

TUFTON ASSETS LIMITED

INTERIM REPORT AND CONDENSED INTERIM FINANCIAL STATEMENTS



FOR THE 6 MONTHS ENDED 31 DECEMBER 2024

TUFTON

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Highlights

For the 6 months period ended 31 December 2024

NAV

US\$428.9m

or US\$1.593 per share
(31 Dec 2023: US\$427.1m or US\$1.452 per share)

NAV TOTAL RETURN PER SHARE

6%

(2H23: 9.6%)

DIVIDENDS PAID

US\$14.0m

(2H23: US\$12.6m)

AVERAGE CHARTER LENGTH

1.4 years

(31 Dec 2023: 1.7 years)

CAPITAL RETURNED

US\$31.5m

in August 2024

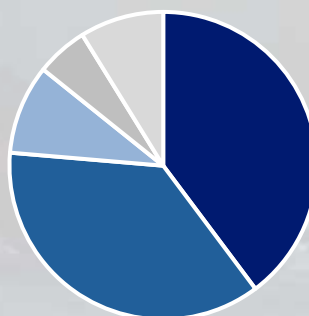
SHARE BUYBACKS

1.5m

(2H23: 8.4m)

Portfolio by vessel type % NAV
(Number of vessels)

- Product Tankers (eight)
- Bulkers (nine)
- Chemical Tankers (two)
- Gas Tanker (one)
- Other Assets



Chairman's Statement (continued)

Introduction

On behalf of The Board of Directors (the "Board"), I am pleased to present the Company's Financial Report and Financial Statements for the 6-month financial period ended 31 December 2024.

The Company's name was changed to Tufton Assets Limited on 1 November 2024.

At the end of the financial period the Company's portfolio consisted of 20 vessels (31 December 2023: 22 vessels), details of which are set out in the Investment Manager's Report. The two divestments completed during 2024 were completed at a premium to their most recent individually reported NAVs.

Strong Performance

At 31 December 2024, the Company's NAV was US\$428.9m, being US\$1.593 per share (2023: US\$427.1m being US\$1.452 per share). The Company declared a profit of US\$25.2m, with the US\$ NAV Total Return Per Share over the financial period being 6% (2H23: 9.6%).

The NAV total return over the financial period was primarily driven by operating performance. The unwind of portfolio negative charter value during the period outweighed the fall in charter-free value.

The Company has raised its annual dividend five times since inception to US\$0.10 per share and is forecast to have Dividend Cover of 1.4x over the next 18 months (through the end of 2Q26). At 31 December 2024, the Average Charter Length was 1.4 years.

Share Price and Discount Management

During the financial period, the Company's share price has marginally declined from US\$1.21 per share as at the close of business 30 June 2024 to US\$1.20 per share as at the close of business 31 December 2024.

Although the Share price has remained largely flat over the financial period we did see it appreciate ahead of the payment of the compulsory capital return before returning to its prior levels at the end of the period. The discount of the Company's share to NAV has marginally narrowed to c.21% (30 June 2024: 27%) as at 14 March 2025, even though the Company has made a compulsory return of capital and continues to support the Share price with periodic buy backs of shares. On average, the Company's shares traded at a 19% discount to NAV over the FY.

During the period, the Company (in accordance with the authority granted to it by shareholders) repurchased 1,500,000 (FY 2024: 11,386,000) shares at a cost of US\$1,803,606 (FY 2024: US\$11,573,679). Refer to Note 5 for more details. At the end of the period, there were 19,046,000 (FY 2024: 17,546,000) shares held in treasury. Since 1 January 2025, the Company has bought back an additional 1,850,000 Shares and there are 267,406,330 shares outstanding as at 14 March 2025. As at 14 March 2025, the Company's shares traded at a 27% discount to the ex-dividend 31 December 2024 NAV.



Chairman's Statement (continued)

Compulsory Capital Redemption

The Company returned US\$31.5m to investors in August 2024 through compulsory redemption of 20,326,211 ordinary shares at a price of US\$1.550 per Share (being the prevailing NAV at 30 June 2024).

Continuation Vote

The Annual General Meeting ("AGM") of the Company was held on 24 October 2024. Shareholders approved the continuation of the Company with 190,871,147 votes in favour and 6,892,691 votes against. The Directors will propose a similar resolution to Shareholders at the 2027 AGM.

The favourable vote from Shareholders provides a clear direction of travel for the Company under the guidelines of the mid-term strategy review.

Sanctions

The Company and its vessels were compliant with all international sanctions imposed by the US, UK, EU and UN. The Company has had no issues to date with any vessels being blocked or otherwise affected by sanctions. The Investment Manager monitors compliance through regular inspection of vessel logs, satellite data and direct communication with the vessels. The Board and Investment Manager are monitoring for new sanctions being put in place. Where existing guidelines are unclear, procedures ensure that the Investment Manager seeks legal advice.

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.

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@tuftonassets.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 2023 Sustainability Report for the Company which can be viewed on the Company's website (www.tuftonassets.com). The Investment Manager will publish the Company's 2024 Sustainability report later this year.



Chairman's Statement (continued)

Outlook

Shipping is a global industry strongly influenced by geopolitics which have come into focus recently. In January, the US government increased the scope of sanctions to include 180+ tankers and associated commercial entities primarily aiming to reduce Russian energy revenues. Separately, the US also blacklisted prominent Chinese companies including China Cosco Shipping for suspected military links. The Investment Manager notes that sanctions typically remove capacity from legitimate commercial service – thereby tightening shipping markets.

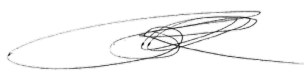
The introduction of higher bilateral trade tariffs represents another wildcard. Within January, there have been several changes in proposed US tariff schemes which have also prompted retaliatory measures. It remains unclear whether these tariffs are being used as temporary negotiation tools or will they remain in place, representing longer-term hurdles to free trade. Similarly, there is little clarity on the early proposal of increased US port charges for Chinese-built vessels which is scheduled to be debated later in March. Port charges are generally the Charterer's responsibility, and this is likely to be the case for any increases. Further, only 4 of the Company's 20 vessels are Chinese-built.

In January, Houthi rebels signaled an intention to cease attacks on vessels although there remains considerable uncertainty over how quickly this may happen and normalise transit through the Suez Canal. The Houthi announcement appears to be linked to the Gaza ceasefire deal which is itself conditional and thereby uncertain.

Finally, prospects have been raised for peace between Ukraine and Russia brokered by the current US administration. While such a possibility would be widely welcomed, the Investment Manager believes the subsequent normalisation of traditional trade routes and patterns between Europe and Russia likely happens slowly.

2025 looks set to have several geopolitical avenues for disruptive change. Disruption of traditional trade patterns often plays out to the benefit of shipping in terms of effect on tonne-mile trade demand growth. Nevertheless, the industry (like most others) also remains dependent on global GDP and trade growth. The Board and Investment Manager continue to monitor geopolitical developments.

The Board would like to thank investors for their support in the Continuation Vote which is interpreted as a show of confidence in the Company and the principles of the mid-term strategy review and capital allocation policy which we will continue to prioritise.



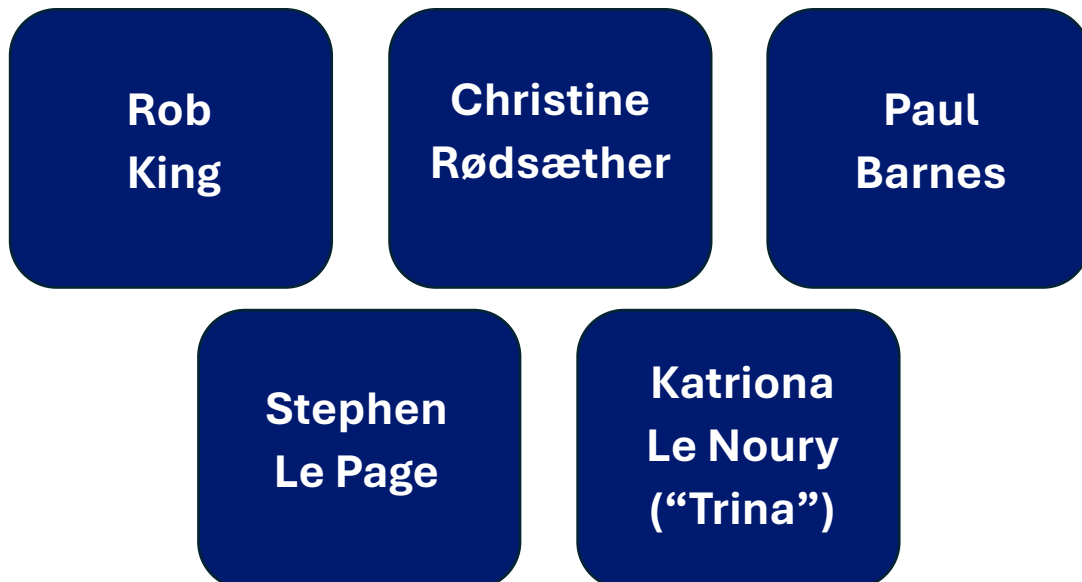
Rob King
Non-executive Chairman
March 2025



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:



All Directors also served during the year ended 30 June 2024, and their brief biographies are available in the Annual Report as at that date.

INVESTMENT MANAGER'S REPORT



Investment Manager's Report

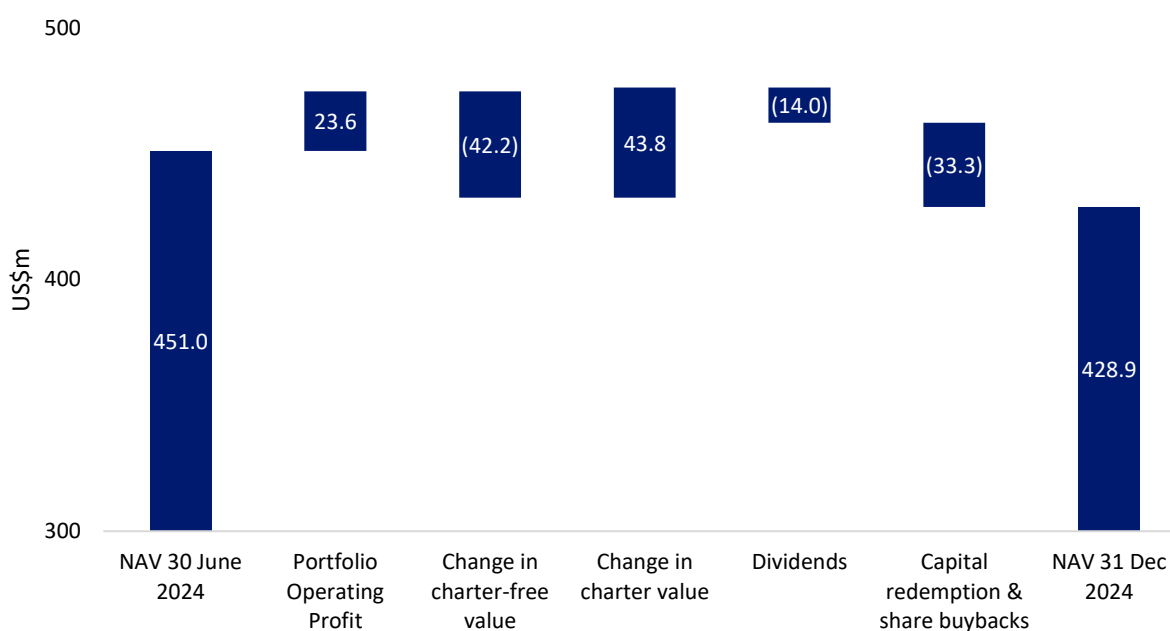
Highlights of the financial period

During the six months ending 31 December 2024, the NAV Total Return Per Share was 6.0% (2H23: 9.6%), meaning the NAV Total Return since inception to the end of the financial period was 145.1%. Alternative Performance Measures ("APM"s), applied on a consolidated basis, are utilised in this section to analyse performance. Please see the APM definitions on pages 43-45.

The main drivers for the strong return during the period were:

- Portfolio Operating Profit was US\$23.6m: Portfolio Operating Profit was lower YoY mainly as some of our Medium Range ("MR") product tankers commenced scheduled lower rate periods within their existing fixed-rate charters from the beginning of 2024.
- Charter-free value of product tanker and bulkers fell by US\$42.2m. Please see Shipping Market Review section for discussion.
- Negative charter value unwound by US\$43.8m due to the passage of time and the fall in product tanker benchmark time charter rates as that market softened.
- Return of Capital: c.10.5% of the 2Q24 NAV (US\$47.3m) was returned during the financial period including capital redemption, share buybacks and quarterly dividends.

NAV development over the financial period



A total of US\$47.3m was returned to shareholders during the financial period in the form of dividends, capital redemption and share buybacks.

- The Company paid dividends of US\$14.0m (US\$12.6m in 2H23).
- The Company returned US\$33.3m in the form of capital redemption and share buybacks.
 - The Company returned US\$31.5m to shareholders in August via a Compulsory Capital Redemption.

As per the Company's share price discount management policy described in the IPO Prospectus and the authority given at the AGM in October 2024, the Company repurchased 1,500,000 shares during the financial period. The Company has purchased a total of 19,046,000 of its own shares from 4Q22 until the end of the financial period.

Investment Manager's Report (continued)

Highlights of the financial period (continued)

Since inception, US\$192.3m has been returned to Shareholders inclusive of the 4Q24 dividend paid and shares bought back shortly after the end of the financial period compared to total equity capital of US\$316.5m (gross) raised.

Portfolio Operating Profit was lower than the comparative financial period because:

- Gross Operating Profit, an indicator of the underlying profit from operating activity, was lower YoY as Marvelous, Courteous and Mindful commenced scheduled lower rate periods within their existing fixed-rate charters from the beginning of 2024. Operating profit contribution from the two chemical tankers was also slightly lower, outweighing higher operating profits from bulkers which benefited from the Investment Manager's strategy of increasing bulker market spot exposure. Please see next page for details.
- The number of Ship-Days was lower than 2H23 mainly due to the divestment of Pollock and Dachshund.
- Loan interest and fees were slightly lower than the comparative financial period primarily due to a lower capital balance after scheduled repayments. The Consolidated Gearing Ratio at 31 December 2024 was 12.8% (31 December 2023: 12.7%).
- Portfolio capital value increased by \$1.6m as the benefit from the unwind of negative charter value (US\$43.8m) outweighed the fall in charter-free value (US\$42.2m). Negative charter value unwound due to the fall in product tanker benchmark time charter rates and the passage of time. The total negative charter value was US\$6.7m at 31 December 2024 (31 December 2023: US\$42.0m).

Performance summary*

		From 1 Jul 2024 to 31 Dec 2024	From 1 Jul 2023 to 31 Dec 2023
	<i>Figures below are in US\$ millions unless otherwise stated</i>		
	Ship-Days	3,681	4,048
	Revenue	54.5	60.8
	Operating Expense	(26.1)	(27.4)
A	Gross Operating Profit	28.4	33.4
	Gross Operating Profit / Time-Weighted Capital Employed	12.9%	14.3%
B	Loan interest and fees	(3.1)	(3.6)
C	Gain/(loss) in capital values	1.6	7.5
D	Portfolio profit / (loss) [A+B+C]	26.9	37.3
E	Interest income	0.7	0.2
F	Company Level Fees and Expenses	(2.4)	(2.3)
G	Performance fee accrual	-	-
	Profit / (Loss) for the period [D+E+F+G]	25.2	35.2
	Portfolio Operating Profit [A+B+E+F]	23.6	27.7

*Performance summary is unaudited and presented on a look through basis

Note: Please see from pages 43-45 for definitions of the APMs used in the table above.

Investment Manager's Report (continued)

Highlights of the financial period (continued)

Product tankers: The market weakened during 2H24 with spot market rates and time charter rates falling in 3Q24 while values remained resilient. Rates continued to weaken in 4Q24 due to the combined effects of OPEC production cuts and lower refinery runs. Weaker crude tanker demand resulted in more swing tonnage switching from crude to products service. In 4Q24, product tanker charter-free values also fell. During 2H24, the benefit from the unwind of negative charter value (US\$42m) because of falling benchmark time charter rates and the passage of time, outweighed the negative impact of falling charter-free values (US\$29m). Towards the end of the financial period and in early 2025, product tanker time charter rates stabilised as several geopolitical wild cards emerged including an increase in scope of US sanctions. Please see the Shipping Market Review section for details. Though our product tankers are on fixed-rate charters, operating profit during 2H24 was lower YoY as three vessels switched to scheduled lower rate periods within their fixed rate charters.

Segment performance summary*

Segment Performance During the Financial Period	Product Tankers	Chemical Tankers	Gas Tanker	Bulkers	Total**
<i>US\$m unless otherwise stated</i>					
Gross Operating Profit	11.6	4.8	2.2	9.6	28.2
Loan interest & fees	(3.1)	-	-	-	(3.1)
Gain / (loss) in charter-free values	(29.0)	-	(0.3)	(12.9)	(42.2)
Gain / (loss) in charter values	42.0	1.3	-	0.5	43.8
Portfolio profit / (loss)	21.5	6.1	1.9	(2.8)	26.9

*Segment analysis is unaudited and presented on a look through basis

**The Company divested its last containership in 1Q23. Containership closing adjustments of \$0.2m added to Total Gross Operating Profit

Chemical tankers: The market weakened with demand growth during 2H24. The Investment Manager reduced portfolio spot exposure by switching the Company's chemical tankers to fixed-rate charters which commenced from November 2024. Golding and Orson commenced up to two-plus-one year time charters to a leading operator of chemical tankers securing a minimum of c.US\$25m of EBITDA for the Company. The time charters will have a fixed rate for two years yielding c.20% return and a floor/ceiling rate structure for the third year.

Bulkers: Spot rates remained strong in 3Q24. Our bulkers benefited from spot market exposure with operating profit rising to US\$9.6m (US\$7.0m in 2H23). The market weakened in 4Q24 with normalisation of transit through the Panama Canal and slowing imports into Europe and Asia. Iron ore trade between Brazil and China weakened significantly towards the end of the year. We expect some part of the slowdown is seasonal – ahead of Chinese New Year in January but near-term concerns remain for bulker demand growth especially due to its strong correlation with Chinese demand growth. Bulker charter-free value fell by US\$12.9m. The increase in charter value was only US\$0.5m as bulker time charters tend to be of shorter tenor (Average Charter Length of 0.38 years). The Investment Manager remains relatively optimistic on the bulker market and expects improvement in rates and values from 2Q25. Please see the Shipping Market Review section for more market-related comments.

Investment Manager's Report (continued)

Segment exposure and forecast net yields*

Segment Exposure and Forecast Yields**	Product Tankers	Chemical Tankers	Gas Tanker	Bulkers
% of NAV	39.8%	9.4%	5.4%	36.6%
Forecast Net Yields**	9.2%	19.3%^	17.8%	9.1%

* Segment analysis is unaudited

** Based on the market values at 31 December 2024

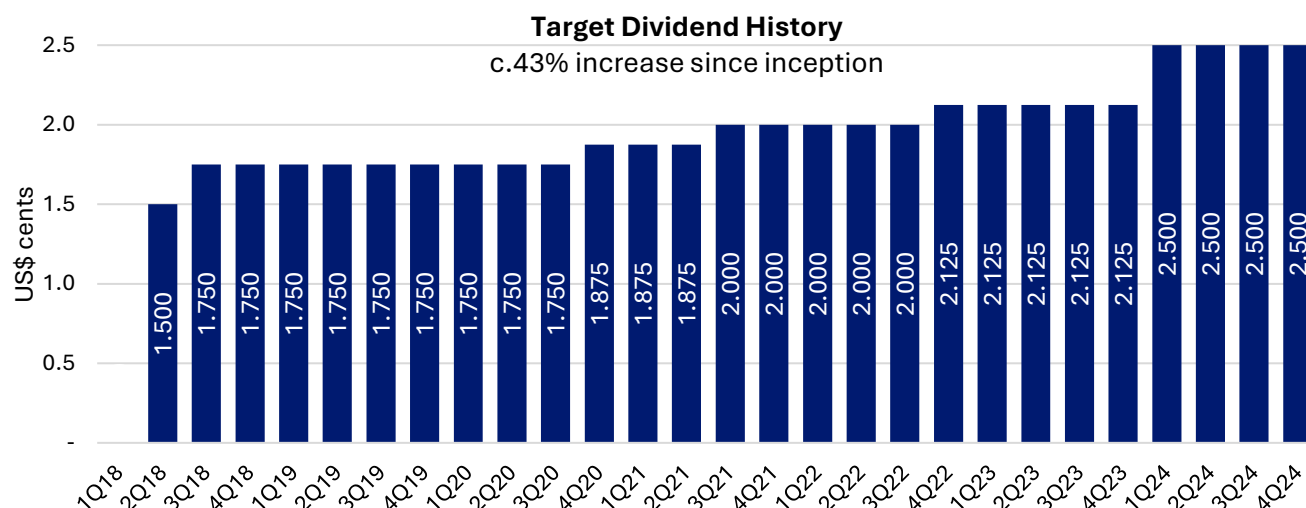
^ Over firm period

At the end of the financial period, the Company's diversified portfolio had high cash flow visibility from long-term charters on product tankers (39.8% of NAV). The Company's two chemical tankers, which represent 9.4% of NAV are also on fixed-rate charters with high yields over the firm 2-year period. The option structure in the third year mitigates employment risk and provides high visibility on potential cashflow in that year. At the end of the financial period, the Forecast Net Yield of the fleet was 10.5%. As of 31 December 2024, the Company's vessels had an average age of 12.5 years and were chartered to eleven different counterparties.



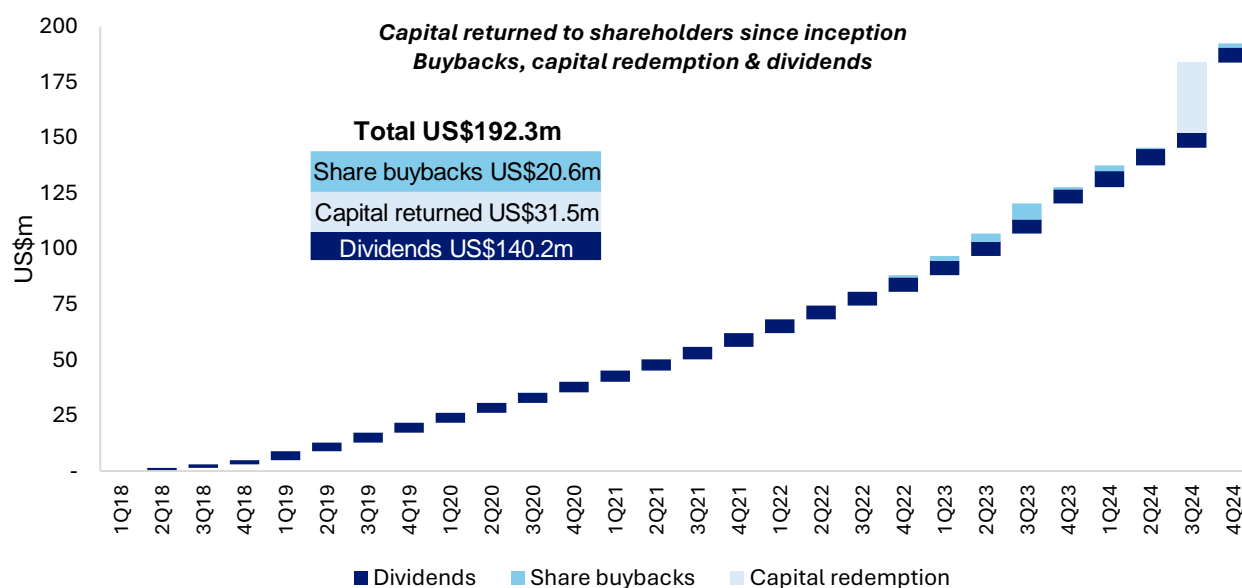
Investment Manager's Report (continued)

Review of performance since inception



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

- Diversified portfolio into product and chemical tankers, bulkers and a gas tanker.
- Provided investors with a strong and growing dividend. Annual dividend increased by c.21% from US\$0.070 per share to US\$0.085 per share through the end of 2023. This was further increased by 17.6% to US\$0.10 per share starting 1Q24. Please see the chart above.
- Net Company IRR is 14.2%¹, ahead of its 12% IRR target published in its prospectus documents.
- Acquired 39 vessels with low leverage and divested 19 vessels at c.6% above NAV in aggregate. Aggregate realised net IRR on all divestments is c.24%.



Tufton Investment Management Holding Limited Group (“Tufton Group”) Stakeholders held ~4.6% of the issued share capital in the Company as at 31 December 2024.

¹ Assumes pro-rata participation in all capital raises. From inception until 31 December 2024.

Investment Manager's Report (continued)

The Assets

The Company's portfolio as at 31 December 2024:

SPV ⁺	Vessel Type and Year of Build	Acquisition Date	Expected end of charter period ^{**}
Anvil	Handysize bulker built 2013	September 2021	April 2025
Auspicious	Handysize bulker built 2015	February 2022	November 2025
Awesome	Handysize bulker built 2015	January 2022	September 2025
Charming	Handysize bulker built 2015	June 2022	August 2025
Cocoa	Handysize product tanker built 2008	October 2020	January 2026
Courteous	MR product tanker built 2016	December 2022	December 2026
Daffodil	Handysize product tanker built 2008	October 2020	March 2026
Exceptional	MR product tanker built 2015	April 2022	August 2025
Golding	25,600 DWT stainless steel chemical tanker built 2008	April 2021	November 2026
Idaho	Ultramax bulker built 2011	July 2021	November 2025
Laurel	Handysize bulker built 2011	July 2021	March 2025
Marvelous	MR product tanker built 2014	July 2022	November 2025
Masterful	Handysize bulker built 2015	April 2022	July 2025
Mayflower	Handysize bulker built 2011	June 2021	March 2025
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	September 2025
Orson	20,000 DWT stainless steel chemical tanker built 2007	July 2021	November 2026
Rocky IV	Handysize bulker built 2013	September 2021	June 2025
Sierra	MR product tanker built 2010	December 2018	October 2025

Notes:

+ SPV that owns the vessel.

** Based on our assessment of the prevailing market conditions at 31 December 2024.

Investment Manager's Report (continued)

The Assets (continued)

The market for second-hand ships is liquid with >US\$40 billion worth of annual transactions over the last three years. The charter-free and associated charter values of the Company's standard vessels are calculated using the online valuation platform provided by VesselsValue which 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. Pollock and Dachshund were divested at a 3.1% premium to the two vessels' most recent holding NAV. Divestments to date have been in aggregate c.6% above NAV. The Company aims to invest in fuel-efficient vessels. Marvelous, Mindful, Courteous, Exceptional, Awesome, Auspicious, Masterful and Charming are in the top quartile of fuel efficiency in their market segments.

As at 31 December 2024, the Company owned eleven tankers as follows:

Tankers	Type	Employment	Comments
Octane and Sierra	MR product tankers	Time chartered ("TC") to an investment grade oil major	-
Cocoa, Daffodil, Marvelous, Mindful and Courteous	Handysize product tankers (Cocoa & Daffodil), MR product tankers	TC to a major commodity trading and logistics company	Marvelous, Mindful and Courteous have fixed-rate charters expected to end later this year followed by optional periods (Charterer's options) at higher rates.
Exceptional	MR product tanker	TC to a leading tanker shipping company	Exceptional has a fixed-rate charter expected to end later in 2025 followed by an optional year (Charterer's option) at higher rate.
Orson and Golding	Chemical tankers	TC to a leading chemical tanker operator	The vessels commenced up to three-year time charters securing a minimum of c.US\$25m of EBITDA for the Company. The time charters will have a fixed rate for two years yielding c.20% return and a floor/ceiling rate structure for the third year.
Neon	Gas tanker	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.	

As at 31 December 2024, the Average Charter Length of the tankers was 1.51 years.

Investment Manager's Report (continued)

The Assets (continued)

As at 31 December 2024, the Company owned nine bulkers, as follows:

Bulkers	Type	Employment	Comments
Anvil and Laurel	Handysize Bulkers	TC to operators of bulkers	After the end of its fixed-rate TC to a leading merchant and processor of agricultural goods in October 2024, Laurel commenced a fixed-rate charter to an operator of bulkers for 5-7 months at a slightly lower rate than previously.
Auspicious, Mayflower and Idaho	Handysize Bulkers, Ultramax Bulker (Idaho)	TC to leading owners and operators of bulkers	After the end of its index-linked charter in July 2024, Auspicious commenced a fixed-rate charter for 5-7 months to the same leading owner and operator of bulkers as previously, after the end of which, the vessel commenced an index-linked charter to another leading owner and operator of bulkers for 9-11 months from December 2024. Mayflower's charter was extended by 5-7 months from October 2024 at a slightly lower rate than previously. After the end of its fixed-rate charter in December 2024, Idaho commenced an index-linked charter for 3 months, to the same leading owner and operator of bulkers, which then switches to a fixed rate for 7-9 months at a slightly lower rate than previously.
Awesome, Charming and Masterful	Handysize Bulkers	TC to a leading merchant and processor of agricultural goods	After the end of its fixed-rate charter in October 2024, Masterful's charter was extended on an index-linked basis for 7-9 months whilst Awesome's index-linked charter was extended by 9-12 months from September 2024 at a slightly higher rate than previously.
Rocky IV	Handysize Bulker	TC to an owner and operator of bulkers	After the end of its fixed-rate charter in November 2024, Rocky IV commenced an index-linked charter for 5-7 months.

At 31 December 2024, the Average Charter Length on the Company's bulkers was 0.38 years. The Company's fleet, across all segments, had high technical availability.

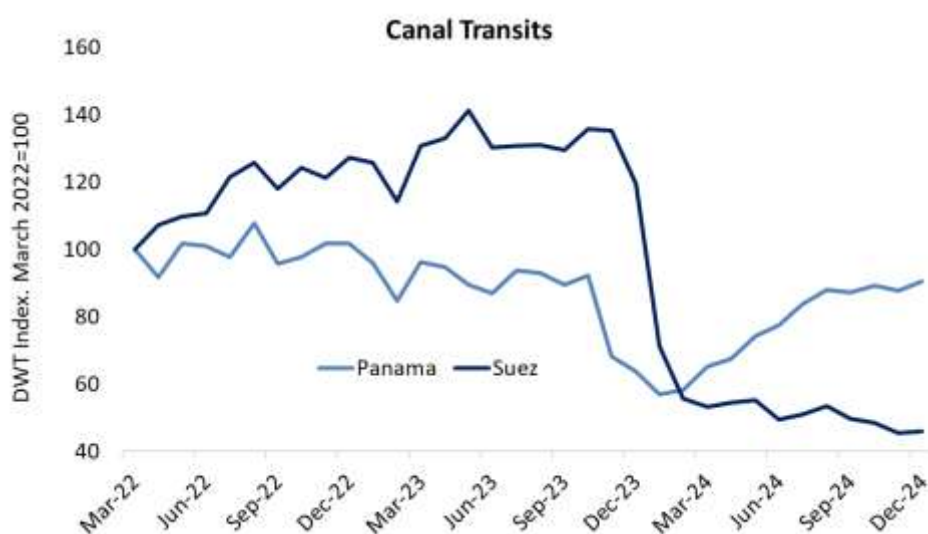
Investment Manager's Report (continued)

The Shipping Market

The Company aims to provide investors with an attractive level of regular and growing income and capital returns through investing in second-hand commercial sea-going vessels, with the portfolio diversified across the main segments of shipping. The ClarkSea Index, a broad vessel earnings indicator from Clarksons Research, ended 2024 at c.US\$22,000/day, c.22% lower than at the end of June 2024.

The combination of limited shipyard capacity and tightening environmental specifications continue to boost newbuild prices, supporting high second-hand vessels. However, the rise in newbuild prices slowed over 2H24 compared to 1H24. The Clarksons Research Newbuilding ("NB") Price Index rose 1% during the financial period compared to 5% in 1H24 and has risen c.51% since the end of 2020. Shipyard capacity is ~30% lower compared to 2011 but is now slowly expanding (mainly in China). Slot availability remains limited in the medium term. 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 3.71 years at the end of 2024 (End of 2023: 3.76 years). Global seaborne trade is expected to grow by 2% in 2025, a deceleration after very strong (c.6%) growth in 2024 driven partly by re-routing of cargoes after disruption of transit through the Panama and Suez Canals.

Vessel transit through the Panama Canal was disrupted from late October 2023 until 4Q24. On the other hand, transit through the Suez Canal remained significantly below long-term normal trend. Transit through the Suez Canal was disrupted from late November 2023 as Houthi rebel attacks on vessels in the Red Sea escalated. Disruption of canal transit causes re-routing of cargo via alternate routes which typically take much longer and adds to shipping demand. The normalisation of vessel transit through the Panama Canal during the financial period was an incremental negative for shipping demand especially in the bulker and gas shipping segments.



This section utilises data from Clarksons Research and 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.

Geopolitics has always had a strong influence on shipping markets, and we expect this to be especially the case in 2025. In January, the US government increased the scope of sanctions to include 180+ tankers and associated commercial entities primarily aiming to reduce Russian energy revenues.

Investment Manager's Report (continued)

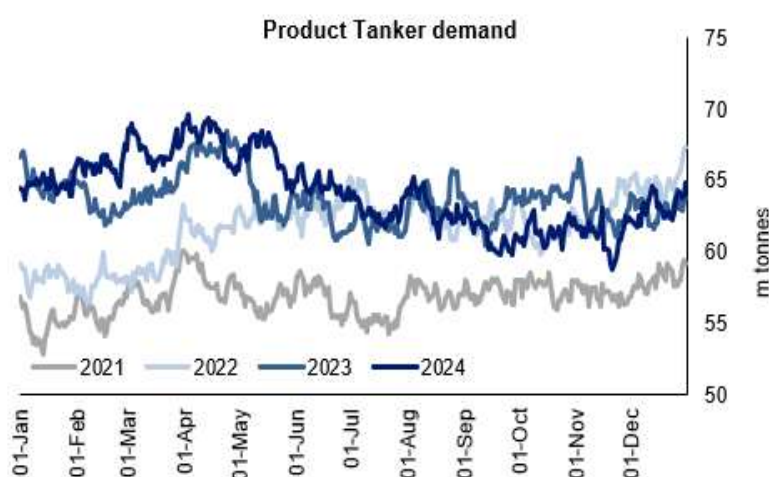
The Shipping Market (continued)

Separately, the US also blacklisted prominent Chinese companies including China Cosco Shipping for suspected military links. The sanctions announced will have the effect of reducing available tanker capacity which is illustrated by a recent episode. In September 2019, the US sanctioned a tanker subsidiary of China Cosco Shipping which controls c.3% of the global tanker fleet. In the following three months, average tanker earnings rose >200%. The sanctions were subsequently removed in 2020, but the episode illustrates the potential market impact of sanctions. Lloyd's List estimated that even after the latest increase in the scope, only c.35% of the fleet trading Russian, Iranian and Venezuelan oil are now sanctioned by the US, UK or EU.

In the same vein, the introduction of higher bilateral trade tariffs represents a wildcard. While tariffs add to trade costs and may impact trade volumes (tonnes) negatively, they often incentivise cargo rerouting and substitution trade flows which add to tonne-mile demand growth thereby mitigating the negative effect on shipping demand. In the case of tankers, increasing US oil and gas production could add to export volumes (tonnes) as well as tonne-mile demand as a large proportion of exports typically end up on long-haul trades. In January, Houthi rebels signalled an intention to cease attacks on non-Israeli flagged vessels although there remains considerable uncertainty over how quickly this may happen and normalise transit through the Suez Canal. Normalisation of Suez Canal transit is expected to have a negative impact on containership demand and to a lesser extent on product tanker demand. The Houthi announcement is linked to the ceasefire in Gaza which itself remains uncertain. Finally, though prospects have been raised for peace between Ukraine and Russia brokered by the current US administration, we expect the normalisation of traditional trade routes and patterns between Europe and Russia is likely to take much longer.

Tankers

The product tanker market weakened during 2H24 due a combination of factors. Voluntary OPEC production cuts decreased crude tanker demand and incentivised swing capacity to switch from carrying crude cargoes to products, increasing available capacity. This trend was especially apparent around the extension of the OPEC cuts in September. Further, disappointing end market oil demand resulted in lower refinery runs which weighed on product tanker demand.



Source: Clarksons Research, TRACS

The strong fundamentals in the product tanker segment have attracted capital to new build investments. The product tanker orderbook rose to c.22% of fleet at the end of the 2024. The increase in product tanker new build orders since 2022 is expected to result in higher fleet growth which will weigh on the market in 2025/6. Much of the new orders are concentrated in the larger Long Range ("LR") segment. The orderbook for MR tankers was c.15% of the fleet at the end of 2024. Despite the higher expected fleet growth, we expect the market will be supported at higher levels compared to the decade before 2020 because of the fleet age profile.

Investment Manager's Report (continued)

The Shipping Market (continued)

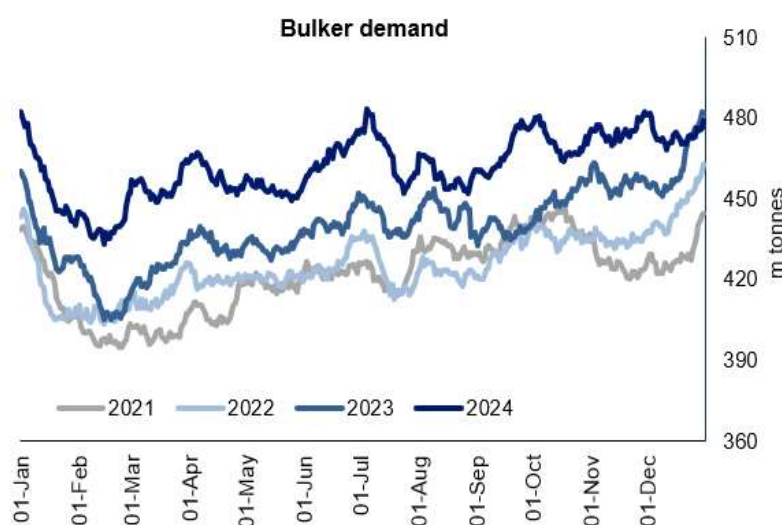
Tankers (continued)

c.17% of the global product tanker fleet and c.13.5% of the global MR product tanker fleet is >20 years old. The current MR orderbook of c.15% of fleet (delivering over the next ~4 years) will therefore only be sufficient to replace older peers that will be recycled after their useful life of ~25 years. Sanctions and geopolitical developments described earlier represent potential for the upcycle to be prolonged.

The chemical tanker market also benefits from good supply-side fundamentals with an orderbook c.15% of fleet compared to c.19% of the fleet >20 years old. 25-30% of MR product tankers can engage in the chemicals/vegetable oil trade. The weakness in the product tanker market during the 2H24 incentivised some swing tonnage to move to trading chemical resulting in some rate volatility. To insulate the portfolio and also manage the spot market exposure, the Company switched both chemical tankers in the portfolio from employment in a pool (offering spot market exposure) to time charters with a fixed rate for two years (yielding c. 20% return) and a floor/ceiling structure for the third year. The charters are with a leading operator of chemical tankers and commenced in November 2024 securing a minimum of c.US\$25m of EBITDA for SHIP.

Bulkers

The bulker market weakened in 2H24 due to a combination of normalising transit through the Panama Canal and slowing demand growth including from Chinese iron ore imports.



Source: Clarksons Research, TRACS

The bulker orderbook rose from the very low level of c.8% of fleet in June 2023 to c.10.5% of fleet at the end of 2024 with deliveries stretching out to 2029. Despite the increase in the orderbook, the supply side for bulkers and small bulkers (10k-69.9k dwt) in particular looks supportive with c.23% of the total bulker fleet and c.27% of the small bulker fleet >15 years old compared to the orderbook of c.10.5% of fleet. While the pace of fleet growth in bulkers is likely to be manageable, variations in Chinese demand (an important part of the bulker market) may continue to cause some volatility. 1y time charter rates for benchmark Handysize bulkers fell to US\$12,000/day at the end of 4Q24. The Investment Manager believes the bulker market has significant improvement potential after the seasonal slowdown around Chinese New Year and has employed most of the bulkers in the portfolio on index-linked charters.

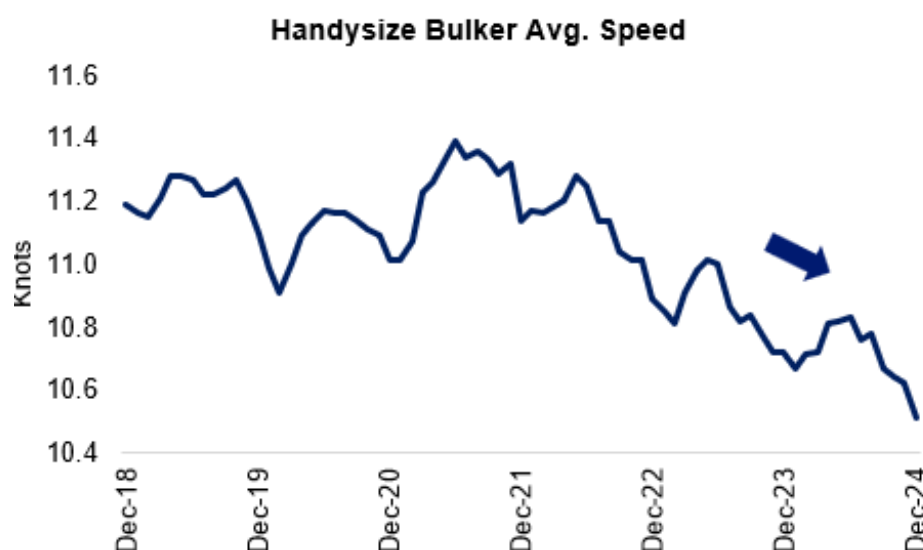
Investment Manager's Report (continued)

The Shipping Market (continued)

The Company divested all its containerships by early 2023. After temporary weakness during 2023, containership rates and values rose in 2024 after disruption of transit via the Suez Canal forced vessels to re-route around the Cape of Good Hope. The current strong market may weaken if the proposed ceasefire by Houthi rebel has credence.

During 2H24, Clarksons NB Price Index rose 1%. Newbuilding prices have risen c.51% since the end of 2020 but remain c.35% below their previous peak in mid-2008 on an inflation adjusted basis. The increase in NB prices is a result of the combination of tightening environmental regulations and limited shipyard capacity. Towards the end of 2024, global shipyard capacity started increasing from recent lows but remains c.30% below the 2011 peak. The increase in global shipyard capacity is largely due to incremental expansion in leading Chinese yards. Despite this, shipyard orderbook forward cover remained 3.71 years which limits the pace of deliveries and therefore fleet growth.

The Investment Manager expects higher fleet growth across the major segments of shipping due to the increase in new build orders over the last few years. However, the new build deliveries over the next few years are expected to only replace the ageing global fleet in many segments. The average age of the global fleet (>2000 GT) rose to ~17.5 years at the end of 2024 compared to the average 25 year working life in most segments. The Investment Manager therefore expects that the industry will offer higher yields and asset values in coming years compared to the decade before 2020.



Source: Clarksons Research

Shipping also benefits from ongoing supply side adjustment due to environmental regulations from the IMO to measure and improve vessel carbon emission intensity. The new regulations disadvantage older vessels and incentivise lower operating speeds which results in reduced shipping capacity, aiding the supply-side adjustment. With an average age of 12.5 years, the Company's relatively fuel-efficient vessels should benefit.

A vibrant underwater scene featuring a diverse coral reef. Various types of coral, including branching, brain, and fan corals, are visible in shades of blue, green, and orange. Numerous fish of different species, including snappers and surgeonfish, are swimming throughout the water column. The lighting is bright, creating a clear and colorful environment.

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 the investment process in the belief that these factors have a positive impact on long-term financial performance. Tufton recognises that their 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. Tufton has 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 2024 UN PRI signatory assessment, Tufton achieved scores higher than their peer group in all three assessment categories. Please see the [2024 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 2024 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.9% during 2024 primarily because of capital in portfolio composition but also from improved vessel utilisation and ESD retrofits.
- Tufton aims 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. No thermal coal was carried on the Company's vessels during the financial period. Revenue from carriage of thermal coal corresponded to c.1% of 2024 consolidated revenues.

Principal Risks and Uncertainties

The Directors have reconsidered the principal risks and uncertainties affecting 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 2024. The risks and associated risk management processes, including financial risks, can be found in the Annual Report for the financial year ending 30 June 2024 at <http://www.tuftonassets.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:



**Regulatory and
legislative compliance**



**Service quality of the
Investment Manager
and other Service
Providers**



**Shipping and financial
markets**



Liquidity



**Damage to the
Company's assets**



Cost overruns



**Commercial risks
around charter
payments**



**Safety, health and
environment**



Geopolitics

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 2024.

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. Post the compulsory redemption on 14 August 2024, the Company's Shares are now listed under ticker SHPP.

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 second-hand commercial sea-going vessels. The Board monitors the Investment Manager's activities through strategy meetings and discussions as appropriate. The Company has established a wholly owned subsidiary that acts as a Guernsey holding company for all its investments, LS Assets Limited ("LSA"), which is governed by the same Directors as the Company.

On 17 January 2024 the Company announced the results of a strategy review carried out by the Board in conjunction with the Investment Manager. This review did not result in any change to the above Objective or Policy, but did clarify the basis on which capital allocation decisions would be made through to the end of the decade.

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 such that it qualifies as an investment entity under IFRS 10: Consolidated Financial Statements 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. The Company raised its annual dividend to US\$0.10 per share starting 1Q24 (previously US\$0.085 per share).

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 Company's profit for the period was US\$25.2m, or US\$0.0916 per share.

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 period are set out in the Condensed Statement of Comprehensive Income on page 26.

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 2024	30 June 2024
	Shares	Shares
R King	65,000	60,000
S Le Page	46,504	41,268
P Barnes	18,651	5,000
C Rødsæther	37,906	30,000
T Le Noury	10,000	5,000

Effective 1 January 2025, T Le Noury was appointed as the chair of the audit committee.

The annual Directors fees agreed are as disclosed below:

	Payable from 1 January to 31 December 2025	Payable from 1 January to 31 December 2024
Director	£	£
R King	47,000	45,000
S Le Page	40,500	42,500
P Barnes	42,000	40,000
C Rødsæther	40,500	38,500
T Le Noury	44,500	38,500

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

	Payable from 1 January 2025 to 30 June 2025	Paid from 1 July 2024 to 31 December 2024	Paid from 1 July 2023 to 30 June 2024
Director	£	£	£
R King	23,500	22,500	43,500
S Le Page	20,250	21,250	40,500
P Barnes	21,000	20,000	37,750
C Rødsæther	20,250	19,250	37,000
T Le Noury	22,250	19,250	25,135

Other Interests

Tufton Group related stakeholders including current & former shareholders, employees, and non-executive directors directly or beneficially held ~4.6% of the issued share capital as at 31 December 2024 (30 June 2024: ~4.9%). Refer to Note 13 for details on ordinary shares held and Note 5 for rights and obligations of the Company's shares.

Interim Report of the Directors (continued)

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 buybacks 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 Board will consider repurchasing the Company's ordinary shares in the market if they believe it to be in shareholders' interests as a whole and as a means of correcting any imbalance between supply of and demand for the shares.

The Company purchased 1,500,000 of its own Shares at an average price of US\$1.20 per Share during the current period. Refer to Note 5 for more details. There were 19,046,000 Shares held in Treasury and 269,256,330 Shares outstanding as at the end of the financial period. The Company bought back a further 1,850,000 ordinary shares, between the end of the financial period and 31 January 2025, at an average price of US\$1.175. The purchased shares will be held in Treasury. The Company had 267,406,330 Shares outstanding as at the date of approval of these accounts.

Change of Articles and Compulsory Redemption

A resolution was passed by the Company's shareholders at its Extraordinary General Meeting on 11 June 2024 to enable compulsory Redemptions of the Company's ordinary shares. On 14 August 2024 the Company compulsorily redeemed and cancelled 20,326,211 shares at a price of US\$1.550 per share, returning US\$31.5m to shareholders, paid on 28 August 2024.

The Directors shall have the right to allot and issue shares to grant rights to subscribe for or to convert any security into shares and to make offers or agreements to allot and issue equity securities (as defined in Article 5.1(a) of the Articles) for cash and/or to sell Ordinary Shares held by the Company as treasury shares as per the pre-emption rights contained in Article 5.2 of the Articles.

Going Concern

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

Shareholders approved the continuation of the Company at the 2024 AGM held on 24 October 2024.

The Directors are satisfied that, at the time of approving the Interim Report and the Condensed Interim Financial Statements, no other material uncertainties exist that may cast significant doubt concerning the Company's ability to continue for the foreseeable future concluding 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 these reasons, the Directors continue to adopt the going concern basis in preparing the Interim Report and the Condensed Interim Financial Statements.

Further Details of Continuation Vote

As outlined in the Prospectus dated 25 September 2018, the Directors presented an ordinary resolution for the Company to continue its operations (the "Continuation Resolution") at the 2024 AGM held on 24 October 2024. Shareholders approved the continuation of the Company with 190,871,147 votes in favour and 6,892,691 votes against. The Directors will propose a similar resolution to Shareholders at the 2027 AGM and every three years thereafter.

Interim Report of the Directors (continued)

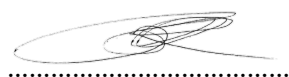
Responsibility Statement

For the period from 1 July 2024 to 31 December 2024

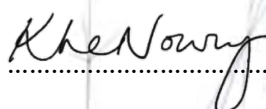
The Directors are responsible for preparing the Interim Report and Condensed Interim Financial Statements, which have not been audited or reviewed by an independent auditor, and confirm that to the best of their knowledge:

- 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 17 March 2025 and signed on behalf of the Board by:



Rob King
Non-executive Chairman



Trina Le Noury
Non-executive Director



Condensed Statement of Comprehensive Income

For the 6-month period ended 31 December 2024

	Notes	31 December 2024 US\$ (Unaudited)	31 December 2023 US\$ (Unaudited)
Income			
Net changes in fair value of financial assets at fair value through profit or loss	4	27,462,178	37,390,692
Foreign exchange gain		-	7,142
Total net income		27,462,178	37,397,834
Expenditure			
Administration fees		(84,899)	(84,097)
Audit fees		(99,619)	(109,041)
Corporate Broker fees		(75,000)	(75,000)
Depositary fees		(27,749)	(26,245)
Directors' fees	15	(132,087)	(102,476)
Directors' expenses		(8,452)	(8,079)
Foreign exchange loss		(6,217)	-
Insurance fee		(18,138)	(15,463)
Investment management fee	11	(1,766,844)	(1,707,055)
Legal fees		(8,105)	-
Professional fees		(97,212)	(57,214)
Sundry expenses		(27,057)	(48,069)
Total expenses		(2,351,379)	(2,232,739)
Operating profit		25,110,799	35,165,095
Finance income		124,184	2,208
Profit and comprehensive income for the period		25,234,983	35,167,303
IFRS Earnings per ordinary share (cents)	6	9.16	11.90

There were no potentially dilutive instruments in issue at 31 December 2024 or 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 2024

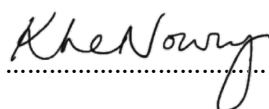
	Notes	31 December 2024 US\$ (Unaudited)	30 June 2024 US\$ (Audited)
Non-current assets			
Financial assets designated at fair value through profit or loss	4	439,113,021	444,977,383
Total non-current assets		439,113,021	444,977,383
Current assets			
Trade and other receivables		22,252	7,229,829
Cash and cash equivalents		158,513	56,007
Total current assets		180,765	7,285,836
Total assets		439,293,786	452,263,219
Current liabilities			
Trade and other payables		10,412,048	1,207,547
Total current liabilities		10,412,048	1,207,547
Net assets		428,881,738	451,055,672
Equity			
Ordinary share capital	5	258,277,878	291,640,823
Retained reserves		170,603,860	159,414,849
Total equity attributable to ordinary shareholders		428,881,738	451,055,672
Net assets per ordinary share (cents)	8	159.28	154.96

The accompanying notes are an integral part of these Condensed Interim Financial Statements.

The Condensed Interim Financial Statements were approved and authorised for issue by the Board of Directors on 17 March 2025 and signed on its behalf by:



Rob King
Non-executive Chairman



Trina Le Noury
Non-executive Director

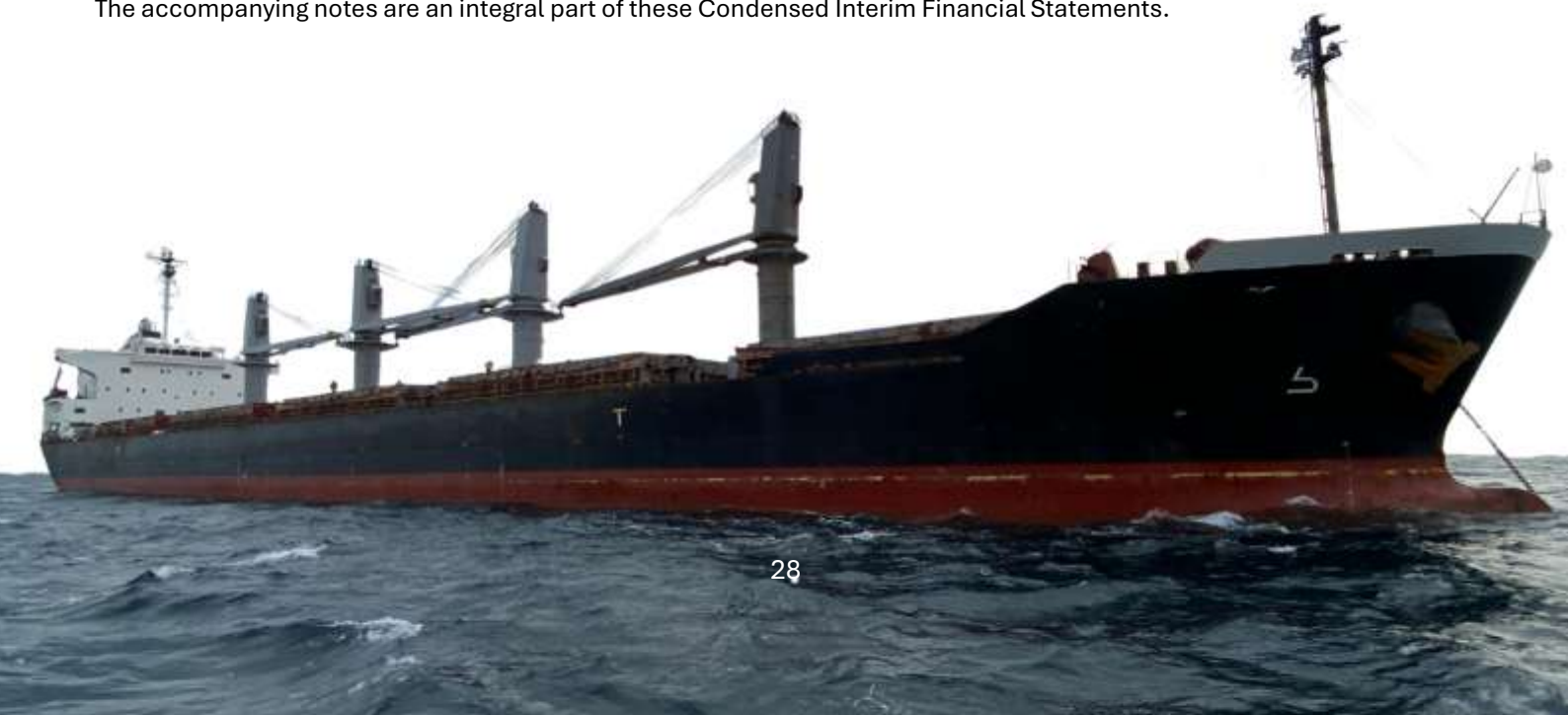
Condensed Statement of Changes in Equity

For the 6-month period ended 31 December 2024

	Notes	Ordinary share capital US\$	Retained earnings US\$	Total US\$
For the six months ended 31 December 2024 (Unaudited)				
Shareholders' equity at 1 July 2024		291,640,823	159,414,849	451,055,672
Profit and comprehensive income for the period		-	25,234,983	25,234,983
Share buybacks	5	(1,803,606)	-	(1,803,606)
Compulsory redemption	5	(31,559,339)	-	(31,559,339)
Dividends paid	7	-	(14,045,972)	(14,045,972)
Shareholders' equity at 31 December 2024		258,277,878	170,603,860	428,881,738

	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		(8,315,170)	-	(8,315,170)
Dividends paid	7	-	(12,560,730)	(12,560,730)
Shareholders' equity at 31 December 2023		295,011,061	132,053,435	427,064,496

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 2024

	Notes	31 December 2024 US\$ (Unaudited)	31 December 2023 US\$ (Unaudited)
Cash flows from operating activities			
Total comprehensive income for the period		25,234,983	35,167,303
Adjustments for:			
Changes in fair value on investments held at fair value through profit or loss	4	(27,462,178)	(37,390,692)
Foreign exchange loss / (gain)		6,217	(7,142)
Operating cash flows before movements		(2,220,978)	(2,230,531)
Return of investment capital	4	33,326,540	9,217,844
Movement in trade and other receivables		7,207,577	7,859,683
Movement in trade and other payables		9,204,501	5,996,815
Net cash generated from operating activities		47,517,640	20,843,811
Cash flows from financing activities			
Net amount paid for compulsory redemption	5	(31,559,339)	-
Amounts paid for share buybacks	5	(1,803,606)	(8,315,170)
Dividends paid	7	(14,045,972)	(12,560,730)
Net cash used in financing activities		(47,408,917)	(20,875,900)
Net movement in cash and cash equivalents during the period		108,723	(32,089)
Cash and cash equivalents at the beginning of the period		56,007	47,731
Foreign exchange (loss) / gain		(6,217)	7,142
Cash and cash equivalents at the end of the period		158,513	22,784

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 2024

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 second-hand commercial sea-going vessels. The Company had 291,082,541 ordinary shares in issue on 1 July 2024, 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 compulsorily redeemed 20,326,211 shares at a price of US\$1.550 per share. The Company also bought back 1,500,000 ordinary shares at a weighted average price of US\$1.20 for a consideration of US\$1,803,606. Further details are noted in Note 5.

The total number of Company's shares in issue, excluding Treasury Shares, was 269,256,330 at the end of the financial period (FY 2024: 291,082,541).

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 2024, which were prepared in accordance with International Financial Reporting Standards. The statutory Financial Statements for the year ended 30 June 2024 were approved by the Board of Directors on 25 September 2024. 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 2024, <http://www.tuftonassets.com/financial-statements/>, except for the adoption of new and amended standards as set out below.

Compliance with IFRS Accounting Standards

The financial statements have been prepared on a going concern basis in accordance with IFRS accounting standards as issued 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 2024

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: Consolidated Financial Statements. 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: Fair Value measurement.

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 2024 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 2024 that have a material effect on the financial statements of the Company.

Notes to the Condensed Interim Financial Statements (continued)

For the 6-month period ended 31 December 2024

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 2024.

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 Interim Financial Statements (continued)

For the 6-month period ended 31 December 2024

3. Critical accounting judgements and estimates (continued)

Critical accounting estimates

The following are the key assumptions and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next Financial Year.

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 2024 the charter-free valuations of two vessels (30 June 2024: two vessels) were provided through independent broker valuations rather than VesselsValue. These broker valuations are themselves estimates derived from the specialist knowledge of the broker, their proprietary data that considers vessel specifications and 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 Ballast Water Treatment Systems ("BWTSs") and scrubbers installed. BWTSs installed by the Company's SPVs were considered to be an enhancement to the charter-free value.

BWTS were initially recognised at cost and straight-line depreciated from the commissioning date to 8 September 2024, being the date by which the IMO mandated 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 2024, one vessel was treated as a specialist vessel (30 June 2024: 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, however the discount rate remains a material driver to the valuation.

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

Notes to the Condensed Interim Financial Statements (continued)

For the 6-month period ended 31 December 2024

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

	31 December 2024	30 June 2024
	US\$	US\$
LSA	(Unaudited)	(Audited)
Brought forward cost of investment	280,963,309	292,529,864
Total return of investment capital during the period / year	(33,326,540)	(11,566,555)
Carried forward cost of investment	247,636,769	280,963,309
Brought forward unrealised gains on fair value	164,014,074	113,458,851
Movement in unrealised gains on fair value	27,462,178	50,555,223
Carried forward unrealised gains on fair value	191,476,252	164,014,074
Total investment at fair value	439,113,021	444,977,383

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 above 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 detailed above.

Notes to the Condensed Interim Financial Statements (continued)

For the 6-month period ended 31 December 2024

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 LSA is incorporated in Guernsey. The country of incorporation is also their principal place of business.

Breakdown of Fair Value:

Name	31 December 2024 US\$	30 June 2024 US\$	Direct or indirect holding	Principal activity	Ownership at 31 December 2024	Ownership at 30 June 2024
LS Assets Limited	-	-	Direct	Holding company	100%	100%
Anvil Limited	17,171,730	17,502,570	Indirect	SPV	100%	100%
Auspicious Limited	20,146,215	20,505,411	Indirect	SPV	100%	100%
Awesome Limited	19,479,803	20,060,142	Indirect	SPV	100%	100%
Candy Limited ⁵	-	-	Indirect	SPV	100%	100%
Charming Limited	19,899,736	20,221,500	Indirect	SPV	100%	100%
Citra Limited ⁵	-	-	Indirect	SPV	100%	100%
Cocoa Limited ⁴	-	-	Indirect	SPV	100%	100%
Courteous Limited ⁴	-	-	Indirect	SPV	100%	100%
Dachshund Limited ^{1,2}	-	-	Indirect	SPV	100%	100%
Daffodil Limited ⁴	-	-	Indirect	SPV	100%	100%
Exceptional Limited ⁴	-	-	Indirect	SPV	100%	100%
Golding Limited	22,862,273	19,055,526	Indirect	SPV	100%	100%
Handy Holdco Limited	16,745,397	36,973,101	Indirect	SPV (Holding Company)	100%	100%
Idaho Limited	19,525,650	20,235,105	Indirect	SPV	100%	100%
Laurel Limited	14,691,519	14,803,667	Indirect	SPV	100%	100%

Notes to the Condensed Interim Financial Statements (continued)

For the 6-month period ended 31 December 2024

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

Breakdown of Fair Value (continued):

Name	31 December 2024 US\$	30 June 2024 US\$	Direct or indirect holding	Principal activity	Ownership at 31 December 2024	Ownership at 30 June 2024
Lavender Limited ⁵	-	-	Indirect	SPV	100%	100%
Marvelous Limited ⁴	-	-	Indirect	SPV	100%	100%
Masterful Limited	19,479,661	19,630,327	Indirect	SPV	100%	100%
Mayflower Limited	15,065,613	15,101,491	Indirect	SPV	100%	100%
Mindful Limited ⁴	-	-	Indirect	SPV	100%	100%
Neon Limited	26,272,805	24,405,007	Indirect	SPV	100%	100%
Octane Limited	25,939,011	22,977,354	Indirect	SPV	100%	100%
Orson Limited	17,929,810	15,603,911	Indirect	SPV	100%	100%
Parrot Limited ⁵	-	29,502	Indirect	SPV	100%	100%
Patience Limited ⁵	-	617,575	Indirect	SPV	100%	100%
Pollock Limited ^{1,2}	-	-	Indirect	SPV	100%	100%
Product HoldCo Limited	72,419,323	56,855,114	Indirect	SPV (Holding Company)	100%	100%
Riposte Limited ⁵	-	1,127,015	Indirect	SPV	100%	100%
Rocky IV Limited	17,160,281	17,392,312	Indirect	SPV	100%	100%
Sierra Limited	26,459,656	23,195,939	Indirect	SPV	100%	100%

Notes to the Condensed Interim Financial Statements (continued)

For the 6-month period ended 31 December 2024

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

Breakdown of Fair Value (continued):

Name	31 December 2024 US\$	30 June 2024 US\$	Direct or indirect holding	Principal activity	Ownership at 31 December 2024	Ownership at 30 June 2024
Vicuna Limited ⁵	-	-	Indirect	SPV	-	100%
Impressive Limited	-	-	Indirect	SPV	100%	-
Cash and cash equivalents ³	23,565,214	30,136,235				
Residual net assets ³	44,299,324	48,548,579				
Total investment at fair value*	439,113,021	444,977,383				

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

¹ Vessel sold.

² 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.

³ The cash and residual net assets are held in LSA.

⁴ 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.

⁵ Company has been dissolved.

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



Notes to the Condensed Interim Financial Statements (continued)

For the 6-month period ended 31 December 2024

5. Ordinary share capital

Share Capital

Share issuance	Number of shares	Gross amount US\$	Issue costs US\$	Share capital US\$
As at 30 June 2024	291,082,541	297,761,725	(6,120,902)	291,640,823
Compulsory redemption	(20,326,211)	(31,505,627)	(53,712)	(31,559,339)
Share buybacks	(1,500,000)	(1,803,606)	-	(1,803,606)
As at 31 December 2024	269,256,330	264,452,492	(6,174,614)	258,277,878

The ordinary shares issued are of no par value and are authorised, issued and fully paid. Ordinary shares carry the right to receive all income of the Company attributable to ordinary shares, and to participate in any distribution or other return of capital attributable to ordinary shares. Ordinary shareholders have the right to receive notice of and attend any general meetings of the Company and to vote at such meeting with one vote for each ordinary share held.

The rights conferred upon the holders of the shares are not varied by the creation or issue of further shares or classes of shares or by the purchase or redemption by the Company of its own shares, or the holding of such shares in treasury.

At the end of the period, there were 19,046,000 shares (30 June 2024: 17,546,000 shares) held in treasury. These treasury shares may be subsequently cancelled or sold for cash.

No shares will be sold from treasury at a price less than the NAV per share at the time of the sale unless they are first offered pro rata to existing shareholders.

6. Earnings per share

	31 December 2024 US\$ (Unaudited)	31 December 2023 US\$ (Unaudited)
Total comprehensive income for the period	25,234,983	35,167,303
Weighted average number of ordinary shares	275,640,458	295,485,726
Earnings per ordinary share (cents)	9.16	11.90
Diluted Earnings per ordinary share (cents)	9.16	11.90

There were no potentially dilutive instruments in issue at 31 December 2024 or 31 December 2023.

Notes to the Condensed Interim Financial Statements (continued)

For the 6-month period ended 31 December 2024

7. Dividends

The company paid the following dividends during the period:

Quarter end	Dividend per share	Ex div date	Net Dividend paid	Record date	Paid date
Dividends declared for the period ended 31 December 2024:					
30 June 2024	US\$0.025	25 July 2024	US\$7,277,064	26 July 2024	9 August 2024
30 September 2024	US\$0.025	26 October 2024	US\$6,768,908	27 October 2024	05 November 2024
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

In addition, the company declared the following dividend in relation to the profit for the period ended 31 December 2024:

Quarter end	Dividend per share	Ex div date	Net Dividend paid	Record date	Paid date
31 December 2024	US\$0.025	30 January 2025	US\$6,731,408	31 January 2024	14 February 2025

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 Interim Financial Statements (continued)

For the 6-month period ended 31 December 2024

8. Net assets per ordinary share

	31 December 2024 US\$ (Unaudited)	30 June 2024 US\$ (Audited)
Shareholders' equity	428,881,738	451,055,672
Number of ordinary shares	269,256,330	291,082,541
Net assets per ordinary share (cents)	159.28	154.96

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 2024.

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. Investment management fee

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

- (a) 0.85% per annum of the quarter end Adjusted Net Asset Value up to US\$250 million;
- (b) 0.75% 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 annum of the quarter end Adjusted Net Asset Value in excess of US\$500 million.

For the period ended 31 December 2024 the Company incurred US\$1,766,844 (2023: US\$1,707,055) in management fees of which US\$875,282 (2023: US\$872,098) was outstanding at 31 December 2024.

Notes to the Condensed Interim Financial Statements (continued)

For the 6-month period ended 31 December 2024

12. Performance fee

Whilst the total return performance of the Company remains above the hurdle rate, the calculation methodology does not currently allow for any accrual to be made. The Investment Manager and Board are reviewing this situation.

13. Related parties

The Investment Manager, Tufton Investment Management Limited, is a related party due to having common key management personnel with the SPVs 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. There are no commercial transactions between the Company and LSA other than the business of investment into LSA, the transactions of which are shown in the main financial statements.

The Directors of the Company and their shareholdings are stated in the Interim Report of the Directors on page 23.

Other interest

Tufton Group related stakeholders including current and former shareholders, employees, and non-executive directors directly or beneficially held ~4.6% of the issued share capital as at 31 December 2024 (30 June 2024: ~4.9%).

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.

Notes to the Condensed Interim Financial Statements (continued)

For the 6-month period ended 31 December 2024

15. Directors' fees

The remuneration of the Directors was US\$132,087 (2023: US\$102,476) for the period which consisted solely of short-term employment benefits (refer to the Interim Report of the Directors on page 23). At 31 December 2024, 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 2024	31 December 2023
Director	£	£
R King	22,500	21,000
S Le Page	21,250	19,250
P Barnes	20,000	17,750
C Rødsæther	19,250	17,750
T Le Noury	19,250	5,885*

*T Le Noury – appointed 1 November 2023

16. Events after the reporting period

On 21 January 2025, the Company declared a dividend of US\$0.025 per ordinary share for the quarter ending 31 December 2024. The dividend was paid on 14 February 2025 to holders of ordinary shares recorded on the register as at close of business on 31 January 2025 with an ex-dividend date of 30 January 2025.

From 1 January 2025 to date the Company has purchased 1,850,000 ordinary shares at a price of US\$1.175 per share.

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 Interim Report and Condensed Interim Financial Statements contain APMs, which are financial measures not defined in IFRS Accounting Standards. 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 Accounting Standards 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
Aggregate Realised Net IRR	Realised IRR based on aggregated equity cash flows across all divested vessels calculated at SPV level, net of fees	Measures the net realised IRR on all vessel divestments
Average Charter Length	Total forecast EBITDA from fixed-rate charters in place, divided by the 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
Company IRR	The IRR of the Company calculated using all gross capital raises, dividends and buyback and current Company NAV	Measures the IRR achieved by the Company
Consolidated Gearing Ratio	Loans to charter-free value including capital adjustments 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
Depreciated Replacement Cost	Estimating the cost to replace the asset, considering any changes in the cost of materials and labour since the asset was initially purchased or constructed, and subtracting the depreciation that has occurred since that time	To provide a methodical basis for estimating the residual value of an asset at the end of a planned investment period
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 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

Alternative Performance Measures (“APMs”) (continued)

Alternative Performance Measure	Definition or method of calculation	Reason for use
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
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 the performance of different funds
NAV Total Return Per Share	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

Alternative Performance Measures (“APMs”) (continued)

Alternative Performance Measure	Definition / Method of calculation	Reason for use
Total Return Per Share	<p>The Net Asset Value per ordinary share on any Calculation Day adjusted to:</p> <ul style="list-style-type: none"> (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; (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); (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; (v) not take account of any increase in Net Asset Value per share attributable to any consolidation or sub-division of ordinary shares; (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 (vii) take into account the prevailing Net Asset Value of any C Shares in issue 	<p>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</p>

Corporate Information

Directors

Robert King, Chairman
Stephen Le Page
Paul Barnes
Christine Rødsæther
Trina Le Noury



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Brokers

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Corporate Information

(continued)

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Principal Bankers

Barclays Bank Plc
Guernsey International
Banking
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Guernsey,



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 Fund and Corporate Services (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
Broker	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

Definitions (continued)

Company	Tufton Assets Limited (Guernsey registered number 63061) which, when the context so permits, shall include any intermediate holding company of the Company and the SPVs
Company Level Fees and Expenses	the investment management fee and other professional fees and expenses at company level
Depreciated Replacement Cost or DRC	the Investment Manager's preferred valuation metric. DRC for a second-hand 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 or the Directors from time to time
Disclosure Guidance and Transparency Rules or DTRs	the Disclosure Guidance and Transparency Rules made by the Financial Conduct Authority under Section 73A of FSMA
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
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 Accounting Standards	International Financial Reporting Standards

Definitions (continued)

IMO	International Maritime Organisation
Investment Manager	Tufton Investment Management Limited
IPO	Initial Public Offering
Issue Price	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
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
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: $A = (0.5 \times B) + C$; 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	a legally binding international treaty on climate change

Definitions (continued)

Prospectus	the Placing and Offer for Subscription document for the Company dated 8th December 2017
Redemption	the capital return via a compulsory redemption of ordinary shares at a pre-determined price
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	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
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
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
VesselsValue	VesselsValue Limited, a third-party provider of vessel valuations to the Company and Investment Manager
WACC	the weighted average cost of capital