

05 MAY 2022

# PILLING & Co

## STOCKBROKERS LIMITED

### **Taylor Maritime Investments Limited**

Looking back, the start of 2022 may have been the time to batten down the hatches, but the investment case for Taylor Maritime should not be given a wide berth.

It is not just secondhand cars that have risen in value over the past 12 months, but supply issues have also affected shipping. This has created an opportunity for Taylor Maritime Investments, a fund that listed on the market just over a year ago, investing into a fleet of handy size Ships.

These vessels are adaptable, predominantly transporting necessity goods such as soft commodities. Due to their smaller size and onboard cranes, they can load and discharge their cargo into smaller ports, providing greater charter opportunities.

Taylor Maritime Investments meets several of our minimum investment criteria for Investment Funds in that it trades on a discount to Net Asset Value, generate a high dividend yield, and continues to demonstrate capital appreciation.

Shipyard order books are currently full leading to price appreciation of these vessels. This was demonstrated recently with the sale of the oldest ship in their fleet generating an IRR (Internal Rate of Return) of over 200% since IPO. This sale was in line with the manager's strategy to improve the overall efficiency of the fleet.

Charter rates remain robust underpinning the dividend yield of 5%, covered 4 times by cash. Shipping is a cyclical sector, but the fund offers excellent income and growth opportunity for season investors.

This investment in Shipping is a true portfolio diversifier. The fund will benefit from the current well documented inflationary headwinds brought about by imbalances within the global supply chain. The fund sits on a KID rating of 4 out of 7 and full details are available on request.

#### **Important information**

The value of investments and income can fall as well as rise and your capital may be at risk. Past performance is not a guide to future returns. Any opinions are not advice, if you are unsure about suitability, you should take independent advice. Any relevant HMRC or tax rules may be subject to change. Opinions and information are correct as at time of writing and sources are believed to be reliable. Staff members and/or the author may hold the investment featured and may receive remuneration linked to transactions in this recommendation. Where featured, prices are the most recent market price, not price targets for investment decisions. All investments are subject to our current terms and conditions. Whilst every effort is made to ensure accuracy, we cannot be held liable for errors or omissions.