

## Key Information Document

### Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

### Product

Name: Tufton Oceanic Assets Limited - Ordinary Shares (GBP)  
ISIN: GG00BDFC1649  
Manufacturer: Tufton Investment Management Ltd  
Contact Details: [www.tuftonoceanicassets.com](http://www.tuftonoceanicassets.com), or call +44 (0) 20 7518 6700 for more information  
This key investor information is accurate as at 23 October 2023.

## You are about to purchase a product that is not simple and may be difficult to understand

### What is this product?

**Type** Tufton Oceanic Assets Limited is a closed-ended investment company incorporated in Guernsey (the "Company"). The Company's investment manager is Tufton Investment Management Ltd. The Ordinary shares are traded in US Dollars on the Specialist Fund Segment of the London Stock Exchange.

**Objectives** The Company's investment objective is to provide investors with an attractive level of regular and growing income and capital returns through investing in a diversified portfolio of second-hand commercial sea-going vessels.

The Company's subsidiaries may borrow to purchase assets. Leverage will only be employed where there is free cash flow generated from contracted vessel employment to counterparties which are considered creditworthy. It is anticipated that on an ongoing basis consolidated Company gearing (consolidated loans to consolidated Charter-Free Value) will not be greater than 40% and the loan to Charter-Free Value ratio in any subsidiary at the time of loan drawdown will not be greater than 50%. Leverage will magnify any gains or losses made by the Company. In the short term the Company may utilise leverage at the Company level for working capital or bridging purposes, but only to the extent that it is consistent with the AIFM's regulatory status, and subject always to the consolidated Company gearing limits outlined above.

The Company will invest and manage its assets in a manner which is consistent with the objective of diversifying investment risk across the main vessel classifications in the shipping industry.

**Intended Investor** Intended investors in the Company are institutional or sophisticated investors and private individuals who are professionally-advised and knowledgeable and who understand, or who have been advised of, and are capable of evaluating the risks and merits of such investment and for whom an investment in the Ordinary shares constitutes part of a diversified investment portfolio and who have sufficient resources to bear any loss (which may be equal to the amount invested) which might result from such investment.

**Term** The Company has an unlimited life, subject to continuation votes to be held at the annual general meeting in 2024 and every three years thereafter. There is no maturity date for the Ordinary shares.

### What are the risks and what could I get in return?



The risk indicator assumes you keep the product for 5 years.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium level and poor market conditions could impact the capacity for you to receive a positive return on your investment.

This product does not include any protection from future market performance so you could lose some or all of your investment.

The principal risks and uncertainties facing this product are (i) the cyclical and volatile nature of the shipping industry; (ii) the worldwide economic environment and (iii) changes in regulation requiring additional costs to maintain compliance with regulations. The Company is also exposed to general risks such as market risk, credit risk, interest rate risk, liquidity and foreign exchange risk.

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Tufton Oceanic Assets Limited - Ordinary Shares (GBP)

### Investment Performance Information

The main drivers of investment performance likely to affect future returns are the ability of the Investment Manager to effectively allocate capital to the different shipping sub-sectors; to manage, maintain, operate and secure charters for the Company's fleet of vessels; global economic factors affecting demand for shipping, the supply of ships and the cost of operating them.

There is no directly relevant, publicly listed benchmark appropriate to the Company and the Investment Manager continues to target returns of 12% pa over the long term in line with IPO documentation.

### What could affect my return positively?

Specific factors that positively affect returns are increased global demand for shipping; portfolio allocation across shipping sub-sectors; operational management of the assets (employment strategy, technical performance), capital and operating costs, as well as the Company's focus on ESG and energy efficiency in a global operating environment increasingly focussed on such; increased demand for the Company's shares; inflationary increases in asset values.

### What could affect my return negatively?

Specific factors that affect returns negatively may be decreased global demand for shipping due to a reduction in international trade, or because of general GDP growth slowing; failure of counterparties to meet charter payments; the loss of or significant damage to a vessel or vessels; increased capital expenditure and operating costs; failure to comply with sanctions applicable to vessels or their cargo, or loss from environmental claims arising from a vessel's involvement in an incident causing environmental damage; decreased demand for the Company shares. The Investment Manager and the Board of Directors robustly assess principal risks and take action to control or mitigate these wherever possible.

This product cannot be cashed in or redeemed under any circumstances, including severely adverse market conditions.

While there are number of methods by which the Company could seek to manage any discount to net asset value at which the Company's shares trade in the secondary market, there is no guarantee that the Company can or will utilise any or all of these methods or, if it does, that it will be successful. This product does not include any protection from future market performance, so you could lose some or all of your investment.

### What happens if Tufton Oceanic Assets Limited is unable to pay out?

Neither the Company nor its Investment Manager are required to make any payment to you in respect of your investment. As a shareholder of the Company you will not be able to make a claim to the U.K. Financial Services Compensation Scheme (FSCS) in the event that the Company is unable to pay out.

### What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential exit penalties. The figures assume you invest £10,000. The figures are estimates and may change in the future.

#### Table 1: Costs over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods, assuming performance as per the moderate performance scenario in holding periods greater than one.

Investment Scenarios (£10,000)	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years
Total costs	£103	£285	£438
Impact on return (RIY) per year	1.03%	1.03%	1.03%

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## What are the costs? (continued)

**Table 2: Composition of costs**

The table below shows:

- The impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period.
- The meaning of the different cost categories.

<b>One-off costs</b>	Entry costs	0.00%	No entry costs are payable to the Company or its Investment Manager when you acquire ordinary shares, although you may be required to pay brokerage fees or commissions.
	Exit costs	0.00%	No exit costs are payable to the Company or its Investment Manager when you sell ordinary shares, although you may be required to pay brokerage fees or commissions.
<b>Ongoing costs</b>	Portfolio transaction costs	0.00%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	1.03%	The impact of the management fee payable to the Company's investment manager and the fees and expenses of the Company's other service providers.
<b>Incidental costs</b>	Performance fees	0.00%	The impact of performance fees which are 20% of the amount by which the total shareholder return exceeds a compound hurdle rate of 12% per annum calculated at 30th June 2024 and every 3 years thereafter, subject to exceeding a high water mark and retentions by the company.

## How long should I hold it and can I take my money out early?

**Recommended holding period: 5 years**

There is no required minimum holding period for the Fund and no formal restrictions or requirements. As an investor in second-hand commercial sea-going vessels we take a long term view and as such its projections assume a 5-year hold period. Therefore, the recommended holding period is at least 5 years. The Company is a closed ended investment company whose shares are listed on the Specialist Fund Segment of the London Stock Exchange. The Company does not have a redemption facility. Shareholders wishing to realise their investment may do so by selling their shares in the market.

## How can I complain?

If you have a complaint this should be directed to the Company Secretary, Maitland Administration (Guernsey) Limited, 1 Royal Plaza, Royal Avenue, St Peter Port, GY1 2HL, Guernsey, tel: +44 (0)203 5303 600. You do not have the right to complain to the UK Financial Ombudsman Service (FOS) about the management of the Company. If you have a complaint about a person who is advising on, or selling, the product you should pursue that complaint with the relevant person in the first instance.

## Other relevant information

The cost performance and risk calculations used in this document follow the methodology prescribed by FCA rules. The Investment Manager believes however that, the target investment returns over the long term of 12% per annum, quoted in the IPO documentation, dated 8th December 2017, continues to be applicable. For further information, please refer to the Company's Prospectus which can be found on the Company's website at [www.tuftonoceanicassets.com](http://www.tuftonoceanicassets.com) or contact Tufton Investment Management Ltd on +44 (0) 20 7518 6700.