

# Key Information Document

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.

## Tufton Oceanic Assets Limited

ISIN: GG00BDFC1649.

ISIN: GC00BDFC1649

This Key Information Document ("KID") is issued by Tufton Investment Management Ltd, the PRIIP manufacturer for the purpose of this document, and the alternative investment fund manager of Tufton Oceanic Assets Limited (the "Company"). Tufton Investment Management Ltd is authorised and regulated by the Financial Conduct Authority. Further information about the Company can be found at: [www.tuftonoceanicassets.com](http://www.tuftonoceanicassets.com) or by telephoning +44 (0) 20 7518 6700.

Date of Production: 28/04/2021

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

## What is this Product?

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 ("SFS") of the Main Market of the London Stock Exchange. Typically, at any given time, the price an investor pays for an Ordinary share will be higher than the price at which the share can be sold. The Company has an unlimited life and there is no maturity date for the Ordinary shares. The return to investors is dependent on the performance of the share price and the dividends paid, which is largely dependent on the performance of the underlying investments.

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

In order to achieve its investment objective, the Company will invest in a diversified Portfolio of second-hand commercial sea-going vessels.

The Company may at the SPV level borrow to purchase assets for the Company. 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 single SPV at the time of loan drawdown will not be greater than 50%. This 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 at all times invest and manage its assets in a manner which is consistent with the objective of diversifying investment risk across the main vessel classifications ("Segments") in the shipping industry.

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.

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

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 3, which is a medium low risk class. This rates the potential losses from future performance at a medium low level, and poor market conditions are unlikely to impact the amount you could get back.

While there are a 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. 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.

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

This table shows the money you could get back over the next 5 years, under different scenarios, assuming that you invest US\$10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past and are not an exact indicator of what your returns will be. Your returns will depend on how the market performs and how long you keep the investment. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

Investment US\$10,000				
Scenarios		1 year	3 years	5 years (Recommended holding period)
Stress scenario	What you might get back after costs	US\$3,886	US\$6,386	US\$5,548
	Average return each year	-61.14%	-13.88%	-11.11%
Unfavourable scenario	What you might get back after costs	US\$9,402	US\$9,735	US\$10,370
	Average return each year	-5.98%	-0.89%	0.73%
Moderate scenario	What you might get back after costs	US\$10,673	US\$12,102	US\$13,723
	Average return each year	6.73%	6.57%	6.54%
Favourable scenario	What you might get back after costs	US\$12,025	US\$14,934	US\$18,026
	Average return each year	20.25%	14.30%	12.51%

The figures shown include all the costs of the product itself, where applicable, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

### What happens if the Company 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 Company itself, for three different holding periods. The figures assume you invest US\$10,000. The figures are estimates and may change in the future.

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.

Investment US\$10,000			
Scenarios	If you cash in after 1 year	If you cash in after 3 years	If you cash in at 5 years
Total costs	US\$117	US\$371	US\$652
Impact on return (RIY) per year	1.10%	1.10%	1.10%

## What are the costs? (continued)

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 and the meaning of the different cost categories.

This table shows the impact on return per year

<b>One-off costs</b>	<b>Entry costs</b>	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.
	<b>Exit costs</b>	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>	<b>Portfolio transaction costs</b>	0.00%	The impact of the costs of buying and selling underlying investments for the product.
	<b>Other ongoing costs</b>	1.10%	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>	<b>Performance fees</b>	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 every 3 years, subject to exceeding a high water mark.
	<b>Carried interests</b>	0.00%	The Company does not pay carried interest.

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

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, 3rd Floor, 1 Le Truchot, St Peter Port, Guernsey, GY1 1WD, tel: +44 1481 749360. 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 costs, performance and risk calculations included in this Key Information Document follow the methodology prescribed by EU 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.