

1Q21 Factsheet

KEY STATISTICS

as at 31 Mar 2021
(unless otherwise stated)

No. of Shares outstanding	270.04m
Share Price	\$0.97
NAV	\$284.44m
NAV per share	\$1.053
Premium/Discount to NAV	-7.9%
Target IRR (long-term)	12% p.a.
Target Dividend per Share	\$0.075
Management Fee: 0.85% of NAV below \$250m 0.75% of NAV between \$250m and \$500m 0.65% of NAV above \$500m (no fees on cash)	

Performance Fee: 20% of excess return over
12% net hurdle, partially paid after 7 years

INVESTMENT MANAGER

TUFTON

Tufton Investment Management Ltd
Albemarle House, 1 Albemarle Street
London, W1S 4HA, UK

The Investment Manager is Tufton Investment Management Ltd ("Tufton") The Tufton group was founded in 1985 to provide financial services to the maritime and energy industries and since 2000 has concentrated predominately on investment and asset management. The Investment Manager is authorised and regulated by the Financial Conduct Authority and has offices in London, Isle of Man, and Cyprus. Tufton is fully dedicated to the maritime industry with an in-house research team and Asset Manager providing operational and accounting services to each vessel within the portfolio. The Investment Manager is committed to Responsible Investment by integrating ESG principles into its investment process and has been a signatory to the UN Principles for Responsible Investment since December 2018.

Fund Managers:

- Andrew Hampson: 43 years of experience in banking and shipping finance. Joined Tufton in 2001.
- Paulo Almeida: 26 years of experience in fund management, investment banking and the shipping industry. Joined Tufton in 2009.

Signatory to



INVESTMENT OBJECTIVES AND STRATEGY

To provide investors with an attractive level of regular and growing income and capital returns through investing in a diversified portfolio of secondhand commercial sea-going vessels.

PORTFOLIO HIGHLIGHTS

NAV per share total return for the quarter was 9.1%. In particular, containership values rose strongly. Because market charter rates have increased greatly, the portfolio has a negative charter value of \$44.6m. This will trend to zero (i.e. increase NAV) in the medium term *ceteris paribus*. If market rates stay flat, the NAV impact in 2Q21 will be +c.\$8m (c.3% of NAV). The yield (please see next page for details) on the portfolio increased to 13.3%, primarily due to new containership charters. The portfolio of twenty-one vessels has an average charter cover of c.2.5 years. After the end of the quarter, the Company agreed to acquire a handysize bulker for \$14.3m with a fixed rate, eleven- to thirteen-month time charter.

Tufton continues to prioritize crew welfare as part of its commitment to responsible investment. As at the end of 1Q21, c.3% of the crew members on board the Company's vessels were overdue for rotation (down from c.6% at the end of 4Q20). This is significantly better than the industry average of c.15%.

DIVIDEND

The Company declared a 1Q21 dividend of \$0.01875 per share, payable on 14 May 2021. The Company continues to target a total annual dividend of \$0.075 per share and is forecast to have a dividend cover of c.1.7x over the next 18 months.

INVESTMENT OUTLOOK

The containership market surprised even seasoned market participants as the effects of strong demand were accentuated by regional port congestion. Asset values rose strongly, with the benchmark 10-year old 2500-TEU ship up by c.54% or \$7m during 1Q21. According to research from Harper Petersen shipbrokers, there is negligible containership vessel capacity becoming available in the coming 12 months.

The tanker market remains weak, but the Company's six product tankers are on long term charters fixed before current weak market conditions prevailed. Earlier this month, OPEC and its allies announced a production increase of c.2 mbpd between May and July which will aid the gradual recovery in the tanker market. The bulker market strengthened over 1Q21. The market for smaller bulkers was led by demand for grain and minor bulk commodities. US corn exports rose in 1Q21 along with wheat and barley exports from Australia. Port congestion in Asia as a result of Covid-19 restrictions also contributed to the market strength.

Overall, the supply side recovery in shipping continues with the orderbook close to thirty-year lows which will result in slowing fleet growth. The Clarksons newbuilding price index rose c.3.5% in 1Q21 as the trickle of new orders was channeled to a decreasing number of active yards. The ongoing supply side adjustment, tightening environmental regulations and recovery in world economic growth suggest a strong upcycle ahead in shipping.

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COMPANY INFORMATION

Registered Address	3rd Floor 1 Le Truchot St Peter Port Guernsey, GY1 1WD
Listing	Specialist Fund Segment of the London Stock Exchange
IPO Date	20 th December 2017
ISIN / SEDOL	GG00BDFC1649 / BDFC164
Ticker	SHIP
Dividend Frequency	Quarterly
ISA / SIPP eligible?	Yes
Website	www.tuftonoceanicassets.com
Email	SHIP@tuftonoceanicassets.com

BOARD OF DIRECTORS

Robert King (Chairman)
Paul Barnes
Stephen Le Page
Christine Rødsæther

CORPORATE ADVISERS

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London, WC2N 6AA
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James Waterlow: +44 (0) 207 496 3031
Sam Greatrex: +44 (0) 207 496 3032

ADMINISTRATOR & SECRETARY

Maitland Administration (Guernsey) Limited
(per registered address above)
Wikus Van Schalkwyk: +44 (0) 1481 749363

CORPORATE CALENDAR

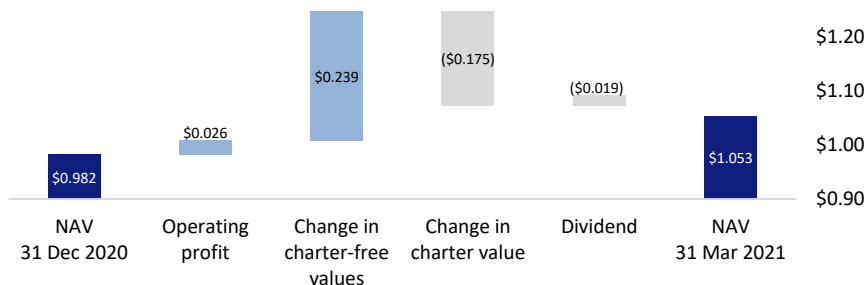
AGM	20 Oct 2021
Reporting period end	30 Jun 2021 (FY)

Dividend Calendar

	1Q 21	2Q 21	3Q 21	4Q 21
Release date	22 Apr	22 Jul	21 Oct	TBC
Ex-dividend date	29 Apr	29 Jul	28 Oct	TBC
Record date	30 Apr	30 Jul	29 Oct	TBC
Payment date	14 May	13 Aug	12 Nov	TBC

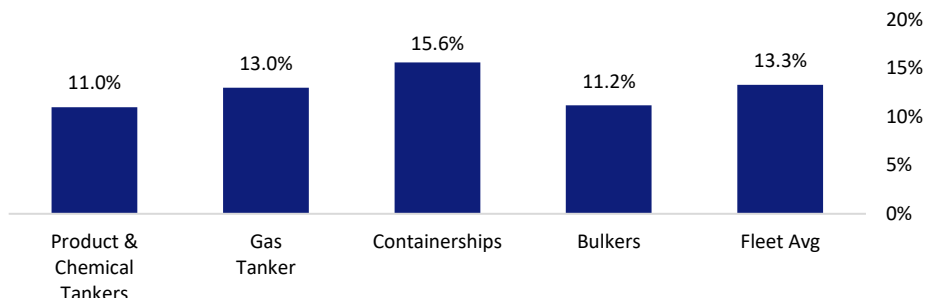
PORTFOLIO PERFORMANCE

NAV per share total return for the quarter was 9.1%. There was a fair value gain of \$0.069 per share as containership values rose strongly in a strong market. Because market charter rates have increased greatly, the portfolio has a negative charter value of \$44.6m. This will trend to zero (i.e. increase NAV) in the medium term *ceteris paribus*. If market rates stay flat, the NAV impact in 2Q21 will be +c.\$8m (c.3% of NAV).



FLEET NET YIELDS

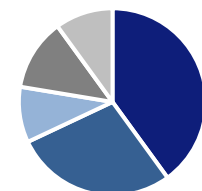
The run rate yield* on the fleet is 13.3%. Average expected charter length (EBITDA weighted) is c.2.5 years.



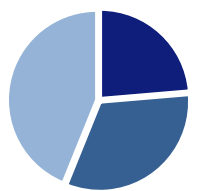
*On market value and after capex accrual and fees, as at 31 March 2021

PORTFOLIO OVERVIEW*

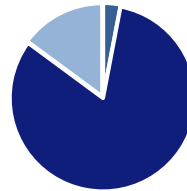
Vessel Type



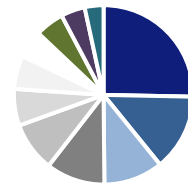
Charter Length



Vessel Age



Vessel Charterers



*As at 31 March 2021

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