

Premium Maritime Fund (PMF)

Q3 2022 Factsheet



INVESTMENT MANAGER

NRP Maritime Asset Management AS (MAM) is a licensed AIF Manager with focus and expertise on the Maritime sector. MAM has a strong focus on preservation of investor capital in an industry well known for its volatility. Since launching the first fund MAM has employed a successful risk mitigating multi-segment strategy, and by staying independent from any deal provider the team has full access to a strong deal flow through their large international network.

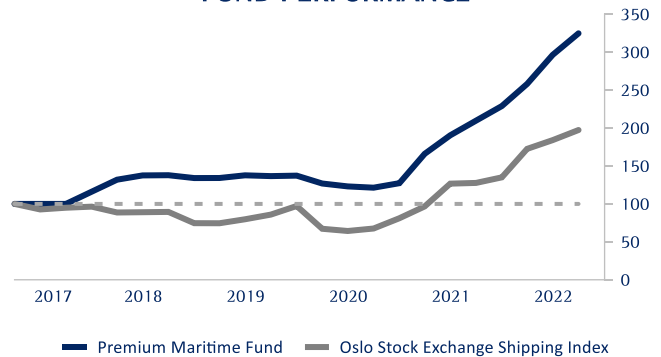
FUND MANAGERS

- › Nicolai Heidenreich is the Managing Partner and Fund Manager in MAM. He has more than 22 years of experience in the maritime sector and has been involved in advisory and management of several shipping portfolios for the last 10 years.
- › Wilhelm Magelssen is a Partner and Fund manager in MAM. He has more than 19 years of experience from asset management, corporate- and project finance and management consulting within the maritime sector.

FUND INFORMATION

Fund Name:	Premium Maritime Fund AS
Inception:	February 2017*
Lifetime:	September 2025*
Fund Structure:	Alternative Investment Fund (AIF)
Committed Fund Capital:	USD 60.3 million
Latest NAV:	USD 96.5 million
Dividend Distributed:	USD 35.5 million
Fund Manager:	NRP Maritime Asset Management AS

FUND PERFORMANCE

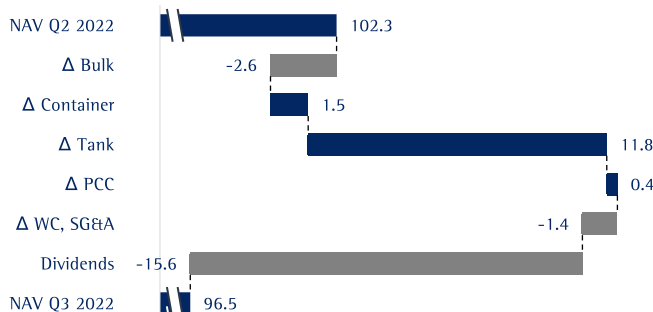


INVESTMENT STRATEGY

Premium Maritime Fund was established to capitalize on investment opportunities within the maritime direct investment space. The fund's portfolio provides a diversified exposure across the main segments and is constructed to withstand cyclical downturns in order to be well positioned to benefit from the cyclical upturns.

PORTFOLIO DEVELOPMENT

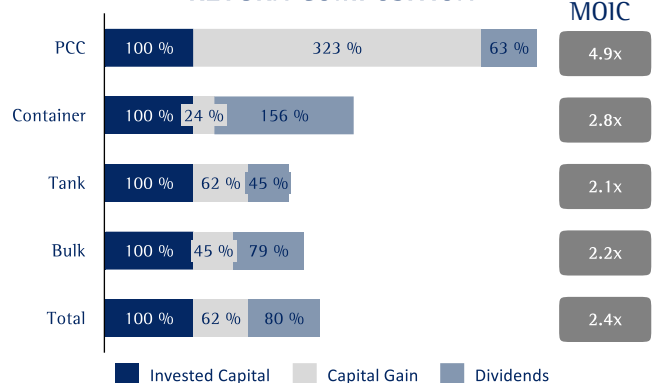
PMF had another strong quarter in Q3 with a total return of 9.6%. The portfolio now consist of 21 vessels following the delivery of Magdeburg in September. The fund has also divested another container vessel (3500 TEU) with delivery scheduled in October. The fund's product tank investment are performing very well and with most vessels employed in pools, they are already benefitting from the recent uplift in earnings. The bulk investments are experiencing a tighter TC market and are employed on short contracts. The vessel values for the container- and bulk investments has fallen through the quarter but mitigated by the reduction of negative charter values.



KEY STATISTICS

Share Price - Q3 2022	3.40
Return previous quarter	9.6 %
Total return	118.8 %
Net IRR	29.0 %
Weighted leverage	27.1 %
Average fleet age	10.4
Average charter coverage (days)	307

RETURN COMPOSITION



DIVIDENDS

The fund distributed 30 cents per share in July and 25 cents per share in the beginning of September. The last 12-month dividend amounts to USD 1.25 per share. The manager expect to be able to distribute regular dividends going forward.

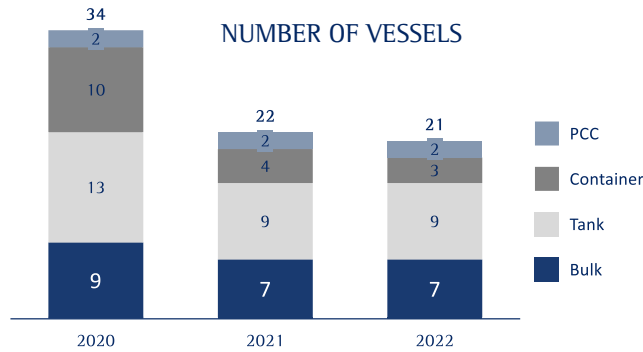
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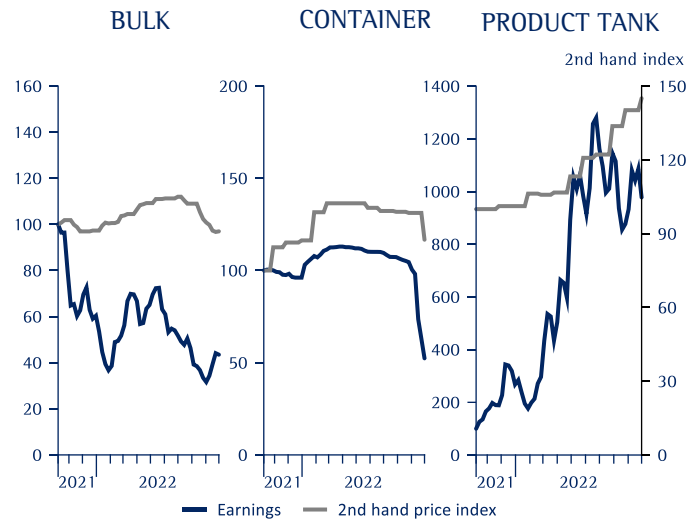


DIVESTMENT OUTLOOK

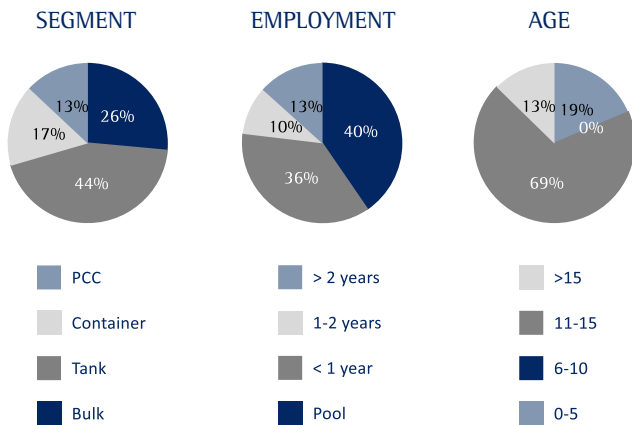
The fund has through 2021 and 2022 used the extraordinary sentiment in the container markets to secure profits and reduce exposure to the segment. Sale candidates are assessed continuously for all segments, where the fund takes an opportunistic approach given the right price.



MARKET DEVELOPMENT



CURRENT PORTFOLIO



MARKET OUTLOOK

With an economic environment characterized by geopolitical conflicts, energy shortage, inflation and downturns in China there are uncertainties associated with the short-term development of demand of seaborne trade. Longer trends like worldwide population growth and an increasing middle class in emerging economies will contribute to push the overall demand for energy, food and general goods upwards in the years to come.

The supply side on the other hand, being substantially more predictable, paints an encouraging picture. The orderbook for bulk carriers and tankers are at historical low levels and yard slots with delivery before 2025 is hard to come by. History has shown us, most recently following the Russia-Ukraine conflict, that disruptions in existing trade patterns ties up fleet capacity and reduce the effective supply of tonnage. The average fleet age has steadily increased since 2014 and the part of the current fleet above 20 year will present a significant number of recycling candidates in next years. Environmental regulations will contribute to expedite the recycling of older vessels and force a large portion of the fleet to reduce their current trading speed, again reducing effective supply of tonnage.

FUND BOARD OF DIRECTORS

- › Christian Due (Chairman) – Toluma AS / Skibs AS Tudor
- › Erik Bartnes – Castel AS
- › Jørgen Lund – Investor and Advisor
- › Kjetil Løvmon Holden – Klaveness Marine Holding AS
- › Tore Hopen – Farvatn Capital AS
- › Peder Engeset – Investor

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Even with short-term uncertainties on the demand side, the forecasted low effective supply growth provides convincing indications than an upcycle is a head of us for several segments.

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