



Marine Money Geneva Private Investors Perception of the Shipping Industry

26th June 2014

Who is Niton Capital

NITONCAPITAL

- An independent fund manager and corporate finance boutique created in 2008 in Geneva.
- Specialized in the maritime and the energy industries.
- Composed of highly experienced professional, having a comprehensive industry and finance background
- Developing and managing in-house asset backed investment funds such as shipping assets
- Active in acquiring participation in which it will have an active management role



Shipping Industry benefits of good media coverage

- Shipping data are often used as global economy indicators (BDI, container rates, etc)



- Shipping information is easily accessible to private investors (mass media)

Bilan

L'AGEFI
QUOTIDIEN DE L'AGENCE ÉCONOMIQUE ET FINANCIÈRE À GENÈVE

Le Monde

**Bloomberg
Businessweek**

- Large transactions from US Private Equity and Debt funds are reported in the specialised media

FINANCIAL TIMES

THE WALL STREET JOURNAL.

Lloyd's List

TradeWinds

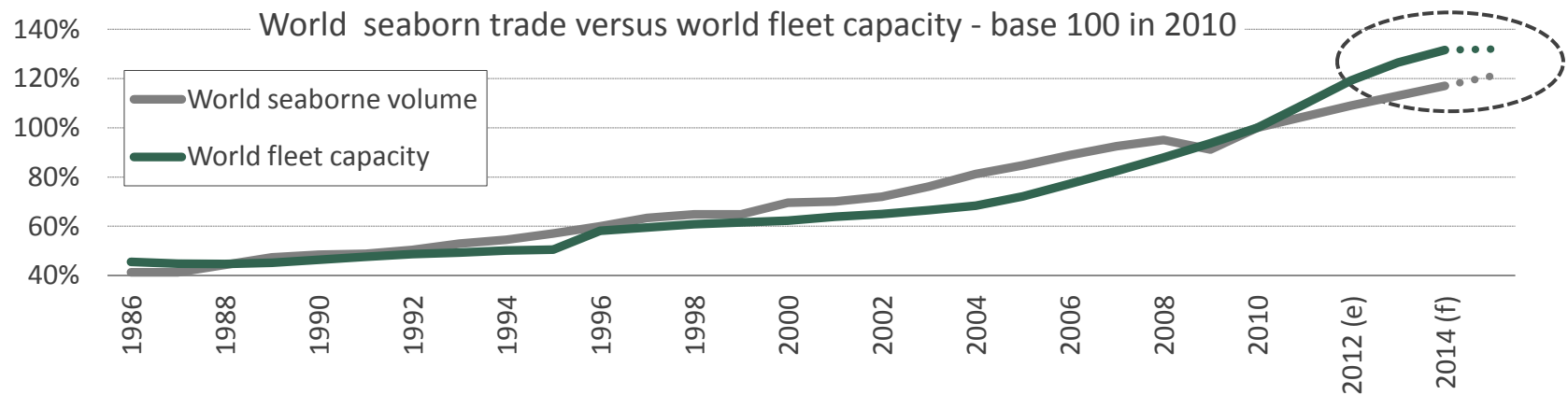
Attractiveness of shipping investments

- Asset backed (capital protection)
- Decorrelation from financial markets
- Understanding of underlying economical drivers
- Combination of operational profit and potential capital gain
- Prestigious – being part of the “shipowning world”



Main shipping macro economic factors

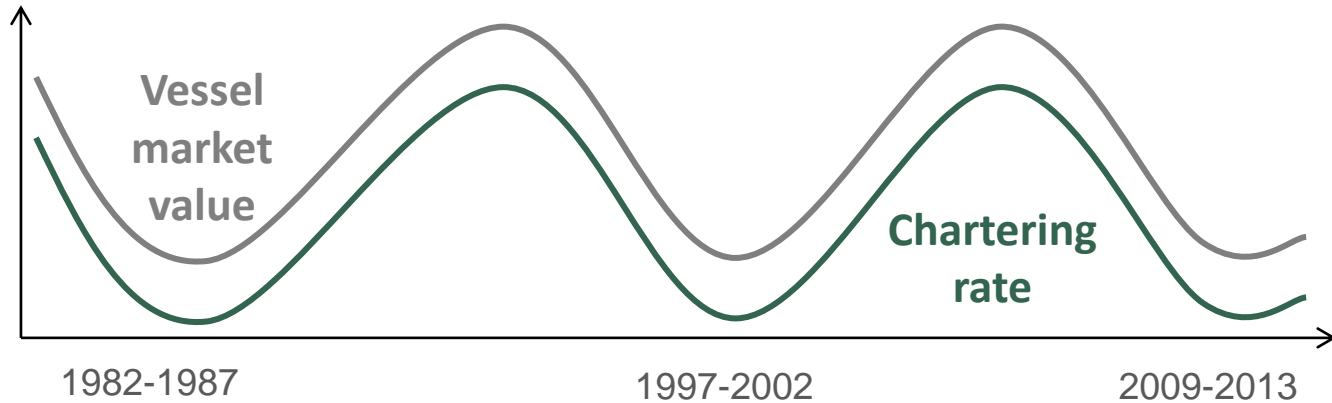
- Volume of goods transported by sea
 - regular growth of 3-4% per annum
- the world fleet capacity
 - Increase of fleet: New buildings
 - Decrease of fleet: Vessels going to recycling (age, technical changes, fuel consumption, etc.)



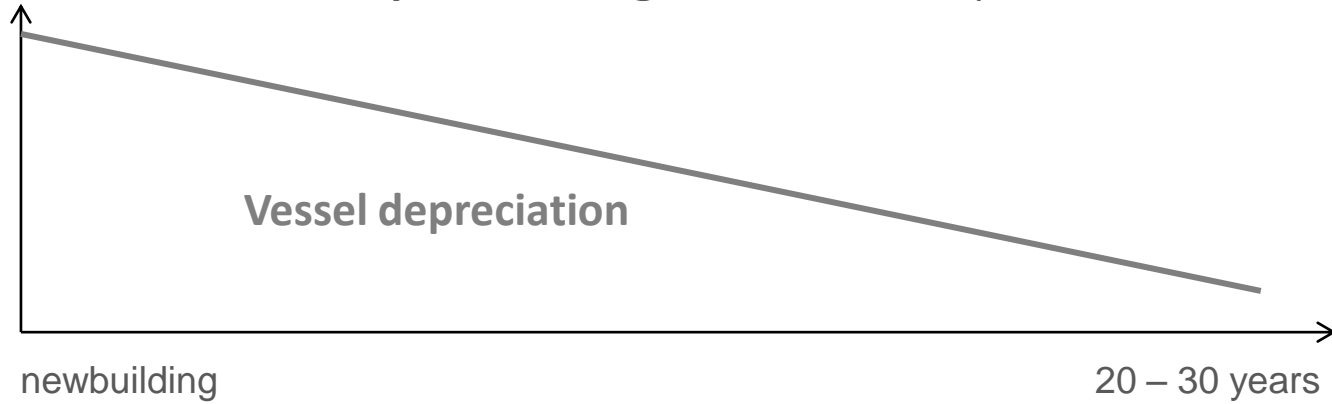


Main vessels value drivers

- Vessel value depends on **chartering rates**

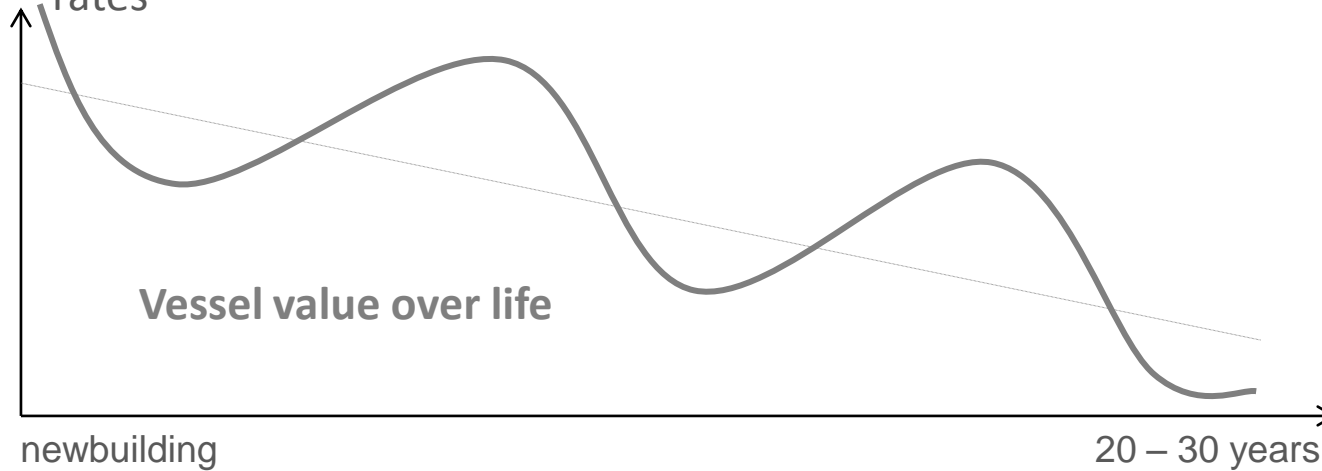


- Vessel value depends on age – industrial depreciation



Vessel value over its life

- Vessel value is cyclical and will go **DOWN and UP** following chartering rates



- Key investment drivers:
 - **Timing**
 - **Quality of vessels**
 - **Specific segment**



How to invest in the shipping industry

Investment instruments depends on

- Size of the investment (minimum investment)
- Investment horizon (from liquid investment to long lock up)
- Be able to understand investment strategy (underlying assumptions, return mechanism)
- Transparency / reporting (access to fund manager)

Main investment instruments

- Stock listed shares
- Investment funds
- Bonds
- Private shares



Advantages & risks of main investments instruments

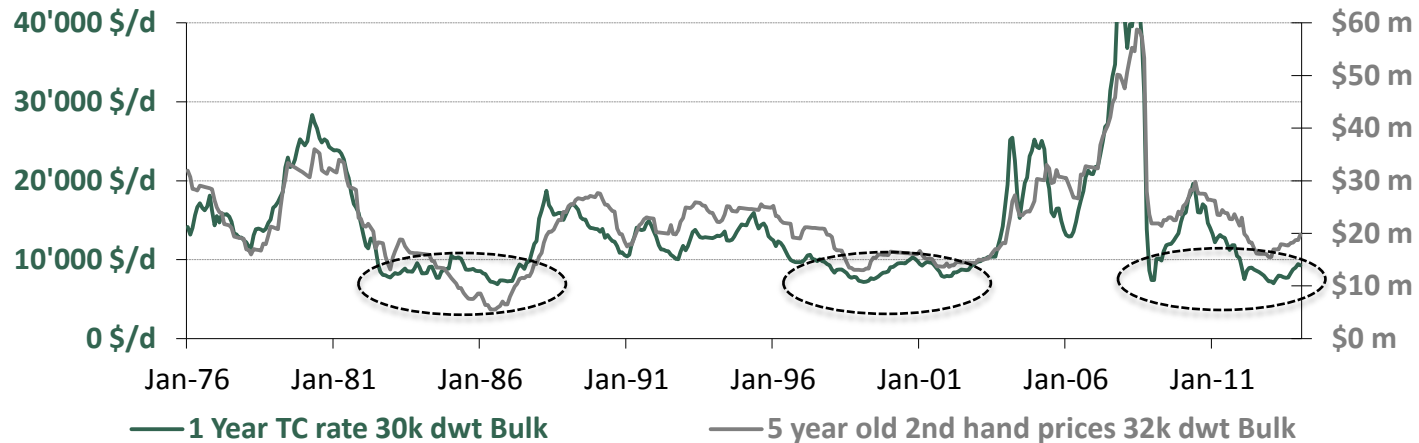
Different type of investment instruments

Instrument	Advantages	Risks	Type investors
Listed stocks	- No minimum investment	- Limited visibility on strategy and assets - High volatility	- All types of investors
Investment funds	- Direct control on assets	- Large investments - Quality of manager	- Qualified investors
Bonds	- Small amount - Limited risks - Good forecasted yield	- Low visibility on strategy	- All types of investors
Private shares	- Control on assets	- Difficulties to identify the right deals	- Shipping specialists

Conclusion

Shipping investment opportunity

- Timing: identify the right shipping segment at the right time



- Investment should be focused on specific and very transparent instrument
- Investors should make sure there is a limited leverage
- Investors should have some rights over the assets (through a fund or bonds)

Contacts

NITONCAPITAL 

Niton Capital Partner SA

7 rue du Mont-Blanc

1201 Geneva

Switzerland

www.nitoncapital.com

Yves Leys

Partner

Phone: +41 22 596 0705

Mob: +41 79 637 1057

E-mail: yleyss@nitoncapital.com

Alain Savary

Partner

Phone: +41 22 596 0703

Mob: +41 79 417 2149

E-mail: asavary@nitoncapital.com



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