seeks external comparative information, such as the use of independent external surveys. This includes the fees paid by other similar companies (both industry and jurisdiction), seeking input from recruitment specialists familiar with the external market, assessing the time commitment for each of the Directors in their appointed roles and considering the responsibilities their roles bring. The increasing demands being placed on all NEDs by shareholders, regulators and markets are also factored.

The fees for the non-executive Directors are within the limits (maximum total fee of $600,000) as set out in the Company's Bye-laws. The maximum is set as a USD amount. The equivalent is £474,985 if translated at the applicable rate on 31 March 2024.

The Remuneration Committee has reviewed the Directors' salaries against available comparables during the year. The Committee concluded that Directors' salaries were to remain unchanged during the financial year to 31 March 2024 and to increase by an inflationary amount from 1 April 2024. The new total salary is $415,000.

Directors' service contracts

It is the Board's policy that every Director has a service contract. None of the service contracts is for a fixed term. The terms of appointment provide that a Director shall retire and be subject to re-election at the first AGM after appointment. The Board has decided each Director will retire annually at the AGM and seek re-election as appropriate. The terms also provide that either party may give three months' notice. In certain circumstances a Director may be removed without notice and compensation will not be due on leaving office. There are no agreements between the Company and its Directors concerning compensation for loss of office.

Policy for notice periods

The current Directors' service contracts stipulate three months' written notice to be given by either the Director or the Company to terminate the services of a Director. The Board consider this is sufficient notice to ensure an orderly hand over between the parties.

Shareholders' views on remuneration policy

The formal views of unconnected shareholders have not been sought in the preparation of this policy.

Employees

The Company does not have any employees, only non-executive Directors.

Annual report on remuneration

Directors' Emoluments (Audited)

The Company does not have any employees, only non-executive Directors who receive only a basic fee, plus repayment of expenses incurred in the course of performing their duties. Therefore, the use of the detailed remuneration table, as prescribed in the legislation, is not appropriate here. A condensed table showing the information relevant to the Directors' remuneration is shown in its place.

The Directors who received fees during the year received the following emoluments in the form of fees. For clarity, these amounts are quoted in the currency as per their service contract. The Director's remuneration is set in USD, as is common for most Bermudan companies. The following table notes the Directors current annual fee as at 31 March 2024. It also notes their fee, in USD, for the current and prior financial years. The equivalent Sterling fees are shown as converted at the relevant pay date of each fee:

	2024 fee $000	2024 fee £000	2023 fee $000	2023 fee £000
Jonathan Davie (Chairman)	100	79	85	72
Simona Heidempergher	80	64	65	55
Richard Lightowler	90	71	75	63
William Salomon[3]	25	20	25	21
Nadya Wells	80	63	65	55
	375	**298**	**315**	**266**

The Company also pays the expenses of the Directors to attend the Board meetings. Directors' travel costs incurred during the year were £126,000 (2023: £141,000).

Statement of shareholder voting

Votes in respect of the resolution to approve the Directors' Remuneration Report at the Company's AGM in August 2023 were cast as follows:

	No. of shares voted	% of votes cast
Votes cast in favour	21,435,454	98.13
Votes cast against	409,169	1.87
Total votes cast	21,844,623	100.00
Votes withheld	0	

Directors' interests (audited)

Directors must seek permission from the Chairman before trading in shares, taking note of any Closed Periods. Other than that, there are no specific rules on Directors' shareholdings.

The interests of Directors and their connected parties in the Company at 31 March 2024 are shown below:

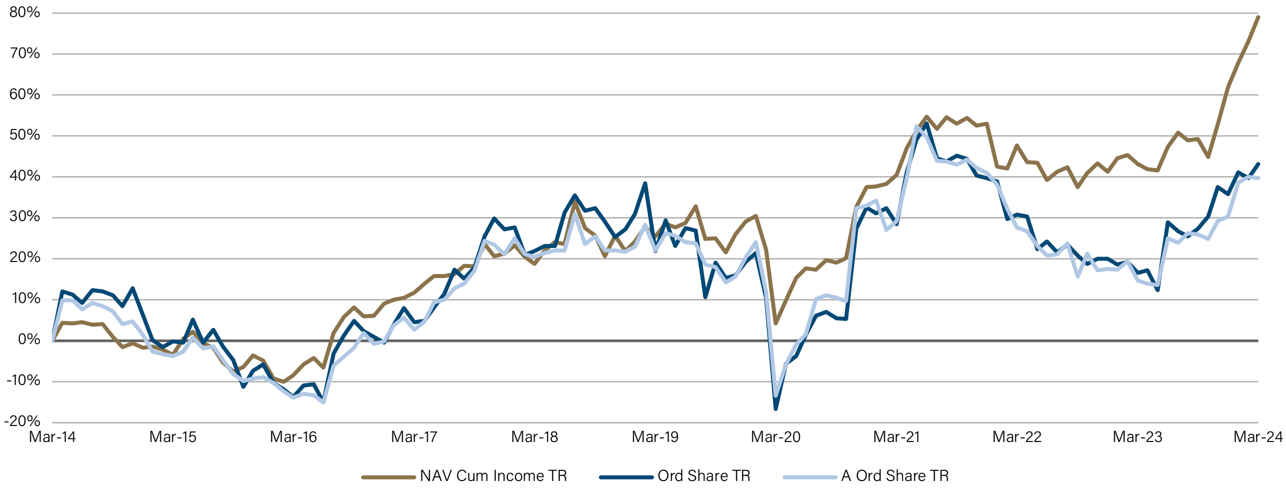
	Ordinary shares of 1p each		'A' non-voting ordinary shares of 1p each		Nature of interest
	2024	2023	2024	2023	
Jonathan Davie	45,000	45,000	230,000	230,000	Beneficial
William Salomon	11,169,345	11,169,345	3,587,123	3,508,723	Beneficial
Simona Heidempergher	6,400	6,400	–	–	Beneficial

As at 14 June 2024, the date of signing of these Annual Financial Statements, there were no changes to report to the Directors' holdings.

William Salomon is the senior partner of Hansa Capital Partners LLP. Fees payable to Hansa Capital Partners LLP amounted to £3,065,129 (including Portfolio Management and AASP functions). The fees outstanding at the year end amounted to £285,000. During the year, no rights to subscribe for the shares of the Company were granted to, or exercised by Directors, their spouses or infant children.

Your Company's performance

The graph below shows the ten-year cumulative total return to shareholders:



Directors' attendance

The Directors meet as a Board on a quarterly basis and at other times as necessary and the table below sets out the number of operational meetings and the attendance at them by each Director.

	Board[1]	Strategy Day	Audit Committee	Remuneration Committee	Nomination Committee	Management Engagement Committee[3]
Number of Meetings	**9**	**2**	**2**	**2**	**1**	**-**
Jonathan Davie	9	2	2	2	1	-
Simona Heidempergher	8	2	2	2	1	-
Richard Lightowler	9	2	2	2	1	-
William Salomon[2]	5	2	2	2	1	-
Nadya Wells	7	2	2	2	1	-

[1] "Board" includes full meetings of the Board, of which there were five held during the year, as well as periodic 'other' meetings and Board calls to consider and approve operational requirements for the Company, such as quarterly dividends. These 'other' meetings are arranged as and when required and require the meeting to be quorate but not necessarily attended by all Directors.

[2] William Salomon is deemed to not be independent. Therefore, he attends as an observer of the Audit and Remuneration Committees but is not a committee member. Further, he attends the Management Engagement Committee when the majority of Service Providers are discussed but exempts himself when the performance of the Portfolio Manager is discussed due to his position as its Senior Partner.

[3] The Management Engagement Committee column is shows no meetings within the Financial Year. This is because the meetings were held in Bermuda in February 2023 and April 2024 – thus missing our financial year ended 31 March 2024.

On behalf of the Board, I confirm that the above Report on Directors' Remuneration summarises, as applicable, for the year ended 31 March 2024:

(a) the major decisions on Directors' remuneration;
(b) any substantial changes relating to Directors' remuneration made during the year; and
(c) the context in which those changes occurred and decisions have been taken.

An Ordinary resolution for the approval of this Report will be put to shareholders at the forthcoming AGM.

For and on behalf of the Board

Simona Heidempergher
Chairman of the Remuneration Committee
14 June 2024

Nominations Committee Report

The Committee was chaired by Nadya Wells throughout the financial year. All independent members of the Board are members of the Nomination Committee. William Salomon attends the Committee but is not a member.

Role

The Committee reviews the structure, size and composition (including the skills, knowledge and experience) of the Board and makes recommendations to the Board with regard to any changes, as necessary. It also considers succession planning of directors, taking into account tenure and performance of board members as well as challenges and opportunities facing the Company, and what skills and expertise are, therefore, needed on the Board in the future. If a skills-gap or pending vacancy is identified, the Committee is responsible for identifying and nominating candidates to fill Board vacancies as and when they arise.

Appointments are made after consideration of the skills and experience needed by the Board and against objective criteria in accordance with the AIC Code. The Board considers it is of paramount importance to shareholders that, after consideration of the skills and experience needed by the Board, candidates are chosen on the basis of their contribution to the Company's needs and that there should be no discrimination in the choice of Directors for any reason. The Nominations Committee pays due regard to the final rules published by the Financial Conduct Authority in April 2022 in respect of diversity and inclusion on company boards and executive management. The Company believes a diverse Board brings many benefits and, as such, there is no restriction placed on Board membership. Selection and appointment will continue to be based on merit and against a skills matrix to ensure the overall composition of the Board has an appropriate balance of knowledge and experience, whilst remaining cognisant of the relevant geographic and diversity considerations. The Board has determined that all Directors will retire and offer themselves for re-election each year at the AGM and this policy includes any Directors appointed during the year. The Committee reports its recommendations to the Board for final approval.

Activities during the year

The Nomination Committee met twice during the year. The Committee has developed a Skills Matrix to summarise the knowledge, skills, experience and overall competence of each Director. This included anonymised feedback from the other Board members as well as feedback from each individual Director themselves. The Skills Matrix considers a wide range of relevant factors when assessing individual and collective competence including knowledge, skills, experience, diversity, geographic considerations, other time and business commitments, as well as their overall performance and contribution during the period in relation to their specific role. Following its review, and in line with the small size, structure and nature of the Company, the Committee concluded that each Director continued to contribute as required, and the Board continued to operate effectively.

Following the annual review of Board Skills, the Nomination Committee was supportive of re-appointing the Directors to the Board within the 2024 AGM. However, Nadya Wells has chosen not to stand for re-election at the forthcoming AGM due to additional professional commitments. Consequently, as of 14 June 2024, Nadya's responsibility as Chair of the Nominations Committee has passed to Simona Heidempergher.

Succession planning

The current Directors were all originally appointed in June 2019. Following Nadya's decision, the Board is in the process of identifying a director to join in Nadya's place. As part of the Skills Matrix utilised to evaluate Board composition, the Board notes the number of years each Director has served and their expected date of retirement. While the Board does not consider the length of tenure to have a direct negative correlation to the Directors performance and contribution, the Nomination Committee remains cognisant of the AIC recommendations and therefore still considers this element as part of its overall succession planning.

For and on behalf of the Board

Simona Heidempergher
Chairman of the Nomination Committee
14 June 2024

Financial Statements

Independent auditor's report

To the Board of Directors and Shareholders of Hansa Investment Company Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Hansa Investment Company Limited (the Company) as at 31 March 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Company's financial statements comprise:

- the balance sheet as at 31 March 2024;
- the income statement for the year then ended;
- the statement of changes in equity for the year then ended;
- the cash flow statement for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

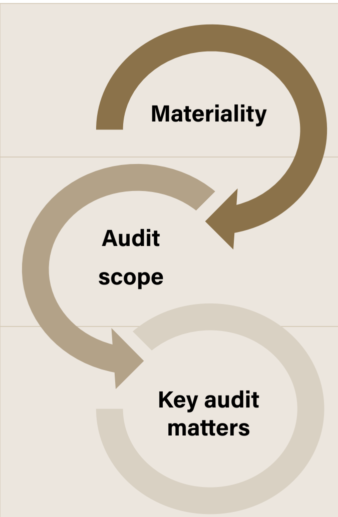
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Chartered Professional Accountants of Bermuda Rules of Professional Conduct (CPA Bermuda Rules) that are relevant to our audit of the financial statements in Bermuda. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the CPA Bermuda Rules.

Our audit approach

Overview



Materiality	Overall materiality: £4,545,000 based on approximately 1% of net assets.
Audit scope	In addition to determining materiality, amongst other factors, the following were assessed in designing our audit: ▪ the risk of material misstatement in the financial statements ▪ significant accounting estimates ▪ the risk of management override of internal controls
Key audit matters	▪ Valuation and existence of investments ▪ Accuracy, occurrence and completeness of investment income

Audit scope

As part of designing our audit, the risks of material misstatement in the financial statements were assessed and materiality determined. In particular, consideration was given to where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, the risk of management override of internal controls was addressed, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

The scope of our audit was tailored in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, certain quantitative thresholds for materiality were determined, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	£4,545,000
How we determined it	Approximates 1% of net assets
Rationale for the materiality benchmark applied	The benchmark was applied as a generally accepted audit practice for investment company audits.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £227,000, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Valuation and existence of investments *Refer to notes 1(c) Non-current investments and 8 Investments held at fair value through profit or loss to the financial statements for disclosures of related accounting policies and balances.* The investment portfolio as at 31 March 2024 is comprised of listed equity investments valued at £325 million (72%) and unquoted investments valued at £124 million (28%). We focused on the valuation and existence of listed and unquoted investments because the investment portfolio represents the principal element of net asset value as disclosed in the Company's balance sheet.	Our approach to addressing the matter involved the following procedures, amongst others: Listed equity investments: ▪ Tested the existence of the listed investment portfolio by agreeing the holdings for investments to an independent custodian confirmation. ▪ Tested the valuation of the listed investments by agreeing the prices used in the valuation to independent third-party sources. Unquoted investments: ▪ Understood and evaluated the controls around the pricing of unquoted investments including the final approval of the valuation by the Manager and the Board of Directors. ▪ Obtained direct confirmation of the existence of investments held and the price from each fund administrator. ▪ Recalculated 100% of the unquoted portfolio's fair value as at year end and compared to management's valuation. ▪ Obtained an understanding of the underlying methodology applied to each unquoted investment through review of their most recently available audited financial statements to evaluate whether it was based on fair value. Based on the procedures detailed above, we did not identify any misstatements which required reporting to those charged with governance.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Accuracy, occurrence and completeness of investment income ***Refer to notes 1(e) Investment income and return of capital and 2 Investment income to the financial statements for disclosures of related accounting policies and balances.*** Investment income consists of dividend income of £7.8 million. We focused on the accuracy, occurrence and completeness of investment income recognition as incomplete or inaccurate income could have a material impact on the Company's net asset value and dividend cover. We also focused on the accounting policy for income recognition along with its allocation and presentation in the income statement as set out in the requirements of The Association of Investment Companies Statement of Recommended Practice (the "AIC SORP") as incorrect application could indicate a misstatement in income recognition.	Our approach to addressing the matter involved the following procedures, amongst others: ▪ Assessed the accounting policy for investment income recognition for compliance with accounting standards and the AIC SORP and performed testing to evaluate whether income had been accounted for in accordance with this stated accounting policy. ▪ Tested the accuracy of dividend receipts by agreeing the dividend rates from investments to independent market data. ▪ Tested investment holdings, on a sample basis, that all related dividends declared in the market had been recorded. ▪ Tested occurrence by confirming that all dividends recorded in the period had been declared in the market by investment holdings. ▪ Tested the allocation and presentation of investment income between the revenue and capital return columns of the income statement in line with the requirements set out in the AIC SORP by assessing management's judgement of the nature, facts and circumstances in determining the classification of the distribution. Based on the procedures detailed above we did not identify any misstatements which required reporting to those charged with governance.

Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

UK Corporate Governance Code

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified, under the Listing Rules of the FCA, for review by the auditors.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and for such internal control as management determines 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, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 auditor's 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 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, 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Scott Watson-Brown.

PricewaterhouseCoopers Ltd

PricewaterhouseCoopers Ltd.
Chartered Professional Accountants
Hamilton, Bermuda

14 June 2024

Income Statement

For the year ended 31 March 2024

		Year ended 31 March 2024			Year ended 31 March 2023		
	Note	**Revenue £000**	**Capital £000**	**Total £000**	**Revenue £000**	**Capital £000**	**Total £000**
Gains/(losses) on investments held at fair value through profit or loss	8	-	88,760	88,760	-	(14,924)	(14,924)
Foreign Exchange (losses)/gains		-	(492)	(492)	-	327	327
Income							
Investment income	2	7,780	-	7,780	6,892	-	6,892
		7,780	**88,268**	**96,048**	**6,892**	**(14,597)**	**(7,705)**
Portfolio management fees	3	(2,950)	-	(2,950)	(2,824)	-	(2,824)
Other expenses	4	(1,676)	-	(1,676)	(1,527)	-	(1,527)
		(4,626)	**-**	**(4,626)**	**(4,351)**	**-**	**(4,351)**
Income/(losses) before finance costs		**3,154**	**88,268**	**91,422**	**2,541**	**(14,597)**	**(12,056)**
Finance costs	5	-	-	-	(1)	-	(1)
Income/(losses) for the year		**3,154**	**88,268**	**91,422**	**2,540**	**(14,597)**	**(12,057)**
Return per Ordinary and 'A' non-voting Ordinary share	7	2.6p	73.6p	76.2p	2.1p	(12.2)p	(10.1)p

The Company does not have any income or expense not included in the above Statement. Accordingly, the "Income/(losses) for the Year" is also the "Total Comprehensive Income/(expense) for the Year", as defined in IAS 1 (revised) and no separate Statement of Comprehensive Income has been presented.

The total column of this Statement represents the Income Statement, prepared in accordance with IFRS Accounting Standards ("IFRS").

All revenue and capital items in the above Statement derive from continuing operations.

The accompanying notes on pages 70 to 80 are an integral part of this Statement.

Balance Sheet

As at 31 March 2024

	Note	31 March 2024 £000	31 March 2023 £000
Non-current assets			
Investments held at fair value through profit or loss	8	449,153	353,262
		449,153	**353,262**
Current assets			
Trade and other receivables	10	1,463	128
Cash and cash equivalents	11	4,352	13,987
		5,815	**14,115**
Current liabilities			
Trade and other payables	12	(421)	(412)
Net current assets		**5,394**	**13,703**
Net assets		**454,547**	**366,965**
Capital and reserves			
Called up share capital	13	1,200	1,200
Contributed surplus	14	322,839	323,799
Retained earnings	15	130,508	41,966
Total shareholders' funds		**454,547**	**366,965**
Net asset value per Ordinary and 'A' non-voting Ordinary share	16	**378.8p**	**305.8p**

The Financial Statements of Hansa Investment Company Limited, registered in Bermuda under company number 54752, set out on pages 66 to 69 were approved by the Board of Directors on 14 June 2024 and were signed on its behalf by

Jonathan Davie
Chairman

The accompanying notes on pages 70 to 80 are an integral part of this Statement.

Statement of Changes in Equity

For the year ended 31 March 2024	Note	Share capital £000	Contributed surplus reserve £000	Retained earnings £000	Total £000
Equity at 1 April 2023		1,200	323,799	41,966	366,965
Profit for the year		-	-	91,422	91,422
Dividends	6	-	(960)	(2,880)	(3,840)
Equity at 31 March 2024		**1,200**	**322,839**	**130,508**	**454,547**

For the year ended 31 March 2023	Note	Share capital £000	Contributed surplus reserve £000	Retained earnings £000	Total £000
Equity at 1 April 2022		1,200	324,759	56,903	382,862
Loss for the year		-	-	(12,057)	(12,057)
Dividends	6	-	(960)	(2,880)	(3,840)
Equity at 31 March 2023		**1,200**	**323,799**	**41,966**	**366,965**

The accompanying notes on pages 70 to 80 are an integral part of this Statement.

Cash Flow Statement

For the year ended 31 March 2024

	Note	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Cash flows from operating activities			
Income / (loss)*		91,422	(12,056)
Adjustments for:			
Realised gains on investments	8	(6,228)	(5,571)
Unrealised (gains)/losses on investments	8	(82,532)	20,495
Foreign exchange		492	(327)
(Increase)/decrease in trade and other receivables	10	(1,335)	73
Increase in trade and other payables	12	9	44
Purchase of non-current investments		(69,313)	(78,568)
Sale of non-current investments		62,182	90,368
Net cash (outflow)/inflow from operating activities		**(5,303)**	**14,458**
Cash flows from financing activities			
Interest paid on bank loans		-	(1)
Dividends paid	6	(3,840)	(3,840)
Drawdown/(repayment) of loans		-	-
Net cash outflow from financing activities		**(3,840)**	**(3,841)**
(Decrease)/increase in cash and cash equivalents		**(9,143)**	**10,617**
Cash and cash equivalents at start of financial year		13,987	3,043
Effect of foreign exchange rate changes		(492)	327
Cash and cash equivalents at end of year	11	**4,352**	**13,987**

*Includes dividends received of £7,602,000 (2023: £6,810,000) and interest received of nil (2023: £nil).

The accompanying notes on pages 70 to 80 are an integral part of this Statement.

Notes to the Financial Statements

1 Material accounting policy information

Hansa Investment Company Limited is a company limited by shares, registered and domiciled in Bermuda with its registered office shown on page 85. The principal activity of the Company is an investment vehicle.

(a) Basis of preparation

The Financial Statements of the Company have been prepared in accordance with IFRS Accounting Standards ("IFRS"). IFRS means standards and interpretations issued (or adopted) by the International Accounting Standards Board (they comprise: International Reporting Standards, International Accounting Standards (IAS) and Interpretations developed by the IFRS Interpretations Committee or the former Standing Interpretations Committee (SIC)).

These Financial Statements are presented in sterling because that is the currency of the primary economic environment in which the Company operates. The Financial Statements have been prepared on a going concern basis under the historic cost convention, modified by financial assets held at fair value through profit or loss with the assertion of the Board on page 40. The Financial Statements have also been prepared in accordance with the AIC Statement of Recommended Practice (SORP) for investment trusts, issued by the AIC in July 2022, to the extent that the SORP does not conflict with IFRS. The material accounting policy information adopted is set out below.

(b) Presentation of Income Statement

In order to better reflect the activities of an investment company and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue and capital nature, has been presented alongside the Income Statement.

(c) Non-current investments

As the Company's business is investing in financial assets, with a view to profiting from their total return in the form of income received and increases in fair value, investments are classified at fair value through profit in accordance with IFRS 9. The Company manages and evaluates the performance of these investments on a fair value basis, in accordance with its investment strategy and information about the investments is provided on this basis to the Board of Directors.

Investments are recognised and de-recognised on the trade date. For listed investments fair value is deemed to be bid market prices, or closing prices for SETS stocks sourced from the London Stock Exchange. SETS is the London Stock Exchange's electronic trading service, covering most of the market including all FTSE 100 constituents and most liquid FTSE 250 constituents, along with some other securities.

Fund investments are stated at fair value through profit or loss as determined by using the most recent available valuation which is considered to be fair value at the Balance Sheet date. In some cases, this will be by reference to the most recent valuation statement supplied by the fund's manager. In other cases, values may be available through the fund being listed on an exchange or via pricing sources such as Bloomberg.

Private equity investments are stated at fair value through profit or loss in accordance with the International Private Equity and Venture Capital Valuation Guidelines. Private equity investments are carried at the fair value as reported by the Private Equity Fund Manager (PEFM). In the absence of a valuation by the PEFM at the balance sheet date, additional procedures to determine the reasonableness of the fair value estimate for inclusion in the Financial Statements are performed. These may include direct enquiries of the PEFM of the investment to understand, amongst others, valuation process and techniques used, external experts used in the valuation process and updated details of the underlying portfolio. In addition, the Company can obtain external independent valuation data and benchmarks to validate fair value estimates. Further, recent arms-length market transactions between knowledgeable and willing parties where available might also be considered. Subsequent to the balance sheet date, the Administrator, will review subsequent valuations released by the Private Equity fund to look for consistency with the estimations made as described above.

Unrealised gains and losses, arising from changes in fair value, are included in net profit or loss for the period as a capital item in the Income Statement and are ultimately recognised in the Capital Reserves.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, short-term deposits and cash funds with an original maturity of three months or less and are subject to an insignificant risk of changes in capital value.

(e) Investment Income and return of capital

Dividends receivable on equity shares are recognised on the ex-dividend date. Where no ex-dividend date is quoted, dividends are recognised when the Company's right to receive payment is established. Dividends and Real Estate Investment Trusts' (REIT) income are all stated net of withholding tax. In many cases, Bermudan companies cannot recover foreign incurred taxes withheld on dividends and capital transactions. As a result, any such taxes incurred will be charged as an expense and included here.

When an investee company returns capital to the Company, the amount received is treated as a reduction in the book cost of that investment and is classified as sale proceeds.

(f) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue column of the Income Statement except expenses which are incidental to the acquisition or disposal of an investment which are charged to the capital column of the Income Statement.

(g) Taxation

Under Bermuda law, to the extent the Company remains out of scope of the Corporate Income Tax Act 2023 (the "CIT Act"), the Company is not required to pay taxes in Bermuda on either income or capital gains.

Bermuda enacted the CIT Act on 27 December 2023. Entities subject to tax under the CIT Act are the Bermuda constituent entities of multi-national groups. A multi-national group is defined under the CIT Act as a group with entities in more than one jurisdiction with consolidated revenues of at least EUR750mm for two out of the four previous fiscal years. If Bermuda constituent entities of a multi-national group are subject to tax under the CIT Act, such tax is charged at a rate of 15 per cent of the net taxable income of such constituent entities as determined in accordance with and subject to the adjustments set out in the CIT Act (including in respect of foreign tax credits applicable to the Bermuda constituent entities).

Consolidated revenues of the Company's group are less than EUR750mm in each previous fiscal year. On this basis, the Company is not, and neither is it expected to be, in scope of the CIT Act regime.

(h) Foreign Currencies

Transactions denominated in foreign currencies are recorded in the local currency, at the actual exchange rates as at the date of the transaction. Assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rate of exchange prevailing at the balance sheet date. Any gains or losses arising from a change in exchange rates, subsequent to the date of the transaction, are included as exchange gains or losses in the capital or revenue column of the Income Statement, depending on whether the gains or losses are of a capital or revenue nature respectively.

(i) Retained Earnings

Contributed Surplus

The following are credited or charged to this reserve via the capital column of the Income Statement:

- gains and losses on the disposal of investments;
- exchange differences of a capital nature;
- expenses charged to the capital column of the Income Statement in accordance with the above accounting policies; and
- increases and decreases in the valuation of investments held at the balance sheet date.

Revenue Reserves

The following are credited or charged to this reserve via the revenue column of the Income Statement:

- net revenue recognised in the revenue column of the Income Statement.

Under Bermuda Company Law, Retained Earnings and Contributed Surplus Reserve are both distributable.

(j) Significant Judgements and Estimates

The key significant estimate to report, concerns the Company's valuation of its holding in DV4 Ltd. DV4 is valued using the most recent estimated NAV as advised to the Company by DV4, adjusted for any further drawdowns, distributions or redemptions between the valuation date and 31 March 2024. The most recent valuation statement was received on 21 February 2024 stating the value of the Company's holding as at 31 December 2023. In the absence of a valuation for 31 March 2024 from DV4, the Company performed additional procedures to determine the reasonableness of the fair value estimate for inclusion in the Financial Statements. Direct enquiries of the manager of DV4 were made in July 2020 to understand, amongst others, valuation process and techniques used, external experts used in the valuation process and updated details of underlying property portfolio. It has been confirmed with DV4's manager that the valuation procedures discussed in July 2020 are still the same used now. In addition, the Company has compared the historic valuation movements of DV4 to the FTSE350 Real Estate Index. Based on the information obtained and additional analysis performed the Company is satisfied that DV4 is carried in these Financial Statements at an amount that represents its best estimate of fair value at 31 March 2024. It is believed the value of DV4 as at 31 March 2024 will not be materially different, but this valuation is based on historic valuations by DV4, does not have a readily available third party comparator and, as such, is an estimate. There are no significant judgements.

(k) Adoption of new and revised standards

At the date of authorisation of these Financial Statements there were no standards and amendments to the standards, which have not been applied in these Financial Statements.
In the current financial period the Company has applied the following amendments to standards:

- Amendments to IAS1 'Classification of liabilities as current or non-current' (effective for accounting periods beginning on or after 1 January 2023).
- IFRS 17, 'Insurance contracts' (effective for accounting periods beginning on or after 1 January 2023).
- Amendments to IAS 8 'Definition of Accounting Estimates' (effective for accounting periods on or after 1 January 2023).
- Amendments to IAS 1 and IFRS Practice Statement 2 'Disclosure of Accounting Policies' (effective for accounting periods on or after 1 January 2023).
- Amendments to IAS 12 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction' (effective for accounting periods on or after 1 January 2023).

There is no material impact on the Financial Statements or the amounts reported from the adoption of these amendments to the standards.

Relevant International Accounting Standards that have yet to be adopted:

IAS 1 – Classification of liabilities as current or non-current (effective 1 January 2024). The IASB has amended IAS 1 Presentation of Financial Statements to clarify its requirement for the presentation of liabilities depending on the rights that exist at the end of the reporting period. The amendment requires liabilities to be classified as non-current if the entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendment no longer refers to unconditional rights.

IAS 1 – Non-current liabilities with covenants (effective 1 January 2024). The IASB has amended IAS 1 Presentation of Financial Statements to introduce additional disclosures for liabilities with covenants within 12 months of the reporting period. The additional disclosures include the nature of covenants, when the entity is required to comply with covenants, the carrying amount of related liabilities and circumstances that may indicate that the entity will have difficulty complying with the covenants.

(l) Operating Segments

The Company considers it has one operating segment for the purposes of IFRS 8.

2 Investment income

	Revenue Year ended 31 March 2024 £000	Revenue Year ended 31 March 2023 £000
Income from quoted investments		
Dividends	7,780	6,892
Total income	**7,780**	**6,892**

Note: Of the dividend income received during the financial year, £5.3m was received from the Company's Strategic Holding in OWHL by way of a dividend received on 15 June 2023. The remainder was received from holdings within the Global Equity (direct) & Core Regional silos.

3 Portfolio management fee

	Revenue Year ended 31 March 2024 £000	Revenue Year ended 31 March 2023 £000
Portfolio management fee	2,950	2,824
Total management fee	**2,950**	**2,824**

As disclosed on page 47, the portfolio management fee is charged at an annual rate of 1% of the net assets of the Company (after any borrowings), after deducting the value of the investment in OWHL, on which no fee is payable.

4 Other expenses

	Revenue Year ended 31 March 2024 £000	Revenue Year ended 31 March 2023 £000
Administration fees	154	150
Directors' remuneration	298	262
Auditor's remuneration for audit of the Company's Annual Financial Statements	92	68
Printing fees	57	36
Directors' liability insurance	67	67
Marketing	75	140
Registrar's fees	80	93
Banking charges	19	38
Secretarial services	159	153
Travel expenses	126	217
Broker fees	32	25
Stock Exchange listing fees	42	50
Safe custody fees	184	180
Management fee rebate from GAM	(13)	(28)
Other	304	76
Total other expenses	**1,676**	**1,527**

5 Finance costs

	Revenue Year ended 31 March 2024 £000	Revenue Year ended 31 March 2023 £000
Interest payable	-	1
Total finance costs	**-**	**1**

As disclosed on page 30, the Company has an unsecured lending facility through its Custodian, Banque Lombard Odier & Cie SA ("Lombard Odier"), in the amount of £30m, subject to there being sufficient value and diversity within the portfolio to meet the lender's borrowing requirements. The facility is used periodically for short-term transactional funding requirements. As a result, the cost incurred in finance fees are not necessarily consistent between financial years.

6 Dividends paid

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Amounts recognised as distributed to shareholders in the year are as follows:		
Fourth interim dividend for 2023 (paid 26 May 2023): 0.8p (2022: 0.8p)	960	960
First interim dividend for 2024 (paid 25 August 2023): 0.8p (2023: 0.8p)	960	960
Second Interim dividend for 2024 (paid 24 November 2023): 0.8p (2023: 0.8p)	960	960
Third Interim dividend for 2024 (paid 23 February 2024): 0.8p (2023:0.8p)	960	960
Total dividends paid	**3,840**	**3,840**

Set out below are the total dividends paid and proposed in respect of the current financial year. Where there has been no revenue available for distribution by way of dividend for the year, dividends have been paid from capital reserves, specifically contributed surplus which is permitted by Bermudan company law.

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
First interim dividend for 2024 (paid 25 August 2023): 0.8p (2023: 0.8p)	960	960
Second Interim dividend for 2024 (paid 24 November 2023): 0.8p (2023: 0.8p)	960	960
Third Interim dividend for 2024 (paid 23 February 2024): 0.8p (2023:0.8p)	960	960
Fourth interim dividend for 2023 (payable 31 May 2024):0.8p 2023 (0.8p)	960	960
Total dividends paid & proposed	**3,840**	**3,840**

The Board has announced four interim dividends, each of 0.8p per Ordinary and 'A' non-voting Ordinary share, relating to the year ended 31 March 2024. No final dividend is proposed for the year ended 31 March 2024.

7 Return on ordinary shares (equity)

	Revenue year ended 31 March 2024	Capital year ended 31 March 2024	Total year ended 31 March 2024	Revenue year ended 31 March 2023	Capital year ended 31 March 2023	Total year ended 31 March 2023
Returns per share	2.6p	73.6p	76.2p	2.1p	(12.2)p	(10.1)p

Returns

Revenue return per share is based on the revenue attributable to equity shareholders of £3,154,000 (2023: £2,540,000).

Capital return per share is based on the capital profit attributable to equity shareholders of £88,268,000 (2023: loss of £14,597,000).

Total return per share is based on a combination of revenue and capital returns attributable to equity shareholders, amounting to net profit of £91,422,000 (2023: loss of £12,057,000).

Both revenue and capital return are based on 40,000,000 Ordinary shares and 80,000,000 'A' non-voting Ordinary shares, in issue throughout the year.

8 Investments held at fair value through profit or loss

	Listed £000	Unquoted £000	2024 Total £000	2023 Total £000
Cost at 1 April	242,560	76,138	318,698	324,927
Investment holding gains at 1 April	21,400	13,164	34,564	55,059
Valuation as at 1 April	**263,960**	**89,302**	**353,262**	**379,986**
Movements in the year:				
Purchases at cost	53,016	16,297	69,313	78,568
Sales – proceeds	(71,652)	9,470	(62,182)	(90,368)
Movement in investment holding Gains/(losses)	79,412	9,348	88,760	(14,924)
Valuation as at 31 March	**324,736**	**124,417**	**449,153**	**353,262**
Cost as at 31 March	230,152	101,905	332,057	318,698
Investment holding gains	94,584	22,512	117,096	34,564
Valuation as at 31 March	**324,736**	**124,417**	**449,153**	**353,262**

	2024 £000	2023 £000
Gains on sales	6,228	5,571
Movement in investment holding gains/(losses)	82,532	(20,495)
Gains/(losses) on investments held at fair value through profit or loss	**88,760**	**(14,924)**

Transaction costs

During the year expenses were incurred in acquiring and disposing of investments classified as fair value through profit or loss.

These have been expensed through capital and are included within gains on investments in the Income Statement. The total costs were as follows:

	2024 £000	2023 £000
Purchases	13	38
Sales	11	18
	24	**56**

9 Significant holdings

The Company's holdings of 10% or more of any class of shares in investment companies and 20% or more of any class of shares in non-investment companies as at 31 March 2024 are detailed below:

					Exc. Minority Interest	
	Country of incorporation or registration	Class of Capital	% of class held	Latest available accounts	Total capital and reserves $000	Profit after tax for the period $000
Ocean Wilsons Holdings Limited	Bermuda	Ordinary	26.5	31.12.2023	601,504	67,048

Ocean Wilsons Holdings Limited is included as part of the investment portfolio in accordance with IAS 28 - Investment in Associates.

10 Trade and other receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables and contract assets.

	2024 £000	2023 £000
Amounts due from brokers	1,353	-
Prepayments and accrued income	110	128
	1,463	**128**

11 Cash and cash equivalents

	2024 £000	2023 £000
Cash at bank	348	13,987
Cash funds	4,004	-
	4,352	**13,987**

12 Trade and other payables

	2024 £000	2023 £000
Other creditors and accruals	421	412
	421	**412**

13 Called up share capital

	2024 £000	2023 £000
40,000,000 Ordinary shares of 1p	400	400
80,000,000 'A' non-voting Ordinary shares of 1p	800	800
	1,200	**1,200**

The 'A' non-voting Ordinary shares do not entitle the holders to receive notices or to vote, either in person or by proxy, at any general meeting of the Company, but in all other respects rank pari passu with the Ordinary shares of the Company.

14 Contributed surplus

	2024 £000	2023 £000
Opening balance at 1 April	323,799	324,759
Dividend paid	(960)	(960)
Closing balance at 31 March	**322,839**	**323,799**

15 Retained earnings

	Reserves				Reserves			
	Revenue 2024 £000	Capital – other 2024 £000	Capital – investment holding profit 2024 £000	Total retained earnings 2024 £000	Revenue 2023 £000	Capital – other 2023 £000	Capital – investment holding profit 2023 £000	Total retained earnings 2023 £000
Opening balance at 1 April	(2,364)	9,766	34,564	41,966	(2,024)	3,868	55,059	56,903
Profit/(loss) for the year	3,154	5,736	82,533	91,422	2,540	5,898	(20,495)	(12,057)
Dividend paid	(2,880)	-	-	(2,880)	(2,880)	-	-	(2,880)
Closing balance at 31 March	**(2,090)**	**15,502**	**117,097**	**130,508**	**(2,364)**	**9,766**	**34,564**	**41,966**

16 Net asset value

	2024 £000	2023 £000
NAV per Ordinary and 'A' non-voting Ordinary share	**378.8p**	**305.8p**

The NAV per Ordinary and 'A' non-voting Ordinary share is based on the net assets attributable to equity shareholders of £454,547,000 (2023: £366,965,000) and on 40,000,000 Ordinary shares (2023: 40,000,000) and 80,000,000 'A' non-voting Ordinary shares (2023: 80,000,000) in issue at 31 March 2024.

17 Commitments and contingencies

The Company has the following outstanding commitments as at 31 March 2024 (2023: £2.0m):

	Outstanding commitment in local currency	GBP
BPEA EQT Mid-Market Growth Partnership	1,774,644	1,404,879
GGV Discovery IV - Asia	600,000	474,984
GGV Discovery IV - US	600,000	474,984
Khosla Ventures VIII	1,020,000	807,473
TA Associates XV	3,600,000	2,849,905
Triton VI	1,740,000	1,487,561
TrueBridge Direct Fund III	183,000	144,870
TrueBridge Capital Partners Fund VIII	864,000	683,977
	10,381,644	**8,328,633**

18 Financial instruments and associated risks

The Company's financial instruments comprise securities, cash balances, debtors and creditors. These assets are classified in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss; and
- those to be measured at amortised cost.

The financial assets held at amortised cost include trade and other receivables, cash and cash equivalents.

Risk Objectives and Policies

The objective of the Company is to achieve growth of shareholder value commensurate with the risks taken, bearing in mind that the protection of long-term shareholder value is paramount. The policy of the Board is to provide a framework within which the Portfolio Manager can operate and deliver the objectives of the Company. In pursuing its investment objective, the Company is exposed to a variety of risks that could result in either a reduction in the Company's net assets and/or a reduction of the profits available for dividends.

These risks include those identified by the accounting standard IFRS 7, being market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. The Directors' approach to the management of these is set out below. The Board, in conjunction with the Portfolio Manager and Company Secretary, oversees the Company's risk management.

Foreign currency risk

Foreign currency risks arise in two distinct areas which affect the valuation of the investment portfolio. 1) the direct exposure where an investment is denominated and paid for in a currency other than Sterling; and 2) the indirect exposure where an investment has substantial non-Sterling underlying investment and/or cash flows. The Company does not normally hedge against foreign currency movements affecting the value of the investment portfolio, but takes account of this risk when making investment decisions. Some of the fund investments into which the Company invests will, in part or in whole, hedge some of their underlying currency risk, but this will be known at the time of investment and will form part of the investment decision. In those cases, the hedging will not remove the exposure to the underlying country or market sector. The Portfolio Manager monitors the effect of foreign currency fluctuations through the pricing of the investments by the various markets.

	Direct foreign currency risk 2024 £000	No direct foreign currency risk 2024 £000	Total 2024 £000	Direct foreign currency risk 2023 £000	No direct foreign currency risk 2023 £000	Total 2023 £000
Investments	135,145	314,008	449,153	115,139	238,123	353,262
Other receivables including prepayments	34	1,319	1,353	72	56	128
Cash at bank	-	4,352	4,352	-	13,987	13,987
Current liabilities	(15)	(406)	(421)	-	(412)	(412)
	135,164	**319,273**	**454,437**	**115,211**	**251,754**	**366,965**

Note: Direct foreign currency risk includes direct exposure to USD and Euro currencies.

Foreign currency sensitivity

The following table illustrates the sensitivity of the profit/loss for the year and the shareholders' funds in regard to the Company's financial assets and financial liabilities. It assumes a 10% depreciation of Sterling against foreign currencies at 31 March 2024 and 31 March 2023. These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Company's monetary foreign currency financial instruments held at each balance sheet date.

If sterling had weakened by 10% against the currencies shown, this would have had the following effect on the Company:	US$ 2024 £000	Euro 2024 £000	Other 2024 £000	US$ 2023 £000	Euro 2023 £000	Other 2023 £000
Income statement - profit/(loss)	687	20	22	918	(328)	(204)
Equity shareholders funds	10,670	955	1,891	9,228	692	1,601
	11,357	**975**	**1,913**	**10,146**	**364**	**1,397**

Note: Other includes exposure to foreign currencies excluding US dollar and Euro.

A 10% strengthening of Sterling against the above currencies would result in an equal and opposite effect on the above amounts.

Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits and the interest payable on the Company's variable rate borrowings.

The Company has banking facilities amounting to £30m (2023: £30m) which are available for the Portfolio Manager to use in purchasing investments; the costs of which are based on the prevailing LIBOR rate, plus an agreed margin. The Company does not normally hedge against interest rate movements affecting the value of the investment portfolio, but takes account of this risk when an investment is made utilising the facility. The level of banking facilities used is monitored by both the Board and the Portfolio Manager on a regular basis. The impact on the returns and net assets of the Company for every 1% change in interest rates, based on the amount drawn down at the Year-End under the facility, would be £nil (2023: £nil). The level of banking facilities utilised at 31 March 2024 was £nil (2023: £1,000).

Interest rate changes usually impact equity prices. The level and direction of change in equity prices is subject to prevailing local and world economic conditions as well as market sentiment, all of which are very difficult to predict with any certainty. The Company has floating rate financial assets, consisting of bank balances and cash funds that have received average rates of interest during the year of 0% on bank balances.

	Cash flow interest rate risk 2024 £000	No interest rate risk 2024 £000	Total 2024 £000	Cash flow interest rate risk 2023 £000	No interest rate risk 2023 £000	Total 2023 £000
Investments	-	449,153	449,153	-	353,262	353,262
Other receivables including prepayments	-	1,463	1,463	-	128	128
Cash at bank	4,352	-	4,352	13,987	-	13,987
Current liabilities	-	(421)	(421)	-	(412)	(412)
	4,352	**450,195**	**454,547**	**13,987**	**352,978**	**366,965**

Other price risk

By the nature of its activities, the Company's investments are exposed to market price fluctuations. NAV is calculated and reported daily to the London Stock Exchange. The Portfolio Manager and the Board monitor the portfolio valuation on a regular basis and consideration is given to hedging the portfolio against large market movements.

The Company's investment in Ocean Wilsons is large both in absolute terms, £96.5m as valued at 31 March 2024 (2023: £83.7m) and as a proportion of the NAV, 21.2% (2023: 22.8%). Shareholders should be aware that if anything of a severe and untoward nature were to happen to this company, it could result in a significant impact on the NAV and share price. However, it should also be noted that the exposure of Hansa Investment Company Limited to the currency, country and market- based risk exposure of Ocean Wilsons is, to an extent, mitigated by the diverse nature of the two investments within Ocean Wilsons. Wilson Sons, corresponding to 61.6% of Ocean Wilsons' NAV, has a direct exposure to the Brazilian economy, whereas Ocean Wilsons Investments has a diverse Investment portfolio and corresponds to the other 38.4%. It is an investment the Board pays close attention to and it should be pointed out that the risks associated with it are very different from those of the other companies represented in the portfolio. The Board itself regularly undertakes a thorough review of its business and prospects and has determined that its future holds a lot of promise. As a consequence, the Board believes the risk involved in the investment is worthwhile.

The performance of the portfolio as a whole is not designed to correlate with that of any market index. Should the portfolio of the Company, as detailed on pages 27 and 28, rise or fall in value by 10% from the year end valuation, the effect on the Company's profit and equity would be an equal rise or fall of £44.9m (2023: £35.3m).

Credit risk

The Company only transacts with regulated institutions on normal market terms, which are trade date plus one to three days in the case of equities. Fund investment settlement periods will vary from fund to fund and are defined by the individual managers. The levels of amounts outstanding from brokers and fund managers are regularly reviewed by the Portfolio Manager. The duration of credit risk associated with the investment transactions is the period between the date the transaction took place, the trade date, the date the stock and cash were transferred and the settlement date. The level of risk during the period is the difference between the value of the original transaction and its replacement with a new transaction. The amounts due to/(from) brokers at 31 March 2024 are shown in Note 10 and Note 12 on page 75.

The Company's maximum exposure to credit risk on cash is £4.4m (2023: £14.0m) and on cash funds is £nil (2023: £nil). Surplus cash is on deposit with the Depositary/Custodian.

Liquidity risk
The liquidity risk to the Company is that it is unable to meet its obligations as they fall due, as a result of a lack of available cash and an inability to dispose of investments in a timely manner. A substantial proportion of the Company's portfolio is held in liquid quoted investments; however, there is a large, Strategic, holding in Ocean Wilsons of 21.2% (2023: 22.8%), unquoted equity investments of 2.6% (2023: 2.6%) and investments into open-ended investment funds with varying liquidity terms of 58.6% (2023: 58.6%).

The Portfolio Manager takes into consideration the liquidity of each investment when purchasing and selling, in order to maximise the returns to shareholders, by placing suitable transaction levels into the market. Special consideration is given to investments representing more than 5% of the investee company. A detailed list of the investments, split by silo, held at 31 March 2024 is shown on pages 27 and 28. This can be used broadly to ascertain the levels of liquidity within the portfolio, although liquidity will vary with each investment – particularly the funds.

Capital management
The Company considers its capital to be its issued share capital and reserves and whilst the Company has access to loan facilities it is not considered or used as core capital, but primarily to meet the cash timing requirements of opportunistic investment strategies and thereby enhance shareholder returns. The Board regularly monitors its share discount policy and the level of discounts and whilst it has the option to repurchase shares, it considers the best means of attaining a good rating for the shares is to concentrate on good shareholder returns.

However, the Board believes the ability of the Company to repurchase its own 'A' non-voting Ordinary shares in the market may potentially enable it to benefit all equity shareholders of the Company. The repurchase of 'A' non-voting Ordinary shares, at a discount to the underlying NAV, would enhance the NAV per share of the remaining equity shares and might also enable the Company to address more effectively any imbalance between supply and demand for the Company's 'A' non-voting Ordinary shares.

19 Fair value hierarchy and financial liabilities

IFRS 13 'Fair Value Measurement' requires an entity to classify fair value measurements, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability not based on observable market data (unobservable inputs).

The financial assets and liabilities, measured at fair value, in the Statement of Financial Position, grouped into the fair value hierarchy and valued in accordance with the accounting policies in Note 1, are detailed below:

Year ended 31 March 2024	**Level 1 £000**	**Level 2 £000**	**Level 3 £000**	**Total £000**
Financial assets at fair value through profit or loss				
Quoted equities	192,221	-	-	192,221
Unquoted equities	-	-	8,040	8,040
Fund investments	42,692	206,200	-	248,892
Fair Value	**234,913**	**206,200**	**8,040**	**449,153**

Year ended 31 March 2023	**Level 1 £000**	**Level 2 £000**	**Level 3 £000**	**Total £000**
Financial assets at fair value through profit or loss				
Quoted equities	136,942	-	-	136,942
Unquoted equities	-	-	9,132	9,132
Fund investments	37,826	169,362	-	207,188
Investment in subsidiary	-	-	-	-
Fair Value	**174,768**	**169,362**	**9,132**	**353,262**

The Company's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date of the event or change in circumstances that caused the transfer to occur.

A reconciliation of fair value measurements in Level 3 is set out in the following table:

	31 March 2024 equity investments £000	**31 March 2023 equity investments £000**
Opening Balance	9,132	8,917
Transferred from Level 1	-	-
Purchases	367	-
Sales (Capital Distribution)	(402)	-
Total (losses)/gains included in gains/(losses) on investments in the Income Statement:		
on assets sold	-	-
on assets held at year end	(1,057)	215
Closing Balance	**8,040**	**9,132**

As at 31 March 2024, the investment in DV4 has been classified as Level 3. This is because the investment has been valued using the most recent estimated NAV as advised to the Company by DV4, adjusted for any further drawdowns, distributions or redemptions between the valuation date and 31 March 2024. The most recent valuation statement was received on 21 February 2024 and relates to the DV4 portfolio at 31 December 2023. Additionally, the underlying assets of DV4 are all Real Estate in nature and, as such, there is not a readily comparable market of identical assets for valuation purposes. In the absence of a valuation for 31 March 2024 from DV4, the Company performed additional procedures to determine the reasonableness of the fair value estimate for inclusion in the Financial Statements. Direct enquiries of the manager of DV4 were made in July 2020 to understand, amongst others, valuation process and techniques used, external experts used in the valuation process and updated details of underlying property portfolio. In addition, the Company has obtained external independent valuation data and compared the historic valuation movements of DV4 to that data. It has been confirmed with DV4's manager that the valuation procedures discussed in July 2020 are still the same used now. In addition, the Company has compared the historic valuation movements of DV4 to the FTSE350 Real Estate Index. Based on the information obtained and additional analysis performed the Company is satisfied that DV4 is carried in these Financial Statements at an amount that represents its best estimate of fair value at 31 March 2024. It is believed the value of DV4 as at 31 March 2024 will not be materially different, but this valuation is based on historic valuations by DV4, does not have a readily available third party comparator and, as such, is an estimate. If the value of the investment was to increase or decrease by 10%, while all other variables remained constant, the return and net assets attributable to shareholders for the year ended 31 March 2024 would have increased or decreased by £770,000 (2023: £913,000). The Board considers 10% to be a potential movement between valuation periods borne out by historic valuation trends. However, this does not preclude the valuation moving a greater amount than 10% in the future.

20 Related parties and transactions with the portfolio manager

William Salomon is a Director of the Company and Senior Partner of the Company's Portfolio Manager. Details of the relationship between the Company and Hansa Capital Partners LLP, including amounts paid during the year and owing at 31 March 2024, are disclosed in the Governance Section – Service Providers on pages 47 to 48 and in Note 3 on page 72. Details of the relationship between the Company and the Directors, including amounts paid during the period to 31 March 2024, are disclosed in the Governance Section – The Board on page 42 and also in the Directors' Remuneration Report on pages 57 to 59.

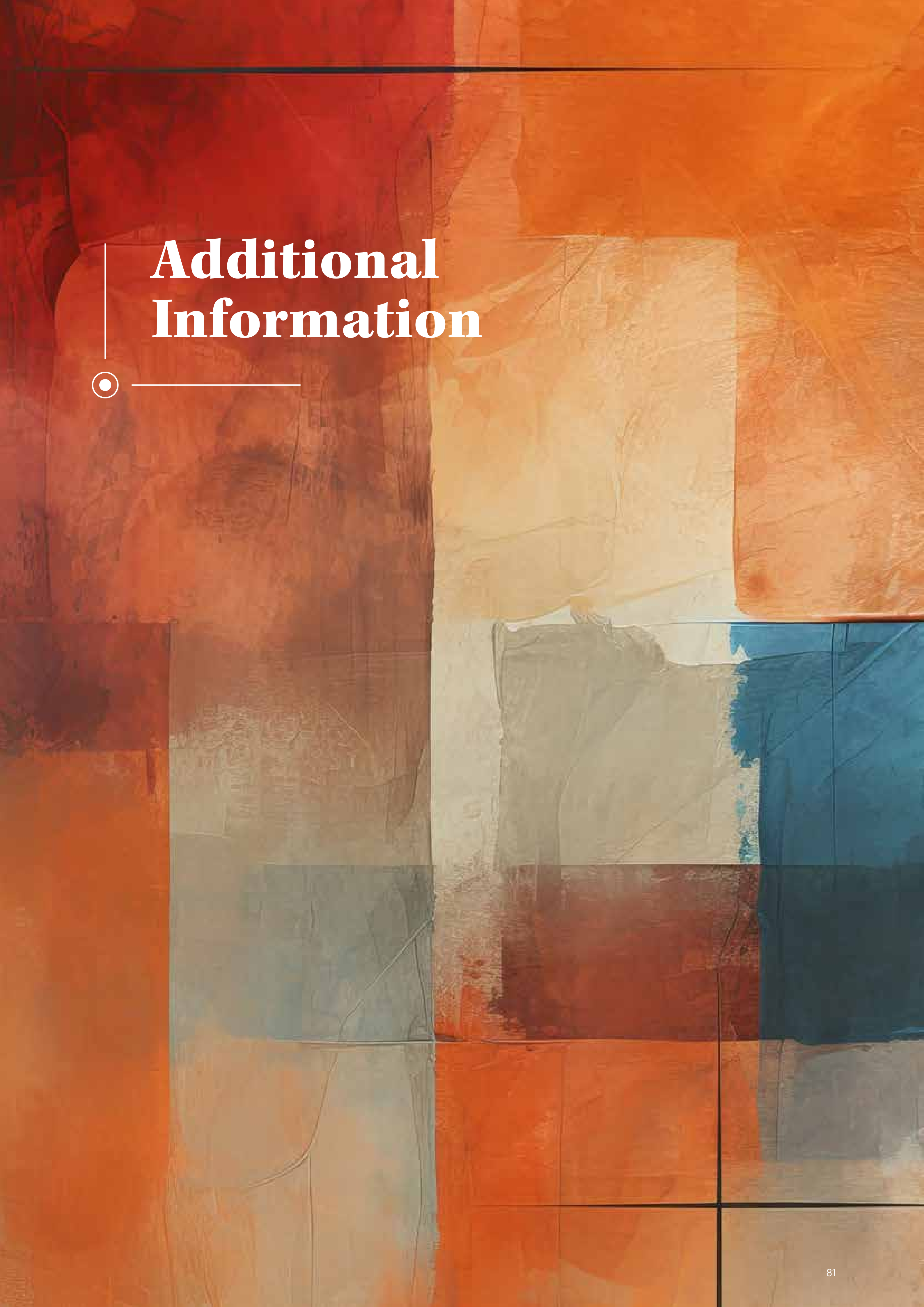
21 Controlling parties

At 31 March 2024 Victualia Limited Partnership and Nomolas Ltd each held 25.9% of the issued Ordinary shares. Additional information is disclosed in the Strategic Review – Substantial Shareholders on page 33.

22 Post balance sheet events

There are no significant events that have occurred after the end of the reporting year to the date of this Report which require disclosure.

Additional Information



Notice of the Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Members of the Company will be held at the Hamilton Princess Hotel, 76 Pitts Bay Rd, Pembroke HM 08, Bermuda on Friday 2 August 2024 at 9:00 a.m. (Bermuda time) for the following purposes:

Agenda

- To appoint a chairperson of the meeting.
- To confirm notice.

Resolutions

1. To receive and consider the audited Financial Statements and the Reports of the Directors and Auditor for the year ended 31 March 2024.
2. To re-elect Jonathan Davie (a biography and Board endorsement can be found earlier on in the report) as a Director of the Company.
3. To re-elect Richard Lightowler (a biography and Board endorsement can be found earlier on in the report) as a Director of the Company.
4. To re-elect William Salomon (a biography and Board endorsement can be found earlier on in the report) as a Director of the Company.
5. To re-elect Simona Heidempergher (a biography and Board endorsement can be found earlier on in the report) as a Director of the Company.
6. To approve the Directors' Remuneration Report.
7. To approve the Directors' Remuneration Policy and authorise the Board to determine the remuneration of the Directors.
8. To approve the Company's Dividend Policy as can be found earlier on in the Annual Report.
9. To appoint PricewaterhouseCoopers LLP as Auditor of the Company and to authorise the Directors to determine the remuneration of the Auditor.
10. Approval to repurchase up to 14.99% of the 'A' non-voting Ordinary shares of 1p each in the issued shares capital of the Company (the "Shares").

THAT the Company be and hereby is unconditionally authorised to make market purchases up to an aggregate of 11,992,000 shares at a price (exclusive of expenses) which is:

- not less than 1p per share; and
- not more than the higher of: i) 5% above the average of the middle-market quotations (as derived from and calculated by reference to the Daily Official List of the London Stock Exchange) for 'A' non-voting Ordinary shares of 1p each in the five business days immediately preceding the day on which the share is purchased; and ii) the higher of the last independent trade and the then current highest independent bid.

AND

THAT the approval conferred by this resolution shall expire on the date of the next AGM (except in relation to the purchase of shares, the contract for which was concluded before such date and which might be executed wholly or partly after such date) unless the authority is renewed or revoked at any other general meeting prior to such time.

11. Special Resolution

    That the amended Bye-laws produced to the meeting by the Chair be adopted as the Bye-laws of the Company in substitution for, and to the exclusion of, the Company's existing Bye-laws.

Summary of proposed amendments to the Bye-laws

Set out below is a summary of the principal amendments which will be made to the Company's existing Bye-laws through the adoption of the amended Bye-laws proposed at the AGM if approved by shareholders.

This summary is intended only to highlight the principal amendments which are likely to be of interest to shareholders. It is not intended to be comprehensive and cannot be relied upon to identify all amendments or issues which may be of interest to all shareholders. This summary is not a substitute for reviewing the full terms of the amended Bye-laws which will be available for inspection at the Company's registered office, and also at the registered office of Hansa Capital Partners LLP being 50 Curzon Street, London, England, W1J 7UW, in each case from the date of the AGM Notice until the close of the AGM. The amended Bye-laws will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM and on the Company website https://www.hansaicl.com/shareholder-information/regulatory-information.aspx19

Method of Payment

This Bye-law has been updated in line with wider market developments to provide the Company with discretion to prescribe the manner in which dividends and other monies are paid, including (in the best interests of members and to take advantage of greater efficiency, improved security of payments and reduced costs) for payments to be made exclusively by inter-bank transfer or other electronic means approved by the Board.

83.3 – Obligations to provide information to the Company

This Bye-law has been updated to allow the Company to withhold payment of dividends to any shareholder that fails to provide requested FATCA/CRS information to the Company within the period set out in Bye-law 83.1; being 30 days. This withholding sanction will only be implemented after efforts by the Company to first obtain the necessary information from the non-responding shareholder. The withholding of payment of dividends is intended to be a further mechanism to encourage non-responding shareholders to provide the required information.

For and on behalf of Conyers Corporate Services (Bermuda) Limited

Vida Kam
Secretary
14 June 2024

Notes for Shareholders

1 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only those members registered in the register of members of the Company 48 hours before the Annual General Meeting (i.e. by close of business UK time on 31 July 2024) (or if the Meeting is adjourned, in the register of members of the Company 48 hours before the date and time of the adjourned meeting) (the "Meeting") shall be entitled to attend or vote at the Meeting in respect of the number of shares registered in their respective names at that time. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the Meeting.

2 Registered members of the Company may vote at the Meeting (whether by show of hands or poll) in person or by proxy or corporate representative. A member may appoint one or more persons as his proxy to attend and vote at the Meeting on his behalf. A proxy need not be a member. Where more than one proxy is appointed the instrument of proxy must specify the number of shares each proxy is entitled to vote.

3 The appointment of a proxy will not affect the right of a member to attend and vote in person at the Meeting or adjourned meeting. A member that is a corporation may appoint a representative to attend and vote on its behalf at the Meeting by delivering evidence of such appointment to the Company's registrar no later than 48 hours before the time fixed for the Meeting (i.e. by 1:00pm UK time on 31 July 2024) or any adjourned meeting.

4 In order to be valid, the proxy appointment (together with any power of attorney or other authority (if any) under which it is signed, or a notarised certified copy of that authority) must be returned by one of the following methods, in each case so as to arrive no later than 1:00pm UK time on 31 July 2024 or, in the case of an adjourned meeting, not less than 48 hours before the time appointed for holding such adjourned meeting (ignoring for these purposes non-working days) or (in the case of a poll taken otherwise than at or on the same day as the Meeting or adjourned meeting) for the taking of the poll at which it is to be used: via www.investorcentre.co.uk/eproxy by using the details on your Form of Proxy; or

in hard copy form by post, by courier or by hand to the Company's Registrars, Computershare Investor Services (Bermuda) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY.

If you need help with voting online or need to request a proxy form, please contact our Registrars, Computershare Investor Services (Bermuda) Limited on +44 (0370) 702 0000. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. They are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales. Alternatively, Computershare at WebCorres@computershare.co.uk.

Notes for Depositary Interest Holders

1 You will not receive a form of direction for the Annual General Meeting in the post. Depositary interests may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent ID 3RA50 by 1:00pm UK time on 30 July 2024. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST, in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

2 In the case of Depositary Interest Holders, a form of direction may be requested and completed in order to instruct Computershare Company Nominees Limited, the Depositary, to vote on the holder's behalf at the Meeting by proxy or, if the Meeting is adjourned, at the adjourned meeting. Requests for a hard copy should be sent to Computershare Investor Services (Bermuda) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99.

3 To be effective, a valid form of direction (and any power of attorney or other authority under which it is signed) must be received electronically or delivered to Computershare Investor Services (Bermuda) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 by no later by 1:00pm UK time on 30 July 2024 or 72 hours before any adjourned Meeting.

4 The Depositary will appoint the Chairman of the meeting as its proxy to cast your votes. The Chairman may also vote

or abstain from voting as he or she thinks fit on any other business (including amendments to resolutions) which may properly come before the meeting.

5 The 'Vote Withheld' option is provided to enable you to abstain from voting on the resolutions. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.

6 Depositary Interest holders wishing to attend the meeting should contact the Depositary at Computershare Investor Services (Bermuda) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 or by emailing UKALLDITeam2@computershare.co.uk by no later than by 1:00pm UK time on 30 July 2024.

All holders

1 The quorum for the Annual General Meeting shall be two or more shareholders present in person or by proxy. If within two hours from the time appointed for the meeting a quorum is not present, the meeting shall be adjourned to the next business day at the same time and place or to such other time and place as the Directors may determine, and if a quorum is not present at any such adjourned meeting, the meeting shall be dissolved.

2 As of 14 June 2024 the Company's total number of shares in issue is 40,000,000 Ordinary shares of 1p each and 80,000,000 'A' non-voting Ordinary shares of 1p each in issue. The Ordinary shareholders are entitled to one vote per Ordinary share held. The 'A' non-voting Ordinary shares do not entitle the holders to vote or receive notice of meetings, but in all other respects they have the same rights as the Company's Ordinary shares.

3 A copy of this notice and other information can be found at https://www.hansaicl.com/shareholder-information/financial-and-investment-reporting/year-2024.aspx#2024

Investor information

Further information about Hansa Investment Company Limited, including monthly fact sheets, Stock Exchange announcements and shareholder presentations, can be found on the Company's website: www.hansaicl.com

Please contact the Portfolio Manager, as below, if you have any queries concerning the Company's investments or performance.

Portfolio Manager and additional administrative services provider
Hansa Capital Partners LLP
50 Curzon Street
London
W1J 7UW
Telephone: +44 (0) 207 647 5750
Email: hiclenquiry@hansacap.com
Website: www.hansagrp.com

Please contact the Registrars, as below, if you have a query about a certificated holding in the Company's shares.

Registrar
Computershare Investor Services (Bermuda) Limited
c/o 13 Castle Street
St Helier
Jersey
JE1 1ES
Telephone: +44 (0) 370 707 4040
Email: info@computershare.co.je
Website: www.computershare.com/je

If you have a query, you can call our Shareholder helpline on +44 (0) 370 707 4040. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 08:30 - 17:30, Monday to Friday excluding public holidays in England and Wales.

Register for updates
To receive the latest news and views on the Company, please register at www.hansaicl.com

Company information

The Company currently manages its affairs so as to be a qualifying investment company for ISA purposes, for both the Ordinary and 'A' non-voting Ordinary shares. It is the present intention that the Company will conduct its affairs so as to continue to qualify for ISA products. In addition, the Company currently conducts its affairs so shares issued by Hansa Investment Company Limited can be recommended by independent financial advisers to ordinary retail investors, in accordance with the Financial Conduct Authority's (FCA) rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products, because they are excluded securities as defined in the FCA Handbook Glossary. Finally, Hansa Investment Company Limited is registered as a Reporting Financial Institution with the US IRS for FATCA purposes.

Capital structure

The Company has 40,000,000 Ordinary shares of 1p each and 80,000,000 'A' non-voting Ordinary shares of 1p each in issue. The Ordinary shareholders are entitled to one vote per Ordinary share held. The 'A' non-voting Ordinary shares do not entitle the holders to vote or receive notice of meetings, but in all other respects they have the same rights as the Company's Ordinary shares.

Secretary and registered office

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street PO Box HM666
Hamilton HM CX Bermuda

Investor disclosure

AIFMD
Hansa Investment Company Limited's AIFMD Investor Disclosure document can be found on its website. The document is a regulatory requirement and summarises key features of the Company for investors.

Packaged Retail and Insurance-based Investment Products (PRIIPs)
The Company's AIFM, Hanseatic Asset Management LBG, is responsible for applying the product governance rules defined under the MiFID II legislation on behalf of Hansa Investment Company Limited. Therefore, the AIFM is deemed to be the 'Manufacturer' of Hansa Investment Company's two share classes. Under MiFID II, the Manufacturer must make available Key Information Documents (KIDs) for investors to review if they so wish ahead of any purchase of the Company's shares.

Links to these documents can be found on the Company's website: www.hansaicl.com.

Service providers

Independent Auditor
PricewaterhouseCoopers Ltd

Solicitors – Bermuda
Conyers Dill & Pearman Limited

Solicitors – UK
Dentons UK and Middle East LLP

Custodian
Banque Lombard Odier & Cie SA

Stockbroker
Winterflood Investment Trusts

Administrator
Apex Fund Administration Services (UK) Ltd

Alternative Investment Fund Manager
Hanseatic Asset Management LBG

Financial calendar

Company year end
31 March

Annual Report sent to shareholders
June

Annual General Meeting
July/August

Announcement of half-year results
November

Half-year Report sent to shareholders
December

Interim dividend payments
August, November, February and May

Share price listings

The price of your shares can be found on our website. In addition, share price information for Ordinary shares / 'A' non-voting Ordinary shares can be found via the following codes:

ISIN
BMG428941162 / BMG428941089

SEDOL
BKLFC18 / BKLFC07

Reuters
HAN.L / HANA.L

Bloomberg
HAN LN / HANA LN

TIDM
HAN / HANA

Legal Entity Identifier
213800RS2PWJXS2QDF66

Glossary of terms

Association of Investment Companies (AIC)
The Association of Investment Companies is the UK trade association for closed-ended investment companies (www.theaic.co.uk). Despite the Company not being UK domiciled, the Company is UK listed and operates in most ways in a similar manner to a UK Investment Trust. Therefore, the Company follows the AIC Code of Corporate Governance and the Board considers that the AIC's guidance on issues facing the industry remains very relevant to the operations of the Company.

Alternative Investment Fund Managers Directive (AIFMD)
The AIFMD is a regulatory framework for alternative investment fund managers (AIFMs), including managers of hedge funds, private equity firms and investment trusts. Its scope is broad and, with a few exceptions, covers the management, administration and marketing of alternative investment funds (AIFs). Its focus is on regulating the AIFM rather than the AIFs.

Annual Dividend / Dividend
The amount paid by the Company to shareholders in dividends (cash or otherwise) relating to a specific financial year of the Company. The Company's dividend policy is to announce its expected level of dividend payment at the start of each financial year. Barring unforeseen circumstances, the Company then expects to make four interim dividend payments each year – at the end of August, November and February during that financial year and at the end of May following the end of the financial year.

Bid Price
The price at which you can sell shares determined by supply and demand.

Capital Structure
The stocks and shares that make up a company's capital i.e. the amount of ordinary and preference shares, debentures and unsecured loan stock etc. which are in issue.

Closed-ended
A company with a fixed number of shares in issue.

Depositary/Custodian
A financial institution acting as a holder of securities for safekeeping.

Discount
When the share price is lower than the NAV, it is referred to as trading at a discount. The discount is expressed as a percentage of the NAV.

Expense Ratio
An expense ratio is determined through an annual calculation, where the operating expenses are divided by the average NAV. Note there is also a description of an additional PRIIPs KID Ongoing Charges Ratio explained in the Annual Report.

Five Year Rolling NAV Return (per annum)
The rate at which, compounded for five years, will equal the five year NAV total return to end March, assuming dividends are always reinvested at pay date.

Five Year NAV and Share Price Total Return
Rebased from 0% at the start of the five year period, this is the rate at which the Company's NAV and share prices would have returned at any period from that starting point, assuming dividends are always reinvested at pay date. The Company will continue to quote results from its predecessor, Hansa Trust Ltd,as part of that reporting so shareholders can see the longer-term performance of the portfolio.

Gearing
Gearing refers to the level of borrowing related to equity capital.

Hedging
Strategy used to reduce risk of loss from movements in interest rates, equity markets, share prices or currency rates.

Issued Share Capital
Issued share capital is the total number of shares subscribed to by the shareholders.

Key Information Document (KID)
This is a document of a form stipulated under the PRIIPs Regulations. It provides basic, pre-contractual, information about the Company and its share classes in a simple and accessible manner. It is not marketing material. The UK regulatory authorities have introduced legislation from 1 January 2023 to amend some of the disclosures in the KID for UK shareholders. The Company's AIFM will be producing both UK KIDs and European KIDs going forward.

Key Performance Indicators (KPIs)
A set of quantifiable measures a company uses to gauge its performance over time. These metrics are used to determine a company's progress in achieving its strategic and operational goals and also to compare a company's finances and performance against other businesses within its industry. In the case of historic information, the KPIs will be compared against data of both the Company and, prior to the Company's formation, from Hansa Trust Ltd.

Market Capitalisation
The market value of a company's shares in issue. This figure is found by taking the stock price and multiplying it by the total number of shares outstanding.

Mid Price
The average of the Bid and Offer Prices of a particular traded share.

Net Asset Value (NAV)
The value of the total assets minus liabilities of a company.

Net Asset Value Total Return
See Total Return.

Offer Price
The price at which you can buy shares determined by supply and demand.

Ordinary Shares
Shares representing equity ownership in a company allowing investors to receive dividends. Ordinary shareholders have the pro-rata right to a company's residual profits. In other words, they are entitled to receive dividends if any are available after payments to financial lenders and dividends on any preferred shares are paid. They are also entitled to their share of the residual economic value of the company should the business unwind.

Hansa Investment Company Limited has two classes of Ordinary shares – the Ordinary shares (40 million shares) and the 'A' non-voting Ordinary shares (80 million shares). Both have the same financial interest in the underlying assets of the Company and receive the same dividend per share, but differ only in that only the former shares have voting rights, whereas the latter do not. They trade separately on the London Stock Exchange, nominally giving rise to different share prices at any given time.

Premium
When the share price is higher than the NAV it is referred to as trading at a premium. The premium is expressed as a percentage of the NAV.

Packaged Retail and Insurance-based Investment Product (PRIIP)
Packaged retail investment and insurance-based products (PRIIPs) make up a broad category of financial assets that are regularly provided to consumers in the European Union. The term PRIIPs, created by the European Commission to regulate the underlying market, is defined as any product manufactured by the financial services industry, to provide investment opportunities to retail investors, where the amount repayable is subject to fluctuation because of exposure to reference values, or the performance of underlying assets not directly purchased by the retail investor. See also Key Information Document (KID).

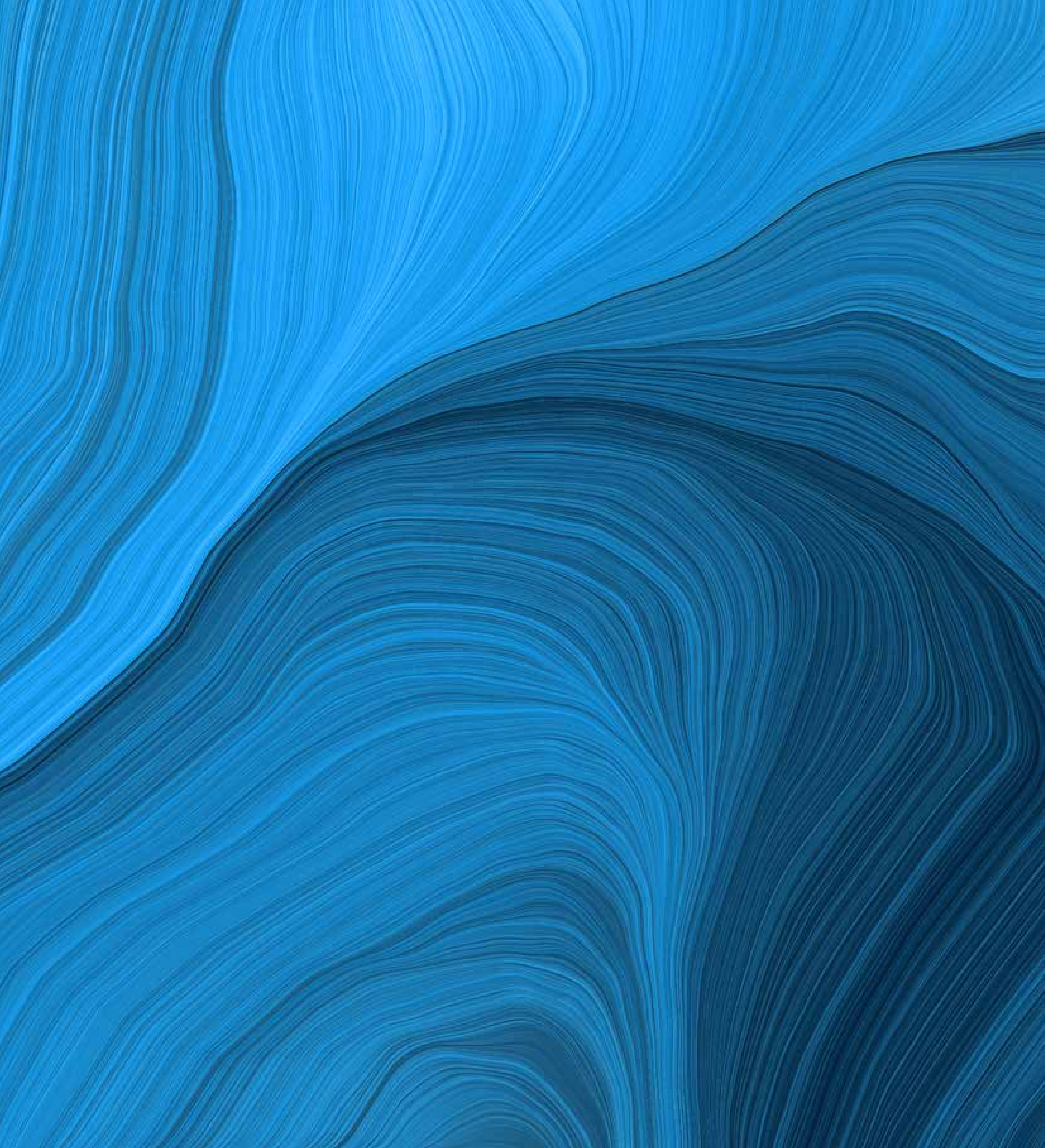
Shareholders' Funds/Equity Shareholders' Funds
This value equates to the NAV of the Company. See NAV.

Spread
The difference between the Bid and Ask price.

Tradable Instrument Display Mnemonics (TIDM)
A short, unique code used to identify UK-listed shares. The TIDM code is unique to each class of share and to each company. It allows the user to ensure they are referring to the right share. Previously known as EPIC.

Total Return
When measuring performance, the actual rate of return of an investment or a pool of investments over a given evaluation period. Total return includes interest, capital gains, dividends and distributions realised over a given period of time.

Total Return – Shareholder
The Total Return to a shareholder is a measure of the performance of the company's share price over time. It combines share price appreciation/depreciation and dividends paid to show the total return to the shareholder expressed as an annualised percentage. In the case of historic information, the Total Return will include data against data of both the Company and, prior to the Company's formation, from Hansa Trust Ltd.



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