

Tufton Oceanic Assets Limited

Interim Report and Condensed Interim Financial Statements

For the period ended 31 December 2023

Contents

Highlights	2
Chairman’s Statement	3
Board Members	6
Investment Manager’s Report	7
Environmental, Social and Governance Report	17
Principal Risks and Uncertainties	18
Interim Report of the Directors	19
Condensed Financial Statements	
Statement of Comprehensive Income	22
Statement of Financial Position	23
Statement of Changes in Equity	24
Statement of Cash Flows	25
Notes to the Financial Statements	26
Alternative Performance Measures	39
Corporate Information	42
Definitions	45

Highlights

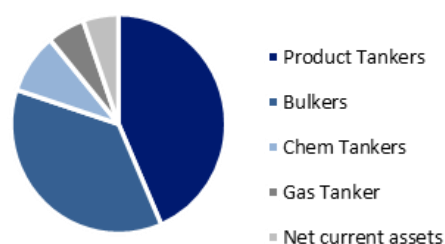
Highlights of the financial period (vs. 6 months ending 31 December 2022):

- NAV was US\$427.1m or US\$1.452 per share (NAV: \$431.6m or \$1.402 per share).
- NAV Total Return Per Share 9.6% (-0.6%).
- Dividends paid during the period of US\$12.6m (US\$12.3m), reflect the increased target (from 4Q22) annual dividend of US\$0.085 per share.
- The Company bought back 8,436,000 shares at the average price of US\$0.98 per share.
- Consolidated Gearing Ratio of 12.7%* (13.7%).
- Average Charter Length of 1.7 years* (1.4 years).
- Tufton Group Stakeholders held 4.0% of the issued share capital in the Company* (vs. 3.2% as at 31 December 2022).

Diversified fleet*

- 10 product tankers
 - 6 Medium Range (“MR”) product tankers
 - 4 handysize product tankers
- 9 bulkers
 - 8 handysize bulkers
 - 1 ultramax bulker
- 2 chemical tankers
- 1 gas tanker

Portfolio by vessel type (% NAV)



Highlights since inception*			
7.7%	US\$112.2m	US\$15.5m	39 (17)
<i>Dividend Yield</i>	<i>Dividends</i>	<i>Buybacks</i>	<i>Vessels Acquired (Divested)</i>

Strategy and capital allocation review

- SHIP’s annual target dividend will be increased by c.17.6% from US\$0.085 per share to US\$0.10 per share. Based on this increased target the Company is forecast to have Dividend Cover of c.1.5x over the next 18 months.
- The Board is evaluating a proposed one-off return of capital in 2Q24 of between 5% and 10% of NAV at a price representing the prevailing NAV per share less attributable costs. Shareholders will be notified of the terms of the return of capital accordingly.
- Fleet renewal (based on age, technology, and sector outlook) is a priority. Returns from all new asset investments over a three-year holding period will be compared to the benefit from a return of capital given the prevailing share price at the time of the proposed investment and market outlook.
- The Board will evaluate a further return of capital annually using excess investible cash if no suitable investment opportunities are presented.
- The current buy-back policy is to remain in place (excess cash may be used, at the discretion of the directors, to repurchase the Company’s shares should they trade at a >10% discount to NAV, as set out in the Company’s listing documents).

* as at 31 December 2023.

Alternative Performance Measures (“APMs”), applied on a consolidated basis, are utilised in the Highlights and Investment Manager’s Report to analyse performance. Please see the APMs on pages 39 to 41 for further information on APMs.

Chairman's Statement

Introduction

On behalf of the Board, I present the Interim Financial Statements of the Company for the period ended 31 December 2023. The Company's portfolio as at 31 December 2023 consisted of 22 vessels, details of which are set out in the Investment Manager's Report.

Performance

As at 31 December 2023, the Company's NAV was US\$427.1m, being US\$1.452 per share (US\$412.8m, US\$1.365 per share as at 30 June 2023). NAV Total Return over the period was 9.6%. Performance was driven by strong Portfolio Operating Profit and asset value gains. Please see the Performance analysis in the Investment Managers Report for details.

Share Price and Discount Management

During the financial period, the Company's share price decreased from US\$0.99 per share as at the close of business 30 June 2023 to US\$0.98 per share as at the close of business 31 December 2023.

In common with most of the UK listed investment funds sector, the Company's shares traded at a significant discount, on average at 31% discount to NAV over the financial period. During the period, the Company (in accordance with the authority granted to it by shareholders) repurchased 8,436,000 shares at a cost of US\$8,315,170. Refer to Note 5 for more details. At the end of the period, there were 14,596,000 shares held in treasury.

Since 1 January 2024, the Company has bought back an additional 2,400,000 shares with 16,996,000 Shares held in treasury and 291,632,541 shares outstanding as at 15 March 2024. As at 15 March 2024, the Company's shares traded at a 24.54% discount to the ex-dividend 31 December 2023 NAV.

War in Ukraine and attacks near the Gulf of Aden

All of the Company's vessels remain fully insured against war perils. None of the Company's vessels have been adversely affected by the war in Ukraine or the recent attacks on vessels transiting the Red Sea/Gulf of Aden by Iran-backed Houthi rebels based in Yemen.

The Investment Manager has formally requested all our charterers and vessel managers to desist from trade with Russia wherever legally possible except for humanitarian purposes. Additionally, the Investment Manager monitors compliance through regular inspection of vessel logs and satellite data. The Company and its vessels were compliant with all international sanctions imposed by the US, UK, EU and UN. We have had no issues to date with any vessels being damaged or blocked or otherwise affected by sanctions.

The Board and the Investment Manager remain watchful in monitoring the conflicts and their consequences for shipping in general and for the Company.

Dividends

During the period the Company declared and paid dividends to shareholders as follows:

Period end	Dividend per share (US\$)	Announce date	Ex div date	Record date	Paid date
Ordinary shareholders					
30.06.23	0.02125	19.07.23	27.07.23	28.07.23	11.08.23
30.09.23	0.02125	18.10.23	26.10.23	27.10.23	10.11.23

Chairman's Statement (continued)

Dividends (continued)

A further dividend of US\$0.02125 per share was declared on 17 January 2024 for the quarter ending 31 December 2023. The dividend was paid on 9 February 2024 to shareholders on 26 January 2024 with an ex-dividend date of 25 January 2024.

Corporate Governance

The Company is a member of the Association of Investment Companies ("AIC") and has therefore elected to comply with the provisions of the current AIC Code of Corporate Governance which sets out a framework of best practice in respect of governance of investment companies ("AIC Code"). The AIC Code has been endorsed by the Financial Reporting Council and the Guernsey Financial Services Commission (the "GFSC") as an alternative means for AIC members to meet their obligations in relation to the UK Corporate Governance Code.

Where the Company's stakeholders, including shareholders and their appointed agents, have matters they wish to raise with the Board in respect to the Company, I would encourage them to contact us at SHIP@tuftonoceanicassets.com.

Environmental, Social, Governance ("ESG")

Our Investment Manager continues to integrate ESG factors into its investment recommendations and asset ownership practices. The Board has reviewed and approved the Investment Manager's 2022 Sustainability Report for the Company which can be viewed on the Company's website (www.tuftonoceanicassets.com). The Investment Manager will publish the Company's 2023 Sustainability report later this year.

Annual General Meeting

The Annual General Meeting ("AGM") of the Company was held on 24 October 2023. I am pleased to report that all the resolutions were duly passed.

Outlook

Considering the ongoing share price discount to NAV and the Company's forthcoming continuation vote at the AGM in October 2024, the Board conducted a mid-term strategy and capital allocation policy review with the Investment Manager and our advisers towards the end of the financial period.

We have reviewed the opportunity set with the Investment Manager and believe the correct strategy for SHIP over the medium term, through to 2030, is to continue investing in fuel-efficient secondhand vessels to maximise shareholder returns, intending to realise the Company's portfolio of assets starting from 2028, well before the decarbonisation of shipping accelerates.

Cognisant of the persistent discount to NAV and the Investment Manager's priority of fleet renewal, we have worked with the Investment Manager to institute a capital allocation policy which takes into account this opportunity set but also sets a higher bar for new investments with the following ongoing priorities:

- Returns from all new asset investments over a three-year holding period will be compared to the benefit from a return of capital given the prevailing share price at the time of the proposed investment and medium-term market outlook.
- The Board will annually evaluate a further return of capital using excess investible cash if no suitable investment opportunities are presented.

Chairman's Statement (continued)

Outlook (continued)

Additionally, we have increased the Company's target annual dividend to \$0.10 per share from 1Q24 and are evaluating a proposed one-off return of capital in 2Q24, representing between 5% and 10% of NAV at a price representing the prevailing NAV per share less attributable costs.

The Company has divested 17 vessels to date, in aggregate, at c.6% above communicated NAV and at a realised IRR of c.25%. After the end of the financial period, the Company agreed to divest two Handysize Product Tankers, Pollock and Dachshund at a 3.1% premium to the two vessels most recent holding NAV. The strong opportunity set, along with the focus on capital allocation and the demonstrated capability to divest assets at/above NAV should result in future IRRs being higher than the Company's published target.

Key drivers for the supply-side-led recovery in Tankers and Bulkers remain in place as the industry slowly transitions to zero carbon fuels to meet tightening regulations and decarbonisation targets. We expect that these drivers will continue to support high yields and secondhand vessel values over the next decade.

I would like to thank my fellow Directors for their commitment and support during these challenging times and, the Investment Manager and their team for their diligence in dealing with complex and challenging operational matters which were increased due to the war in Ukraine and the recent vessel attacks near the Gulf of Aden. I would also like to take this opportunity to thank our Shareholders for their support and continued belief in our strategy.



.....
Rob King
Non-executive Chairman

Board Members

The Company's Board of Directors comprises five independent non-executive Directors. The Board's role is to manage and monitor the Company in accordance with its objectives. The Board monitors the Company's adherence to its investment policy, its operational and financial performance and its underlying assets, as well as the performance of the Investment Manager and other service providers. In addition, the Board has overall responsibility for the review and approval of the Company's NAV calculations and financial statements. It also maintains the Company's risk register, which it monitors and updates on a regular basis.

The Directors of the Company who served during the period are:

Robert King

Stephen Le Page

Paul Barnes

Christine Rødsæther

Katriona Le Noury ("Trina") – appointed 1 November 2023

Trina is a qualified chartered accountant with more than 20 years' experience working in the funds industry. Before becoming an independent non-executive director in 2023, she held senior management positions at two separate Private Equity firms, including holding directorships on the respective firms' fund General Partner boards. She currently serves on the board of JPEL Private Equity Limited, a London listed investment company, as well as three private companies for a leading global private equity firm. Trina is British and a resident in Guernsey.

All Directors, with the exception of Trina Le Noury, also served during the year ended 30 June 2023, and their brief biographies are available in the annual report as at that date.

Investment Manager's Report

Highlights of the Financial Period

Over the financial period NAV Total Return Per Share was 9.6% (-0.6% in 2H22), meaning the NAV Total Return since inception was 110.3%. The main drivers for the strong return over the period were:

- Portfolio Operating Profit US\$27.7m: The Company benefited from the high, fixed-rate time charters on our MR product tankers during the entire period. The Company also benefited from the strong chemical tanker market with both our chemical tankers trading in a pool, with spot market exposure.
- Charter-free value gain of US\$4.7m as rising product tanker values outweighed the effect of lower bulker values.
- Charter value gain of US\$2.8m as negative charter value (mainly in product tankers) unwound with time.



APMs, applied on a consolidated basis, are utilised in this section to analyse performance. Please see the APMs on pages 39 to 41 for further information on APMs.

At the end of the financial period, the portfolio had a total negative charter value of US\$42.0m (US\$43.3m at the end of 31 December 2022). *Ceteris paribus*, the negative charter value is expected to unwind (i.e. increase NAV) by c.US\$22.0m over 2024.

The Company paid dividends of US\$12.6m during the financial period (US\$12.3m in 2H22). As per the Company's discount management policy, the Company repurchased 8,436,000 shares during that time and has therefore purchased a total of 14,596,000 of its own shares from 4Q22 until the end of the financial period.

Portfolio Operating Profit was US\$27.7m (US\$27m in 2H22). Gross Operating Profit, an indicator of the underlying profit from operating activity, increased YoY due to a combination of the full benefit of MR product tankers at high time charter rates and the strong chemical tanker market. Loan interest and fees were higher compared to the 2H22 due to the US\$60m loan for the prior-period acquisitions of the two MR product tankers, Mindful and Courteous.

The new loan is secured on Mindful, Courteous, Marvelous and Exceptional.

Investment Manager's Report (continued)

Highlights of the Financial Period (continued)

Performance summary

<i>Figures below are in US\$m unless otherwise stated</i>	From 1 Jul 2023 to 31 Dec 2023	From 1 Jul 2022 to 31 Dec 2022
Ship-Days	4,048	3,908
Revenue	60.8	57.0
Operating Expense	(27.4)	(26.0)
Gross Operating Profit	33.4	31.0
Gross Operating profit / Time-weighted Capital Employed	14.3%	15.0%
Loan interest and fees	(3.6)	(1.6)
Gain / (loss) in capital values	7.5	(33.6)
Portfolio profit / (loss)	37.3	(4.2)
Interest income	0.2	0.0
Fund Level Fees and Expenses	(2.3)	(2.4)
Performance fee accrual	-	4.0
Profit / (Loss) for the period	35.2	(2.6)
Portfolio Operating Profit	27.7	27.0

The capital value gain of US\$7.5m was mainly due to higher charter-free value and the unwinding of negative charter value in product tankers which outweighed the smaller fall in bulker charter-free values over the financial period. In late 4Q23, bulker charter-free values started recovering slowly as the market improved.

Segment performance summary

Segment Performance During the Financial Period (unaudited)	Product Tankers	Chemical Tankers	Gas Tanker	Containership*	Bulkers	Total
<i>US\$m unless otherwise stated</i>						
Gross Operating Profit	18.2	5.2	2.1	1.0	7.0	33.5
Loan interest & fees	(3.6)	-	-	-	-	(3.6)
Gain / (loss) in charter-free values	11.3	(0.1)	(0.7)	0.2	(6.0)	4.7
Gain / (loss) in charter values	4.0	-	-	-	(1.2)	2.8
Portfolio profit / (loss)	29.9	5.1	1.4	1.2	(0.2)	37.4

* The Company divested its last containership in 1Q23. Closing adjustments reflected here.

At the end of the financial period, the Company's diversified portfolio had high cash flow visibility from long-term charters on product tankers (43.5% of NAV). The product tanker segment yield remained c.10% even as asset values rose.

Investment Manager's Report (continued)

Highlights of the Financial Period (continued)

The Company's two chemical tankers, which represent 8.9% of NAV, benefit from exposure to the strong spot market as they operate in a pool. The Forecast Net Yield on our chemical tankers is based on our expectation of continued market strength. The yield on the Company's bulkers (36.6% of NAV) rose to 9.5%, from 8.4% at the end of June 2023, as the market improved towards the end of the financial period. Some of our bulkers were on index-linked charters at the end of the financial period and will benefit if, as we expect, the market continues to improve in the medium term.

Segment exposure and forecast net yields

Segment Exposure and Forecast Yields* (unaudited)	Product Tankers	Chemical Tankers	Gas Tanker	Bulkers	Total
% of NAV	43.5%	8.9%	5.7%	36.6%	94.7%
Forecast Net Yields*	9.9%	21.9%	16.9%	9.5%	11.3%

* Based on the market values at 31 December 2023

As at 31 December 2023, the Company's vessels had an average age of 11.9 years and were chartered to eleven different counterparties. Both tankers and bulkers benefit from good supply-side fundamentals which were further accentuated by the effect of transit disruptions in the Panama Canal and the Suez Canal. Please see the Shipping Market section of this report for details.

Mid-Term Strategy Review

Since inception, the Company has delivered on its original investment objectives including:

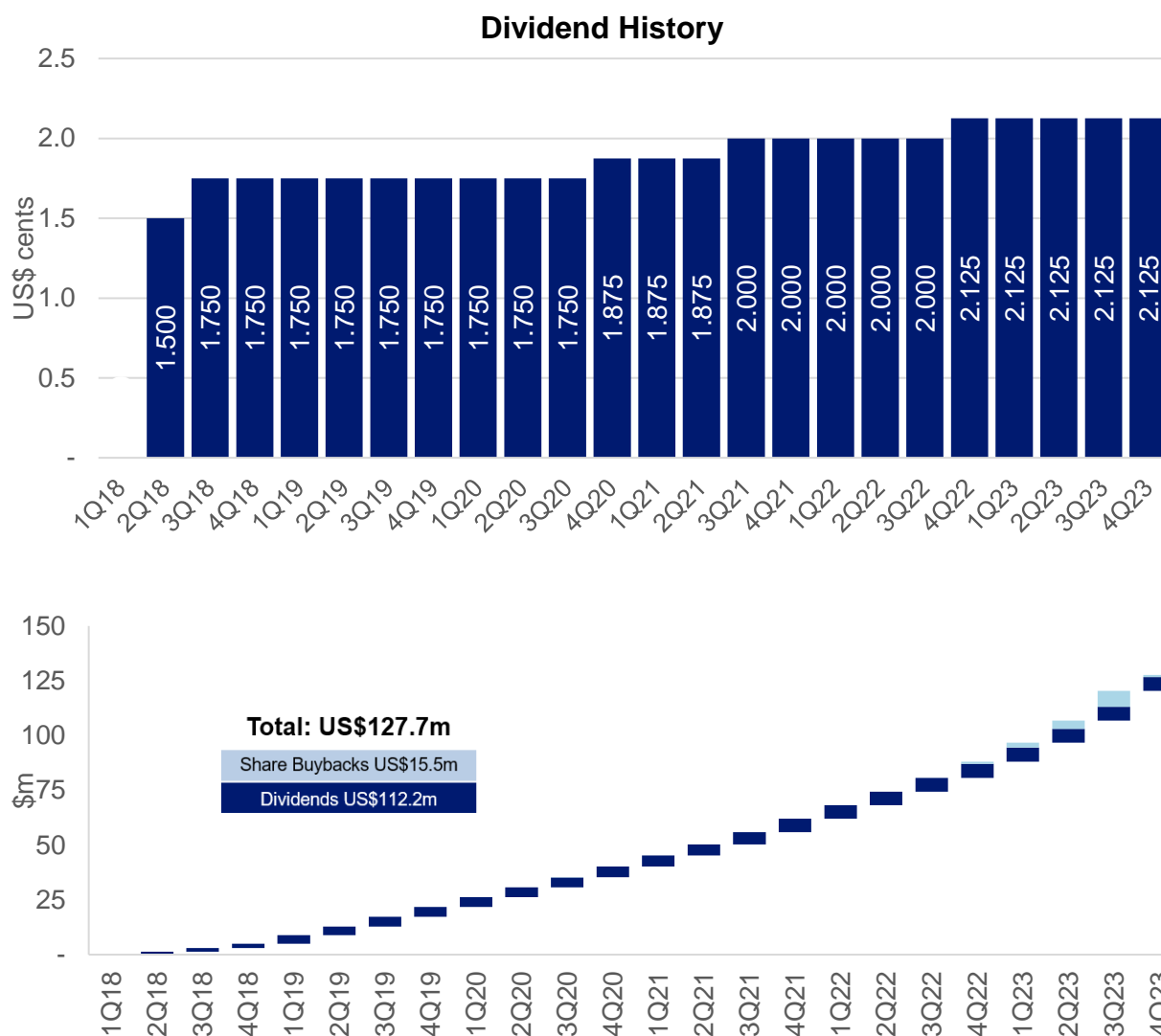
- Diversified portfolio.
- Provided investors a strong and growing dividend. Increased target dividend since the IPO from US\$0.070 per share to US\$0.085 per share. Please see the charts below.
- Total capital raised: US\$316.5m gross through primary and secondary issues.
- Target annual dividend increased by c.21% from US\$0.070 per share to US\$0.085 per share.
- Acquired 39 vessels with low leverage and divested 17 vessels at c.6% above NAV in aggregate.
- Aggregate realised net IRR on all divestments is c.25%. Net Fund IRR is 13.9%¹, ahead of its 12% IRR target published in its prospectus documents.
- Low NAV volatility due to diversification, limited use of leverage and high charter cover.
- Capital re-allocation based on rigorous fundamental analysis, industry knowledge and ESG: divested containerships and older bulkers to re-allocate capital into less emission-intensive bulkers and tankers.
- The operating emissions intensity of the portfolio² was reduced by c.34% between 2019 and 2022.
- Further emissions reduction expected from Energy Saving Device retrofits, completed on eight vessels and planned for five other vessels in 2024 and 2025. Eight other vessels are already fuel-efficient relative to their peers.

¹ Assumes pro-rata participation in all capital raises.

² Operating emissions intensity as measured by the Energy Efficiency Operating Indicator ("EEOI").

Investment Manager's Report (continued)

Mid-Term Strategy Review (continued)



We expect the investment opportunity set for fuel-efficient secondhand vessels to be very attractive for the next decade as the shipping industry slowly transitions to zero carbon fuels to meet tightening regulations and decarbonisation targets. We believe that strong supply-side fundamentals will continue to support high yields and secondhand values, resulting in a higher future IRR than the Company's published target.

The correct strategy for SHIP over the medium term through to 2030 is to continue investing in fuel-efficient secondhand vessels to maximise shareholder returns. The Company's current intention is to start to divest the Company's portfolio of assets from 2028, well before the decarbonisation of shipping accelerates.

Investment Manager's Report (continued)

Mid-Term Strategy Review (continued)

Highlights of the review include:

- With effect from 1Q24, SHIP's annual target dividend will be increased by c.17.6% from US\$0.085 per share to US\$0.10 per share³. Based on this increased target the Company is forecast to have Dividend Cover of c.1.5x over the next 18 months.
- The Board is evaluating a proposed one-off return of capital in 2Q24 of between 5% and 10% of NAV at a price representing the prevailing NAV per share less attributable costs. Shareholders will be notified of the terms of the return of capital accordingly.
- The Company sees fleet renewal (based on age, technology, and sector outlook) as a priority. Returns from all new asset investments over a three-year holding period will be compared to the benefit from a return of capital given the prevailing share price at the time of the proposed investment and medium-term market outlook.
- The Board will evaluate a further return of capital annually using excess investible cash if no suitable investment opportunities are presented.
- The current buy-back policy is to remain in place (excess cash may be used, at the discretion of the directors, to repurchase shares should they trade at a >10% discount to NAV, as set out in the Company's listing documents).

The Assets

As at 31 December 2023, the Company owned twenty-two vessels, as follows:

Tankers	Employment	Comments
Octane and Sierra	Time chartered ("TC") to an investment grade oil major	-
Pollock, Dachshund, Cocoa, Daffodil, Marvelous, Mindful and Courteous	TC to a major commodity trading and logistics company	Cocoa and Daffodil: the charterer exercised their first (out of two) optional periods until December 2025 and February 2026 respectively.
Exceptional	TC to a leading tanker shipping company	Exceptional's time charter was extended by up to three years from 1 January 2024 at a much higher rate than its previous charter. The new charter rate implies a net yield of over 15% for the firm charter extension until late 2025 which, when blended with the 6-month sub-market stub end of the previous charter, will produce a net yield of c.13% over c.2 years from 1 January.
Orson and Golding	Employed on leading chemical tanker pools	As described in the Company's Prospectus, a pool is a revenue sharing structure run by a specialist third party or another ship owner.
Neon	Operates on a bareboat charter under which the Company provides only the vessel to the charterer, who is responsible for crewing, maintaining, insuring, and operating it.	

³ This is a target only and there can be no assurance that the target can or will be met and it should not be taken as an indication of the Company's expected or actual future results. Accordingly, potential investors should not place any reliance on this target in deciding whether to invest in the Company or assume that the Company will make any distributions at all and should decide for themselves whether the target dividend yield is reasonable or achievable.

Investment Manager's Report (continued)

The Assets (continued)

As at 31 December 2023, the Average Charter Length of the tankers (excluding Orson and Golding) was 2 years.

Bulkers	Employment	Comments
Anvil, Awesome and Auspicious	TC to an operator of bulkers	-
Laurel	TC to a leading owner and operator of bulkers	Laurel's time charter was extended by 4-6 months from December 2023 at a much higher rate than previously.
Idaho and Mayflower	TC to a leading owner and operator of bulkers	Idaho's time charter was extended by 10-12 months from December 2023 at a slightly lower rate than previously.
Charming and Masterful	TC to a leading merchant and processor of agricultural goods	Masterful's time charter was extended by 4-6 months commencing from March 2024 at a higher rate than previously.
Rocky IV	TC to an owner and operator of bulkers	-

At 31 December 2023, the Average Charter Length on our bulkers was 0.5 years. We have chosen to employ many of our bulkers on index-linked charters in anticipation of ongoing market improvement. Please see the Shipping Market section of this Report.

The Company's fleet across all segments performed well. Marvelous, Mindful, Courteous, Exceptional, Awesome, Auspicious, Masterful and Charming are in the top quartile of fuel efficiency in their market segments.

The market for secondhand ships is liquid with >US\$40 billion worth of annual transactions in 2022 and 2023. The charter-free and associated charter values of the Company's standard vessels are calculated predominantly using the online valuation platform provided by VesselsValue. The VesselsValue valuation platform utilises transaction data as well as other market data to estimate charter-free values. The Company's NAV is, in effect, proven by recent market transactions. After the end of the financial period, the Company agreed to divest Pollock and Dachshund at a 3.1% premium to the two vessels most recent holding NAV. Divestments to date have been in aggregate c.6% above communicated NAV.

The Company's portfolio as at 31 December 2023:

SPV⁺	Vessel Type and Year of Build	Acquisition Date	Expected end of charter period^{**}
Anvil	Handysize bulker built 2013	September 2021	May 2024
Auspicious	Handysize bulker built 2015	February 2022	August 2024
Awesome	Handysize bulker built 2015	January 2022	September 2024
Charming	Handysize bulker built 2015	June 2022	August 2024
Cocoa	Handysize product tanker built 2008	October 2020	December 2025

Investment Manager's Report (continued)

The Assets (continued)

SPV+	Vessel Type and Year of Build	Acquisition Date	Expected end of charter period**
Courteous	MR product tanker built 2016	December 2022	December 2026
Dachshund	Handysize product tanker built 2008	February 2020	May 2024
Daffodil	Handysize product tanker built 2008	October 2020	February 2026
Exceptional	MR product tanker built 2015	April 2022	December 2025
Golding	25,600 DWT stainless steel chemical tanker built 2008	April 2021	NA – vessel is employed in a pool
Idaho	Ultramax bulker built 2011	July 2021	December 2024
Laurel	Handysize bulker built 2011	July 2021	April 2024
Marvelous	MR product tanker built 2014	July 2022	November 2026
Masterful	Handysize bulker built 2015	April 2022	June 2024
Mayflower	Handysize bulker built 2011	June 2021	March 2024
Mindful	MR product tanker built 2016	December 2022	December 2026
Neon	Mid-sized LPG carrier built 2009	July 2018	August 2025
Octane	MR product tanker built 2010	December 2018	August 2025
Orson	20,000 DWT stainless steel chemical tanker built 2007	July 2021	NA – vessel is employed in a pool
Pollock	Handysize product tanker built 2008	December 2018	April 2024
Rocky IV	Handysize bulker built 2013	September 2021	June 2024
Sierra	MR product tanker built 2010	December 2018	September 2025

Notes:

+ SPV that owns the vessel.

** Based on our assessment of the prevailing market conditions at 31 December 2023.

Investment Manager’s Report (continued)

The Shipping Market

The Company aims to provide investors with an attractive level of regular and growing income and capital returns through investing in secondhand commercial sea-going vessels, with the portfolio diversified across the main segments of shipping including tankers, bulkers, general cargo and containerships. The ClarkSea Index, a broad vessel earnings indicator from Clarksons Research, ended the financial period at US\$26,213/day, c.22% higher than at the end of June 2023 but c.12% lower than at the end of December 2022.

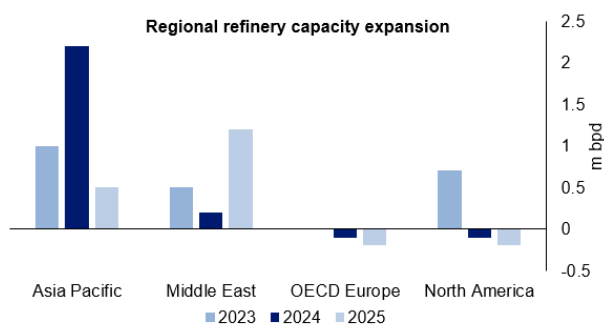
The financial period saw improving world GDP growth with the IMF revising their 2023 world GDP growth estimate from 3.0% in June 2023 to 3.1% in January 2024. Global seaborne trade is expected to grow by c.3% in 2024, in line with the long-term trend rate of c.3% CAGR between 2003 and 2023. The combination of price inflation (commodity, wage), reduced shipyard capacity and tightening environmental specifications continue to boost newbuild prices leading to higher values for secondhand vessels. The Clarksons Research Newbuilding Price Index has risen c.42% since the end of 2020. Global shipyard capacity remains c.35% below the 2011 peak. Shipyard orderbook forward cover (i.e. the number of years required to deliver the orderbook at the output level of the last 12 months) was 3.6 years at the end of the financial period.

Trade routes tend to be optimised across the industry so disruption of traditional trade routes often results in diversion through longer routes which reduces the available vessel capacity. During the financial period, transit through two key global shipping routes, the Panama Canal and the Suez Canal, faced disruption. Vessel transit through the Panama Canal was disrupted from late October due to an ongoing drought while transit through the Suez Canal was disrupted as Houthi rebel attacks on vessels in the Red Sea escalated from late November.

This section utilises data from the Tufton Real-Time Activity Capture System (“TRACS”) which analyses satellite data to track the international shipping fleet by the major segments. TRACS uses the draught of each vessel as a proxy for its utilisation and thereby enables us to have a close to real-time measure of shipping demand. Other research data used in this section is from Clarksons Research, unless specified otherwise.

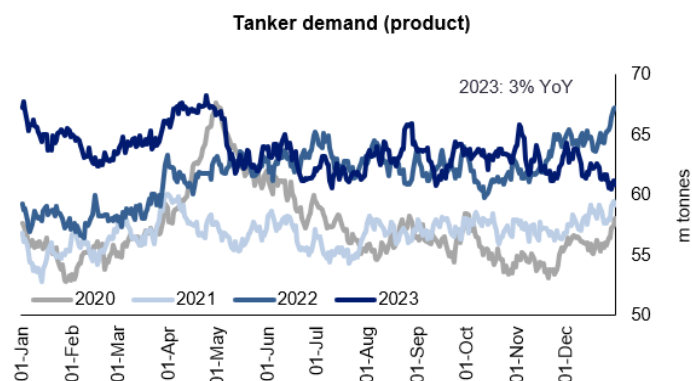
Tankers

Product tanker demand was set for structural growth, benefiting from refinery capacity expansions in Asia and the Middle East. However, demand growth accelerated as the war in Ukraine partially replaced some demand for short-haul product tanker cargoes with demand for long-haul cargoes: increasing Russian exports to Asia and increasing European imports from non-Russian suppliers including the Middle East, the US and Asia.



Investment Manager's Report (continued)

Tankers (continued)



Source: Clarksons Research, TRACS

The attractive fundamentals in the product tanker segment have resulted in newbuild investments. The product tanker orderbook rose from c.9% of fleet as at the end of June 2023 to 12.5% of fleet at the end of the financial period. This is still relatively low in historic terms. Most of the newbuild product tankers ordered are expected to be delivered starting only in 2025. Further, many of the new orders are focused on the larger Long Range (“LR”) segment which often represents “swing” tonnage between the clean product tanker and the crude tanker market. The orderbook for crude tankers remained close to historic lows (c.4% of fleet, Grieg Shipbrokers) at the end of the financial period. The chemical tanker market also benefits from good supply-side fundamentals with a low orderbook (c.6% of fleet, Grieg Shipbrokers) and strong demand growth forecast. 25-30% of MR product tankers can engage in the chemicals/vegetable oil trade.

The chemical tanker market benefits as MR product tankers shift to the tightening product tanker market. The Company’s chemical tankers benefit from this trend as they are employed in a revenue-sharing pool and have spot market exposure.

Over the financial period, 1-year time charter rates for MR product tankers rose c.1% to c.US\$26,300/day while average spot earnings rose 47% to c.US\$33,000/day.

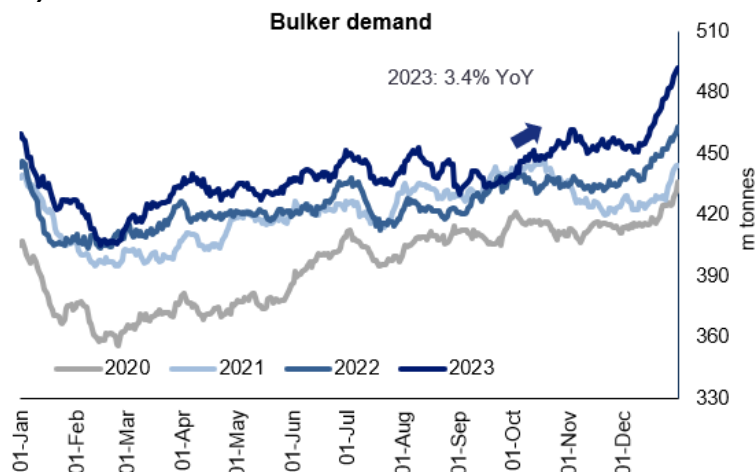
Towards the end of the financial period, attacks by Houthi rebels on vessels around the Gulf of Aden impacted normal vessel transit through the Red Sea and consequently the Suez Canal. As a result, many vessels have been rerouted around the Cape of Good Hope instead, adding to vessel tonne-mile demand and further boosting the product tanker market.

Bulkers

The bulker market strengthened during the financial period due to a combination of improving demand growth for major bulk and the impact of reduced transit through the Panama Canal. Though bulker demand faces near term uncertainty from slowing Chinese demand growth for major bulk commodities, we believe the bulker market will be supported by strong supply-side fundamentals. The bulker orderbook remained at a low level of c.8% of fleet at the end of the financial period.

Investment Manager's Report (continued)

Bulkers (continued)



Source: TRACS

We have chosen to employ some of our bulkers on index-linked charters in anticipation of market improvement. As the market improves, we will selectively redeploy our bulkers on new longer-term charters at higher rates over the next financial period. Over the financial period, 1-year time charter rates for Handysize bulkers rose c.29% to c.US\$13,800/day while average spot earnings rose 58% to c.US\$17,600/day.

The combination of tightening environmental regulations and low shipyard capacity suggests newbuild prices of bulkers and tankers will remain high thereby also supporting secondhand prices in the medium term. Global shipyard capacity remains c.35% below the 2011 peak. Many newbuild designs incorporate more flexible machinery and storage systems to handle multiple fuel types to reduce emissions. These further increase newbuild prices. Environmental regulations from the IMO to measure and improve vessel carbon emission intensity incentivise lower speeds resulting in reduced shipping capacity, aiding the supply-side adjustment. The Company's fuel-efficient vessels are likely to benefit.

Tufton Investment Management Limited
19 March 2024

Environmental, Social and Governance Report

The Investment Manager, Tufton, emphasises the principles of Responsible Investment in the management of the Company's assets through awareness and integration of ESG factors into our investment process in the belief that these factors have a positive impact on long-term financial performance. We recognise that our first duty is to act in the best financial interests of the Company's Shareholders and to generate attractive financial returns against acceptable levels of risk, in accordance with the objectives of the Company. We have been a signatory of the United Nations Principles of Responsible Investment ("UN PRI") since December 2018 and have a Responsible Investment policy statement which is available on Tufton's [website](#). In the 2023 UN PRI signatory assessment, Tufton achieved scores higher than our peer group in all three assessment categories. Please see the [2023 UN PRI scoring methodology](#) for details.

The Company's Board does not have a separate ESG committee but collectively reviews progress against the policy statement as part of the Company's annual Sustainability Report which is also publicly available on the Company's [website](#). The Company's 2023 Sustainability Report will be published later this year.

ESG highlights of the financial period include:

- The Company's operating emissions intensity, as measured by the Energy Efficiency Operating Index ("EEOI") improved by c.11% during 2023 primarily because of capital re-allocation but also from ESD retrofits.
- The efficiency hire rate premia for ESDs has been received on eight vessels after the retrofits were completed or substantially completed on these vessels.
- We aim to minimise coal carriage on the Company's vessels. In June 2023, Tufton committed to limiting revenues from transportation of thermal coal to 5% of the Company's total consolidated revenues. During the financial period, only one bulker (Anvil) carried thermal coal during one voyage which corresponded to 0.3% of SHIP consolidated revenues.

Principal Risks and Uncertainties

The Directors have reconsidered the principal risks and uncertainties effecting the Company. The Directors consider that the principal risks and uncertainties have not significantly changed since the publication of the Annual Report for the year ended 30 June 2023. The risks and associated risk management processes, including financial risks, can be found in the Annual Report for the financial year ending 30 June 2023, <http://www.tuftonoceanicassets.com/financial-statements/>.

The risks referred to and which could have a material impact on the Company's performance for the remainder of the current financial year relate to:

- Shipping and financial markets;
- Commercial risks around charter payments;
- Damage to the Company's assets;
- Cost overruns;
- Regulatory and legislative compliance;
- Safety, health and environment;
- Service quality of the Investment Manager and other Service Providers; and
- Liquidity.

Interim Report of the Directors

The Directors present their Interim Report and the Condensed Interim Financial Statements of the Company for the six-month period ended 31 December 2023.

The Company was registered in Guernsey on 6 February 2017 and is a registered closed-ended investment scheme under the POI Law. The Company's Shares were listed on the Specialist Funds Segment of the Main Market of the London Stock Exchange on 20 December 2017 under the ticker SHIP.

Investment Objective

The Company's investment objective is to provide investors with an attractive level of regular and growing income and capital returns through investing in secondhand commercial sea-going vessels. The Board monitors activity through strategy meetings, discussions as appropriate and reviews quarterly reports from the Investment Manager. The Company has established a wholly-owned subsidiary that acts as a Guernsey holding company for all its investments, LS Assets Limited, which is governed by the same Directors as the Company.

All vessels acquired, vessel-related contracts and costs will be held by SPVs domiciled in the Isle of Man or other jurisdictions considered appropriate by the Company's advisers. The Company conducts its business in a manner that results in it qualifying as an investment entity (as set out in IFRS 10: Consolidated Financial Statements) for accounting purposes and as a result applies the investment entity exemption to consolidation. The Company therefore reports its financial results on a non-consolidated basis.

Subject to the solvency requirements of the Companies Law, the Company intends to pay dividends on a quarterly basis. The Directors expect the dividend to grow, in absolute terms, modestly over the long term. In October 2022 the Company raised its target annual dividend to US\$0.085 per share (previously US\$0.08 per share. After the end of the financial period, the Company raised its target annual dividend to US\$0.10 per share starting 1Q24.

The Company aims to achieve an IRR of 12% or above (net of expenses and fees) on the Issue Price over the long term. The profit for the Company in the period was US\$35.2m, or US\$0.119 per share at 31 December 2023.

Results and dividends

The Company's performance during the period is discussed in the Chairman's Statement on pages 3 - 5. The results for the year are set out in the Condensed Statement of Comprehensive Income on page 22.

Related Parties

Details of related party transactions that have taken place during the period and of any material changes are set out in Note 13 of the Condensed Interim Financial Statements.

Interim Report of the Directors (continued)

Directors

The Directors of the Company who served during the period and to date are set out on page 6.

Directors' interests

The Directors held the following interests in the share capital of the Company either directly or beneficially:

	31 December 2023	30 June 2023
	Shares	Shares
R King	60,000	60,000
S Le Page ⁴	41,268	40,000
P Barnes	5,000	5,000
C Rødsæther	30,000	30,000
T Le Noury	-	-

T Le Noury has acquired 5,000 ordinary shares of no par value after period end.

The Directors fees for the first six months of the accounting periods are as disclosed below:

Director	Payable from 1 January 2024 to 30 June 2024 £	Paid from 1 July 2023 to 31 December 2023 £	Paid from 1 July 2022 to 30 June 2023 £
R King	22,500	21,000	21,000
S Le Page	21,250	19,250	19,250
P Barnes	20,000	17,750	17,750
C Rødsæther	19,250	17,750	17,750
T Le Noury	19,250	5,885	-

Other interests

Tufton Stakeholders held a total of 11,692,203, being 4.0% of the Company's shares either directly or beneficially (30 June 2023: 11,210,831 shares being 3.7%).

Share buybacks and discount management

Subject to working capital requirements, and at the absolute discretion of the Board, excess cash may be used to repurchase Shares. The Directors may implement Share buyback at any time before the 90-day guideline set out in the Prospectus where they feel it is in the best interest of the Company and all Shareholders.

The Company purchased 8,436,000 of its own Shares at an average price of US\$0.98 per Share during the current period. Refer to Note 5 for more details. There were 14,596,000 Shares held in Treasury and 294,032,541 Shares outstanding as at the end of the financial period. The Company bought back a further 2,400,000 ordinary shares, between the end of the financial period and 15 March 2023, at an average price of US\$1.08. The purchased shares will be held in treasury. The Company had 291,632,541 Shares outstanding as at the date of approval of these accounts.

⁴ 16,268 of these shares are held through a Retirement Annuity Trust.

Interim Report of the Directors (continued)

Going concern

In assessing the going concern basis of accounting the Directors have, together with discussions and analysis provided by Tufton, had regard to the guidance issued by the Financial Reporting Council. They have considered recent market volatility and geopolitical events on the current and future operations of the Company and its investments. Cash reserves are held at the LS Assets Limited and SPV levels and rolled up to the Company as required to enable expenses to be settled as they fall due.

Based on these activities and bearing in mind the generally stable nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for at least twelve months from the date of approval of the Interim Report and the Condensed Interim Financial Statements. For this reason, they continue to adopt the going concern basis in preparing the Interim Report and the Condensed Interim Financial Statements.


Responsibility Statement

For the period from 1 July 2023 to 31 December 2023

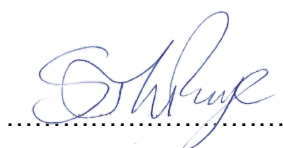
The Directors are responsible for preparing the Interim Report and Condensed Interim Financial Statements, which have not been audited or reviewed by an independent auditor, and confirm that to the best of their knowledge:

- the Condensed Interim Financial Statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting;
- the Interim Report includes a fair review of the information required by:
 - DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the Condensed Interim Financial Statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Approved by the Board of Directors on 19 March 2024 and signed on behalf of the Board by:



Rob King
Non-executive Chairman



Stephen Le Page
Director

Condensed Statement of Comprehensive Income
For the 6-month period ended 31 December 2023

	Notes	31 December 2023 US\$ (Unaudited)	31 December 2022 US\$ (Unaudited)
Income			
Net changes in fair value of financial assets at fair value through profit or loss	4	37,390,692	(4,314,159)
Foreign exchange gain		7,142	-
Total net income / (loss)		37,397,834	(4,314,159)
Expenditure			
Administration fees		(84,097)	(85,547)
Audit fees		(109,041)	(119,636)
Corporate Broker fees		(75,000)	(75,000)
Depository fees		(26,245)	-
Directors' fees	15	(102,476)	(80,996)
Directors' expenses		(8,079)	(3,892)
Foreign exchange loss		-	(10,144)
Insurance fee		(15,463)	(4,925)
Investment management fee	11	(1,707,055)	(1,815,843)
Performance fees	12	-	3,980,432
Professional fees		(57,214)	(66,096)
Sundry expenses		(48,069)	(13,716)
Total (expenses) / credit		(2,232,739)	1,704,637
Operating profit / (loss)		35,165,095	(2,609,522)
Finance income		2,208	1,246
Profit / (loss) and comprehensive income for the period		35,167,303	(2,608,276)
IFRS Earnings per ordinary share (cents)	6	11.90	(0.85)

There were no potentially dilutive instruments in issue at 31 December 2023.

All activities are derived from continuing operations.


There is no other comprehensive income or expense apart from those disclosed above and consequently a Statement of Other Comprehensive Income has not been prepared. The accompanying notes are an integral part of these condensed interim financial statements.


Condensed Statement of Financial Position
At 31 December 2023

	Notes	31 December 2023 US\$ (Unaudited)	30 June 2023 US\$ (Audited)
Non-current assets			
Financial assets designated at fair value through profit or loss	4	434,161,563	405,988,715
Total non-current assets		434,161,563	405,988,715
Current assets			
Trade and other receivables		21,487	7,881,170
Cash and cash equivalents		22,784	47,731
Total current assets		44,271	7,928,901
Total assets		434,205,834	413,917,616
Current liabilities			
Trade and other payables		7,141,338	1,144,523
Total current liabilities		7,141,338	1,144,523
Net assets		427,064,496	412,773,093
Equity			
Ordinary share capital	5	295,011,061	303,326,231
Retained reserves	5	132,053,435	109,446,862
Total equity attributable to ordinary shareholders		427,064,496	412,773,093
Net assets per ordinary share (cents)	8	145.24	136.47

The accompanying notes are an integral part of these condensed interim financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 19 March 2024 and signed on its behalf by:


 Rob King
 Non-executive Chairman


 Stephen Le Page
 Director

Condensed Statement of Changes in Equity
For the 6-month period ended 31 December 2023

	Notes	Ordinary share capital US\$	Retained earnings US\$	Total US\$
For the six months ended 31 December 2023 (Unaudited)				
Shareholders' equity at 1 July 2023		303,326,231	109,446,862	412,773,093
Profit and comprehensive income for the period		-	35,167,303	35,167,303
Share buybacks	5	(8,315,170)	-	(8,315,170)
Dividends paid	7	-	(12,560,730)	(12,560,730)
Shareholders' equity at 31 December 2023		<u>295,011,061</u>	<u>132,053,435</u>	<u>427,064,496</u>

	Notes	Ordinary share capital US\$	Retained earnings US\$	Total US\$
For the six months ended 31 December 2022 (Unaudited)				
Shareholders' equity at 1 July 2022		310,272,983	137,270,726	447,543,709
Loss and comprehensive income for the period		-	(2,608,276)	(2,608,276)
Share buybacks	5	(969,451)	-	(969,451)
Share issue costs	5	(14,002)	-	(14,002)
Dividends paid	7	-	(12,345,142)	(12,345,142)
Shareholders' equity at 31 December 2022		<u>309,289,530</u>	<u>122,317,308</u>	<u>431,606,838</u>

The accompanying notes are an integral part of these condensed interim financial statements.

Condensed Statement of Cash Flows
For the 6-month period ended 31 December 2023

	Notes	31 December 2023 US\$ (Unaudited)	31 December 2022 US\$ (Unaudited)
Cash flows from operating activities			
Profit / (loss) and comprehensive income for the period		35,167,303	(2,608,276)
Adjustments for:			
Change in fair value on investments	4	(37,390,692)	4,314,159
Operating cash flows before movements in working capital		<u>(2,223,389)</u>	<u>1,705,883</u>
Changes in working capital:			
Sale of investments	4	9,217,844	-
Movement in trade and other receivables		7,859,683	5,721,585
Movement in trade and other payables		5,996,815	5,903,322
Net cash generated from operating activities		<u>20,850,953</u>	<u>13,330,790</u>
Cash flows from financing activities			
Share issue costs	5	-	(14,002)
Net cost from share buybacks	5	(8,315,170)	(969,451)
Dividends paid to Ordinary shareholders	7	(12,560,730)	(12,345,142)
Net cash utilised in financing activities		<u>(20,875,900)</u>	<u>(13,328,595)</u>
Net movement in cash and cash equivalents during the period		(24,947)	2,195
Cash and cash equivalents at the beginning of the period		47,731	8,823
Cash and cash equivalents at the end of the period		<u>22,784</u>	<u>11,018</u>

The accompanying notes are an integral part of these condensed interim financial statements.

Notes to the Condensed Interim Financial Statements

For the 6-month period ended 31 December 2023

1. General information

The Company was incorporated with limited liability in Guernsey under the Companies (Guernsey) Law, 2008, as amended, on 6 February 2017 with registered number 63061, and is regulated by the GFSC as a registered closed-ended investment company. The registered office and principal place of business of the Company is 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL.

The Company's investment objective is to provide investors with an attractive level of regular and growing income and capital returns through investing in secondhand commercial sea-going vessels.

The Company had 302,468,541 ordinary shares in issue on 1 July 2023, all of which were listed on the Specialist Funds Segment of the Main Market of the London Stock Exchange.

During the current period, the Company bought a total of 8,436,000 of its own ordinary shares at an average price of US\$0.98 per Share. Further details are noted in Note 5.

The total number of Company's shares in issue, excluding Treasury Shares, was 294,032,541 at the end of the financial period.

2. Significant accounting policies

(a) Basis of preparation

The Condensed Interim Financial Statements have been prepared on a going concern basis in accordance with IAS 34 Interim Financial Reporting, and applicable Guernsey law. These Condensed Interim Financial Statements do not comprise statutory Financial Statements within the meaning of the Companies (Guernsey) Law, 2008, and should be read in conjunction with the Financial Statements of the Company as of and for the year ended 30 June 2023, which were prepared in accordance with International Financial Reporting Standards. The statutory Financial Statements for the year ended 30 June 2023 were approved by the Board of Directors on 25 September 2023. The opinion of the auditors on those Financial Statements was not qualified. The accounting policies adopted in these Condensed Interim Financial Statements are consistent with those of the previous financial year and the corresponding interim reporting period can be found in the Annual Report for the financial year ending 30 June 2023, <http://www.tuftonoceanicassets.com/financial-statements/>, except for the adoption of new and amended standards as set out below.

Compliance with IFRS

The financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS"), which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC"), Listing rules and applicable Guernsey law.

Notes to the Condensed Interim Financial Statements (continued) **For the 6-month period ended 31 December 2023**

2. Significant accounting policies (continued)

(a) Basis of preparation (continued)

Historical cost convention

The financial statements have been prepared on a historical cost basis modified by the revaluation of investments at fair value through profit or loss. The principal accounting policies adopted, and which have been consistently applied (unless otherwise indicated), are set out below.

Basis of non-consolidation

The Directors consider that the Company meets the investment entity criteria set out in IFRS 10. As a result, the Company applies the mandatory exemption applicable to investment entities from producing consolidated financial statements and instead fair values its investments in its subsidiaries in accordance with IFRS 13.

The criteria which define an investment entity are as follows:

- an entity that obtains funds from one or more investors for the purpose of providing those investors with investment services; and
- an entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both (including having an exit strategy for investments); and
- an entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Directors consider that the Company's objective of pooling investors' funds for the purpose of generating an income stream and capital appreciation is consistent with the definition of an investment entity, as is the reporting of the Company's net asset value on a fair value basis.

(b) New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Company. These standards, amendments or interpretations are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

(c) Standards, amendments and interpretations effective during the year

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 July 2023 that have a material effect on the financial statements of the Company.

Notes to the Condensed Financial Statements (continued)

For the 6-month period ended 31 December 2023

3. Critical accounting judgements and estimates

The preparation of financial statements requires management to make estimates and judgements that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenue and expenses during the period. The nature of the estimation means that actual outcomes could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

The significant judgements, estimates and assumptions which have the greatest effect on the recognition and measurement of assets, liabilities, income and expenses are the same as those that applied to the Annual Report and Financial Statements for the year ended 30 June 2023.

Critical judgements in applying the Company's accounting policies – IFRS 10: Consolidated Financial Statements

The audit committee considered the application of IFRS 10, and whether the Company meets the definition of an investment entity.

The Company owns the investment portfolio through its investment in LSA. The investment by LSA comprises the NAVs of the SPVs. The Company holds 100% voting shares in LSA and has all the characteristics of an investment company. Cash reserves are held at the LSA and SPV levels and paid up to the Company as required to enable expenses to be settled as they fall due.

In the judgement of the Directors, the Company meets the investment criteria set out in IFRS 10 and they therefore consider the Company to be an investment entity in accordance with IFRS 10. As a result, as required by IFRS 10, the Company is not consolidating its subsidiary but is instead measuring it at fair value in accordance with IFRS 13 – Fair value measurements.

The criteria which define an investment entity are disclosed in Note 2(a).

Notes to the Condensed Financial Statements (continued)

For the 6-month period ended 31 December 2023

3. Critical accounting judgements and estimates (continued)

Critical accounting estimates

The principal critical accounting estimate in the Company's financial statements is the value of its investment in LSA, which is in turn dependent on the values of LSA's investments in the SPVs. Principal critical accounting estimates in determining the values of the SPVs comprise the fair values of their vessels, in turn comprised of the charter-free and attached charter values, both of which are critical accounting estimates.

The unobservable inputs which significantly impact the fair value of the vessels have been determined to be the charter-free valuation and market charter rates for standard vessels (used to calculate charter values) and the discount rate applied for specialised vessels.

The process of calculation of the charter-free and charter values of the vessels is described in Note 2(j), Significant Accounting Policies, of the statutory Financial Statements.

At 31 December 2023 the charter-free valuations of two vessels (30 June 2023: two vessel) were provided through independent broker valuations rather than VesselsValue, as elected by the Investment Manager given limited transactions in this vessel type and the specialist knowledge of the broker selected. The broker uses proprietary data that considers vessel specifications as well as applicable market information.

Further to the information mentioned in Note 2 (j) of the statutory Financial Statements there are specific capital adjustments considered as part of the valuation process for standard vessels, mainly the adjustments for BWTSs and scrubbers installed. BWTSs installed by the Company's SPVs are considered to be an enhancement to the charter-free value. They are initially recognised at cost and straight-line depreciated from the commissioning date to 8 September 2024, being the date by which the IMO mandates all vessels should have installed BWTS. Scrubbers are considered an enhancement to the charter-free value using an estimated valuation from a shipbroker, and straight-line depreciated over 5 years.

At 31 December 2023, one vessel was treated as a specialist vessel (30 June 2023: one vessel). The specialist vessel was valued on a DCF basis by the Investment Manager using vessel specific information including the appropriate discount rate, which is reviewed on a regular basis to ensure it remains relevant to the project and market risk parameters.

There were no other material areas of estimation for the Company.

Notes to the Condensed Financial Statements (continued)
For the 6-month period ended 31 December 2023

4. Financial assets designated at fair value through profit or loss (Investment)

The Company owns the investment portfolio through its investment in LSA, which comprises the NAV of the SPVs and residual assets and liabilities in LSA. The NAVs consist of the fair value of vessel assets and the SPVs' residual net assets and liabilities. The whole investment portfolio is designated by the Board as a Level 3 item on the fair value hierarchy because of the lack of observable market information in determining the fair value. As a result, all the information below relates to the Company's Level 3 assets only, with respect to the requirements set out in IFRS 7. The investment held at fair value is recorded under Non-Current Assets in the Statement of Financial Position as there is no current intention to dispose of its investment in LSA.

The changes in the financial assets measured at fair value through profit or loss (for which the Company has used Level 3 inputs to determine fair value, after considering dividends declared (see Note 7)) are as follows:

LSA	31 December 2023 US\$ (Unaudited)	30 June 2023 US\$ (Audited)
Brought forward cost of investment	292,529,864	299,483,224
Total investment disposed of in the period / year	<u>(9,217,844)</u>	<u>(6,953,360)</u>
Carried forward cost of investment	283,312,020	292,529,864
Brought forward unrealised gains on fair value	113,458,851	147,409,496
Movement in unrealised gains / (losses) on fair value	<u>37,390,692</u>	<u>(33,950,645)</u>
Carried forward unrealised gains on fair value	150,849,543	113,458,851
Total investment at fair value	<u>434,161,563</u>	<u>405,988,715</u>

Notes to the Condensed Financial Statements (continued)
For the 6-month period ended 31 December 2023

4. Financial assets designated at fair value through profit or loss (Investment) (continued)

The SPVs and holding companies Handy Holdco Limited and Product Holdco Limited, which are also SPVs, are incorporated in the Isle of Man. The subsidiary company LS Assets Limited is incorporated in Guernsey. The country of incorporation is also their principal place of business.

Breakdown of Fair Value:

Name	31 December 2023 US\$	30 June 2023 US\$	Direct or indirect holding	Principal activity	Ownership at 31 December 2023	Ownership at 30 June 2023
LS Assets Limited	-	-	Direct	Holding company	100%	100%
Anvil Limited	18,067,683	18,240,972	Indirect	SPV	100%	100%
Auspicious Limited	20,830,369	20,137,727	Indirect	SPV	100%	100%
Awesome Limited	20,344,449	19,704,498	Indirect	SPV	100%	100%
Candy Limited ⁶	-	16,785	Indirect	SPV	-	100%
Charming Limited	19,404,107	18,953,365	Indirect	SPV	100%	100%
Citra Limited ⁶	-	205,362	Indirect	SPV	-	100%
Cocoa Limited ³	-	-	Indirect	SPV	100%	100%
Courteous Limited ⁵	-	-	Indirect	SPV	100%	-
Dachshund ^{3,7} Limited	-	-	Indirect	SPV	100%	100%
Daffodil Limited ³	-	-	Indirect	SPV	100%	100%
Exceptional Limited ⁵	-	-	Indirect	SPV	100%	100%
Golding Limited	24,292,100	21,081,370	Indirect	SPV	100%	100%
Handy HoldCo Limited	53,971,240	50,090,478	Indirect	SPV (Holding Company)	100%	100%
Idaho Limited	22,159,544	22,322,508	Indirect	SPV	100%	100%
Laurel Limited	16,350,130	16,410,147	Indirect	SPV	100%	100%
Lavender Limited ²	74,607	60,848	Indirect	SPV	100%	100%

Notes to the Condensed Financial Statements (continued)
For the 6-month period ended 31 December 2023

4. Financial assets designated at fair value through profit or loss (Investment) (continued)

LSA (own net assets) - Breakdown of Fair Value (continued):

Name	31 December 2023 US\$	30 June 2023 US\$	Direct or indirect holding	Principal activity	Ownership at 31 December 2023	Ownership at 30 June 2023
Marvelous Limited ⁵	-	-	Indirect	SPV	100%	100%
Masterful Limited	18,924,933	18,893,952	Indirect	SPV	100%	100%
Mayflower Limited	15,058,011	15,590,330	Indirect	SPV	100%	100%
Mindful Limited ⁵	-	-	Indirect	SPV	100%	-
Neon Limited	28,025,690	26,616,326	Indirect	SPV	100%	100%
Octane Limited	23,279,491	20,155,744	Indirect	SPV	100%	100%
Orson Limited	19,826,608	17,938,851	Indirect	SPV	100%	100%
Parrot Limited ²	29,502	674	Indirect	SPV	100%	100%
Patience Limited ¹	645,518	662,085	Indirect	SPV	100%	100%
Pollock Limited ^{3,7}	-	-	Indirect	SPV	100%	100%
Product HoldCo Limited	74,759,375	58,135,471	Indirect	SPV (Holding Company)	100%	-
Riposte Limited	1,164,175	411,002	Indirect	SPV	100%	100%
Rocky IV Limited	17,447,830	18,540,092	Indirect	SPV	100%	100%
Sierra Limited	23,399,217	20,393,002	Indirect	SPV	100%	100%

Notes to the Condensed Financial Statements (continued)
For the 6-month period ended 31 December 2023

4. Financial assets designated at fair value through profit or loss (Investment) (continued)

LSA (own net assets) - Breakdown of Fair Value (continued):

Name	31 December 2023 US\$	30 June 2023 US\$	Direct or indirect holding	Principal activity	Ownership at 31 December 2023	Ownership at 30 June 2023
Vicuna Limited ⁶	-	2,598	Indirect	SPV	-	100%
Cash held pending investment ⁴	9,296,829	10,709,986				
Residual net assets / (liabilities) ⁴	6,810,155	10,714,542				
*Total investment at fair value	434,161,563	405,988,715				

The net change in the movement of the fair value of the investment is recorded in the Condensed Statement of Comprehensive Income.

* Vessels are valued at fair value in each of the SPVs shown in the table above and combined with the residual net liabilities of each SPV to determine the fair value of the total investment attributable to LSA.

¹ Vessel sold.

² Company in the process of dissolution.

³ These SPVs report zero fair value in the table above because they are owned by the intermediate holding company Handy Holdco Limited and are included in Handy Holdco Limited's fair value.

⁴ The cash held pending investment and residual net liabilities are held in LSA.

⁵ These SPVs report zero fair value in the table above because they are owned by the intermediate holding company Product Holdco Limited and are included in Product Holdco Limited's fair value.

⁶ Company has been dissolved.

⁷ Vessel sold post period end.

Notes to the Condensed Financial Statements (continued)
For the 6-month period ended 31 December 2023

5. Share capital and reserves

	Number of shares	Gross amount (US\$)	Issue costs (US\$)	Share capital (US\$)
As at 30 June 2023	302,468,541	309,335,404	(6,009,173)	303,326,231
Share buybacks	(8,436,000)	(8,315,170)	-	(8,315,170)
Total in issue at 31 December 2023	294,032,541	301,020,234	(6,009,173)	295,011,061

Retained reserves

Retained reserves comprise the retained earnings as detailed in the Condensed Statement of Changes in Equity.

6. Earnings / (Loss) per share

	31 December 2023 US\$ (Unaudited)	31 December 2022 US\$ (Unaudited)
Profit / (loss) and comprehensive income for the period	35,167,303	(2,608,276)
Weighted average number of ordinary shares	295,485,726	308,495,117
Earnings per ordinary share (cents)	11.90	(0.85)
Diluted Earnings per ordinary share (cents)	11.90	(0.85)

The weighted average number of ordinary shares is 295.5m shares (2022: 308.5m shares).

Notes to the Condensed Financial Statements (continued)
For the 6-month period ended 31 December 2023

7. Dividends

The Company declared the following dividends to Ordinary Shareholders in respect of the profit for the periods indicated:

Period end	Dividend per share	Ex div date	Net Dividend paid	Record date	Paid date
Dividends declared for the period ended 31 December 2023:					
30 June 2023	US\$0.02125	27 July 2023	US\$6,296,601	28 July 2023	11 August 2023
30 September 2023	US\$0.02125	26 October 2023	US\$6,264,129	27 October 2023	10 November 2023
Dividends declared for the period ended 31 December 2022:					
30 June 2022	US\$0.02	28 July 2022	US\$6,172,571	29 July 2022	12 August 2022
30 September 2022	US\$0.02	27 October 2022	US\$6,172,571	28 October 2022	11 November 2022

Under the Companies (Guernsey) Law, 2008, the Company can distribute dividends from capital and revenue reserves, subject to a prescribed net asset and solvency test. The net asset and solvency test considers whether a company is able to pay its debts when they fall due, and whether the value of a company's assets is greater than its liabilities. The Board confirms that the Company passed the net asset and solvency test for each dividend paid.

Notes to the Condensed Financial Statements (continued)
For the 6-month period ended 31 December 2023

8. Net assets per ordinary share

	31 December 2023 US\$ (Unaudited)	30 June 2023 US\$ (Audited)
Shareholders' equity	427,064,496	412,773,093
Number of ordinary shares	294,032,541	302,468,541
Net assets per ordinary share (cents)	145.24	136.47

9. Financial risk management

The Company's activities expose it to a variety of financial risks; market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Company's Audited Financial Statements as at 30 June 2023.

There have been no significant changes in the management of risk or in any risk management policies since the last Statement of Financial Position date.

10. Financial assets and liabilities not measured at fair value

Cash and cash equivalents and trade and other receivables are liquid assets whose carrying value represents fair value. The fair value of other current assets and liabilities would not be significantly different from the values presented at amortised cost.

11. Management fee

The Investment Manager is entitled to receive an annual fee, calculated on a sliding scale, as follows:

- (a) 0.85 per cent per annum of the quarter end Adjusted Net Asset Value up to US\$250 million;
- (b) 0.75 per cent per annum of the quarter end Adjusted Net Asset Value in excess of US\$250 million but not exceeding US\$500 million; and
- (c) 0.65 per cent per annum of the quarter end Adjusted Net Asset Value in excess of US\$500 million.

For the period ended 31 December 2023 the Company incurred US\$1,707,055 (2022: US\$1,815,843) in management fees of which US\$872,098 (2022: US\$880,688) was outstanding at 31 December 2023.

Notes to the Condensed Financial Statements (continued)

For the 6-month period ended 31 December 2023

12. Performance fee

Tufton ODF Partners LP shall be entitled to a performance fee in respect of a Calculation Period provided that the Total Return per Share on the Calculation Day for the Calculation Period of reference is greater than the High Watermark per Share.

Any fee accruing as at the end of the Calculation Period is paid 50% subsequent to the end of that period, with the remaining 50% being retained by the Company and deferred until the next time that a performance fee payment is due, being adjusted for any subsequent underperformance during that time.

A performance fee of US\$nil (2022: US\$nil) was accrued at 31 December 2023.

13. Related parties

The Investment Manager, Tufton Investment Management Limited, is a related party due to having key management personnel in common with the subsidiaries of the Company. All management fee transactions with the Investment Manager are disclosed in Note 11.

Tufton ODF Partners LP is a related party due to being the beneficiary of any performance fee paid by the Company. All performance fee transactions are disclosed in Note 12.

Transactions with LSA and subsidiary SPVs are not disclosed.

The Directors of the Company and their shareholdings are stated in the Interim Report of the Directors on page 20.

14. Controlling party

In the opinion of the Directors, on the basis of shareholdings advised to them, the Company has no immediate or ultimate controlling party.

15. Directors' fees

The remuneration of the Directors was US\$102,476 (2022: US\$80,996) for the period which consisted solely of short-term employment benefits (refer to the Interim Report of the Directors on page 20). At 31 December 2023, Directors' fees of US\$nil (2023: US\$nil) were outstanding.

The Directors fees for the first six months of the accounting periods are as disclosed below:

	31 December 2023	31 December 2022
Director	£	£
R King	21,000	19,000
S Le Page	19,250	17,500
P Barnes	17,750	16,250
C Rødsaether	17,750	16,250
T Le Noury	5,885	-

Notes to the Condensed Financial Statements (continued)
For the 6-month period ended 31 December 2023

16. Events after the reporting period

On 11 January 2024, the Company announced that it has agreed to sell two Handysize Product Tankers, Pollock and Dachshund, for a total of US\$41.75m.

The Company purchased a total of 2,400,000 ordinary shares at a price of US\$1.08 per share post period end to 15 March 2024.

On 17 January 2024, the Company declared a dividend of US\$0.02125 per ordinary share for the quarter ending 31 December 2023. The dividend was paid on 9 February 2024 to holders of ordinary shares recorded on the register as at close of business on 26 January 2024 with an ex-dividend date of 25 January 2024.

There has not been any other matter or circumstance occurring subsequent to the end of the financial period that has significantly affected, or may significantly affect, the operations of the Company or the state of affairs of the Company in the current or future financial years.

Alternative Performance Measures (“APMs”)

This Annual Report and Audited Financial Statements contain APMs, which are financial measures not defined in IFRS. These include certain financial and operational highlights and key financials. The definition of each of these APMs is shown below.

The Company assesses its performance using a variety of measures that are not specifically defined under IFRS and are therefore termed APMs. The APMs that the Company uses may not be directly comparable with those used by other companies. These APMs are used to present a clearer picture of how the Company has performed and are all financial measures of historical performance. The APMs are prepared on a consolidated basis.

Alternative Performance Measure	Definition / Method of calculation	Reason for use
Average Charter Length	Total forecast EBITDA from charters in place, divided by the expected annualised EBITDA of those charters	To provide information about the extent to which the future revenue of the SPVs is contractually fixed
CAGR	Compound Annual Growth Rate. A business and investing specific term for the geometric progression ratio that provides a constant rate of return over the time period	To provide a measure of annual compound growth rate over time
Consolidated Gearing Ratio	Loans to charter-free value on a consolidated basis	To provide an indication of leverage, which is not reported in the financial statements which are not prepared on a consolidated basis
Dividend Cover	Portfolio Operating Profit less debt amortisation, divided by dividends for the period	To provide information about the extent to which past dividends are covered by past earnings
EBITDA	Earnings before interest, taxes, depreciation and amortisation	To provide a measure of profitability from operating activity, independent of financing strategy
Forecast Net Yield	Forecast EBITDA over the current charters minus any capex accruals for the vessels in the portfolio divided by the time-weighted vessel values over the same period	To provide information about profitability from future operating activity relative to current vessel values
Gain / (loss) in Capital Values	Fair value gains and losses (being the change in charter-free value + change in charter value) from marking assets to market in accordance with the valuation policy of the Company	Fair value of the Company's underlying investments is a key component of the Company's overall investment performance
Gross Operating Profit	Operating profit before gain / (loss) in capital values, loan interest, fees, and all other Company level expenses	To provide an indication of the underlying profit from operating activity, which is not reported in the financial statements, before interest, fees and Company level expenses

Alternative Performance Measures (“APMs”) (continued)

Alternative Performance Measure	Definition or method of calculation	Reason for use
IRR	Internal rate of return - the internal rate of return is the interest rate at which the net present value of all the cash flows from a project or investment equal zero, and is a common performance indicator used in investment funds	A widely used APM which allows the shareholders to compare performance of different funds
NAV Total Return Per Share or NAV Total Return	The change in NAV per share plus dividends per share paid by the Company during the period, divided by the initial NAV per share at inception	A measure showing how the NAV per share has performed over a period of time, taking into account both capital return and dividends paid to Shareholders
Portfolio Operating Profit	Gross Operating Profit and interest income less loan interest and fees, Company Level Fees and Expenses	To provide an indication of the underlying net profit from operating activity, which is not reported in the financial statements
Portfolio Price / Depreciated Replacement Cost (“P/DRC”)	Price divided by the Depreciated Replacement Cost. Price may refer to a transaction (investment or divestment) value or fair value at a certain date	The Investment Manager's preferred valuation metric for investment analysis. P/DRC tends to revert to 100% in the long-term
Revenue	Charter income, net of broker commissions and charter related costs, earned by SPVs	To provide an indication of the underlying income from operating activity which is not reported in the financial statements
Ship-Days	The sum of the number of days each vessel was owned by the Company over the financial period	To provide information about the vessel operating activity measured in days
Time-Weighted Capital Employed	Time-weighted capital invested in vessels	A metric used to compare Gross Operating Profit across different periods
Total Return Per Share	The Net Asset Value per ordinary share on any Calculation Day adjusted to: (i) include the gross amount of any dividends and/or distributions paid to an ordinary share since Admission; (ii) not take account of any accrual made in respect of the performance fee itself for that Calculation Period;	A measure showing how the investment in the Company's shares has performed over a period of time, taking into account both capital return and dividends paid to Shareholders

Alternative Performance Measures (“APMs”) (continued)

Alternative Performance Measure	Definition / Method of calculation	Reason for use
Total Return Per Share	<p>(iii) not take account of any accrual made in respect of any prevailing Historic Performance Fee Amount (as adjusted pursuant to the operation of this paragraph below);</p> <p>(iv) not take account of any increase in Net Asset Value per share attributable to the issue of ordinary shares at a premium to Net Asset Value per share or any buyback of any ordinary shares at a discount to Net Asset Value per ordinary share during such Calculation Period;</p> <p>(v) not take account of any increase in Net Asset Value per share attributable to any consolidation or sub-division of ordinary shares;</p> <p>(vi) take into account any other reconstruction, amalgamation or adjustment relating to the share capital of the Company (or any share, stock or security derived therefrom or convertible there into); and</p> <p>(vii) take into account the prevailing Net Asset Value of any C Shares in issue</p>	

Corporate Information

Directors

Robert King, Chairman
Stephen Le Page
Paul Barnes
Christine Rødsæther
Trina Le Noury – appointed 1 November 2023

Registered office

1 Royal Plaza
Royal Avenue
St Peter Port
GY1 2HL
Guernsey

Investment Manager and AIFM

Tufton Investment Management Limited (“Tufton IML”)
70 Pall Mall
1st Floor London
SW1Y 5ES

Asset Manager

Tufton Management Limited
3rd Floor, St George’s Court
Upper Church Street
Douglas
Isle of Man IM1 1EE

Secretary and Administrator

Apex Administration (Guernsey) Limited
(formerly Maitland Administration (Guernsey) Limited) (“Apex”)
1 Royal Plaza
Royal Avenue
St Peter Port
GY1 2HL
Guernsey

Brokers

Hudnall Capital LLP
Adam House
7-10 Adam Street
London
WC2N 6AA

Singer Capital Markets
1 Bartholomew Lane
London
EC2N 2AX

Corporate Information (continued)

Depository

Apex Depository (UK) Limited
Bastion House
140 London Wall
London
EC2Y 5DN

Guernsey Legal Advisers

Carey Olsen (Guernsey) LLP
PO Box 98, Carey House
Les Banques
St Peter Port
Guernsey
GY1 4BZ

UK Legal Advisers

Gowling WLG (UK) LLP
4 More London Riverside
London
SE1 2AU

Registrar

Computershare Investor Services (Guernsey) Limited
1st Floor, Tudor House
Le Bordage
St Peter Port
Guernsey
GY1 1DB

Receiving Agent

Computershare Investor Services PLC
The Pavillions
Bridgewater Road
Bristol
BS99 6AH

Independent Auditor to the Company

PricewaterhouseCoopers CI LLP
Royal Bank Place
1 Gategny Esplanade
St Peter Port
Guernsey
GY1 4ND

Corporate Information (continued)

Principal Bankers

Barclays Bank Plc

Guernsey International Banking

PO Box 41

St Peter Port

Guernsey

GY1 3BE

Definitions

The following definitions apply throughout this document unless the context requires otherwise:

Adjusted Net Asset Value	The Net Asset Value less uninvested monies (cash and cash value equivalents) held by the Company from time to time excluding monies arising on or from the realisation of or a distribution from an investment.
Administrator	Apex Administration (Guernsey) Limited (formerly Maitland Administration (Guernsey) Limited).
AIC	the Association of Investment Companies.
AIFM Directive or AIFMD	the EU Directive on Alternative Investment Fund Managers (No. 2011/61/EU).
AIF	an alternative investment fund.
AIFM	an alternative investment fund manager.
AIFM Rules	the AIFM Directive and all applicable rules and regulations implementing the AIFM Directive in the UK.
Articles of Incorporation or Articles	the articles of incorporation of the Company, as amended from time-to-time.
Asset Manager	Tufton Management Limited
Auditor	PricewaterhouseCoopers CI LLP
Board	the Directors from time to time.
Brokers	a mercantile agent employed in buying and selling shares – The Company's brokers are Hudnall Capital LLP and Singer Capital Markets.
BWTS	Ballast Water Treatment System.
Calculation Day	The last business day of each Calculation Period.
Calculation Period	(a) the period starting on Admission and ending on the earlier of (i) 30 June 2024; (ii) the commencement of the winding up of the Company; and (iii) the termination of the Manager's appointment; and (b) if the previous Calculation Year ended on 30 June of the previous Year, each successive period starting on 1 July and ending on the earlier of (i) 30 June three years later; (ii) the commencement of the winding up of the Company; and (iii) the termination of the Manager's appointment.
Calculation Year	1 July to 30 June
Companies Law	the Companies (Guernsey) Law, 2008 as amended.
Company or Fund	Tufton Oceanic Assets Limited (Guernsey registered number 63061) which, when the context so permits, shall include any intermediate holding company of the Company and the SPVs.
Depreciated Replacement Cost or DRC	The Investment Manager's preferred valuation metric. DRC for a secondhand vessel is the current cost of replacing the vessel with an equivalent newbuild, depreciated to the same age.
Directors or Board	the Board of Directors of the Company.
Disclosure Guidance and Transparency Rules or DTRs	the disclosure guidance and transparency rules made by the Financial Conduct Authority under Section 73A of FSMA.

Definitions (continued)

Discount Control Policy	The policy described in the Discount Control section of the Company's Prospectus.
Environmental, Social, and Corporate Governance (ESG)	an evaluation of the Company's collective conscientiousness for social, environmental and governance factors.
FCA	the UK Financial Conduct Authority
Financial Reporting Council or FRC	the UK Financial Reporting Council
FSMA	the Financial Services and Markets Act 2000 and any statutory modification or re-enactment thereof for the time being in force.
Fund Level Fees and Expenses	Investment management fee and other professional fees and expenses at fund level.
GFSC or Commission	the Guernsey Financial Services Commission
High Watermark Per Share	the higher of: (i) US\$1.00 increased by the Hurdle; and (ii) if a Performance Fee has previously been paid, the Total Return Per Share on the Calculation Day for the last Calculation Period (if any) by reference to which a Performance Fee was paid.
High Performance Fee Amount	in respect of any Calculation Period, an amount equal to the Performance Fee Pay-Out Amount for the previous Calculation Period where a Performance Fee was payable.
Historic Performance Fee Amount	in respect of any Calculation Period, an amount equal to be Performance Fee Pay-Out Amount for the previous Calculation Period where a performance fee was payable.
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
Investment Manager	Tufton Investment Management Limited
Issue Price	An issue price refers to the initial cost of a security when it first becomes available for purchase by the public.
Listing Rules	the listing rules made by the UKLA pursuant to Part VI of FSMA
London Stock Exchange or LSE	London Stock Exchange plc
LPG Carrier	a vessel used to transport liquefied petroleum gas.
LS Assets Limited or LSA	the Guernsey holding company owning the SPVs through which the Company invests into vessels.
LSE Admission Standards	the rules issued by the London Stock Exchange in relation to the admission to trading of, and continuing requirements for, securities admitted to the SFS.
Main Market	the main market for listed securities operated by the London Stock Exchange.
Market Abuse Regulation or MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.
Memorandum	the memorandum of association of the Company.

Definitions (continued)

Net Asset Value or NAV	the value, as at any date, of the assets of the Company after deduction of all liabilities of the Company and in relation to a class of shares in the Company, the value, as at any date of the assets attributable to that class of shares after the deduction of all liabilities attributable to that class of shares determined in accordance with the accounting policies adopted by the Company from time-to-time.
Performance Fee Amount	20 per cent. of the excess in Total Return Per Share and the High Watermark Per Share multiplied by the time weighted average number of shares in issue during the Calculation Period.
Performance Fee Pay-Out Amount	in respect of the relevant Calculation Period, an amount equal to “A”, where: A = (0.5 x B) + C; B = the Performance Fee Amount; and C = an amount equal to the High Performance Fee Amount.
POI Law	the Protection of Investors (Bailiwick of Guernsey) Law, 2020, as amended.
Portfolio	the Company’s portfolio of investments from time to time.
Paris Agreement	The Paris Agreement is a legally binding international treaty on climate change.
Prospectus	The Placing and Offer for Subscription document for the Company dated 8th December 2017.
Register	the register of members of the Company.
Relevant Number of Shares	for any Calculation Period the time weighted average number of ordinary shares in issue during such Calculation Period.
Responsible Investment	A strategy and practice to incorporate environmental, social and governance (ESG) factors in investment decisions and active ownership.
SFS or Specialist Funds Segment	the Specialist Funds Segment of the Main Market (previously known as the Specialist Fund Market or SFM).
Segment	classifications of vessels within the shipping industry including, inter alia, Tankers, General Cargo, Containerships and Bulkers.
SOFR	Secured Overnight Financing Rate.
SPV or Special Purpose Vehicle	corporate entities, formed and wholly owned (directly or indirectly) by the Company, specifically to hold one or more vessels, and including (where the context permits) any intermediate holding company of the Company.
£ or Sterling	the lawful currency of the United Kingdom.
Tufton	the Investment Manager.
Tufton Group	Tufton Investment Management Holding Ltd and its subsidiaries.
Tufton Group Stakeholders	Tufton Group principal shareholders, employees, non-executive directors and former shareholders.
UK Corporate Governance Code	the UK Corporate Governance Code as published by the Financial Reporting Council from time-to-time.
UK Listing Authority	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA.

Definitions (continued)

**United Kingdom or UK
VesselsValue**

the United Kingdom of Great Britain and Northern Ireland.
VesselsValue Limited, a third party provider of vessel valuations
to the Company and Investment Manager.

**WACC
VLCC**

the weighted average cost of capital.
Very large crude carrier.