



PREMIUM MARITIME CREDIT FUND

Second Quarter Report 2023

Prepared by

NRP Maritime Asset Management

NRP



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Company:	Premium Maritime Credit Fund, SCA SICAV-RAIF (LUX)
Fund Name:	Premium Maritime Credit Fund
Legal Structure:	Reserved Alternative Investment Fund ("RAIF")
Fund Manager/External AIFM:	FundRock Management Company S.A. (LUX)
Investment Advisor:	NRP Maritime Asset Management AS (NO)
Total Investor Commitments:	USD 112.82m

Second Quarter Highlights

Amount Drawn During Quarter	Distributions During Quarter	Value of Invesments	Cash Position*	Other WC	NAV	Net IRR:
USD -25,15m	USD 0m	USD 31,09m	USD 40,5m	USD 0,34m	USD 71,93m	2.16%

* USD 30m is committed for upcoming drawdowns, hence not free as such

Deployment, pipeline and development

USD 9m:
Supramax vessel

USD 8m:
Early discussions

~USD 30m:
Total under discussion

Apr.'22

Q3'23

Q3'23

Q3'23

Pipeline

USD 12m:
Of pipeline pushed to Q3.

USD 16m:
Advanced negotiations.



UPDATE FROM THE INVESTMENT ADVISOR

Summer Greetings...

The global economy has faced headwinds from several angles in Q2 with inflation rising to general high new levels, tightening in fiscal policies and the Ukraine-war. The rising interest rate environment has put some pressure on the cost of capital with second-hand prices softened somewhat, however, we have seen strong activity in the S&P-market in several segments. Earnings on the other hand have been more subdued, whilst not as temperamental as we have seen the last two years without the large knock-on effects from global events. Whilst there are still some clouds on the horizon with the world economy still retaining some vulnerabilities, the Fund's key segments are clearly on track to see more normalised markets this year, with inter alia more optimism around China's increasing activity and without the major disruptions seen for the past two years. The supply side of things also remains encouraging with order-book levels close to historical lows and still limited open slots at shipyards, and we remain cautiously optimistic for the remaining quarters this year for our key segments.

...From the Investment Advisors



Nicolai Heidenreich
Nicolai Heidenreich
MD / Partner



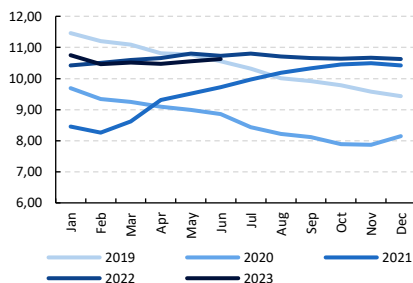
W. Magelssen
Wilhelm Magelssen
Partner

Market Development

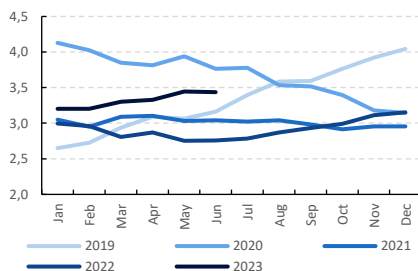
The Clarksea Index fell in Q2'23 and ended at USD 21,960 in June (~27% above 10-year average) vs USD 27,973 in March, however whilst the indicator has come down it remains healthy. The orderbook (as % of existing fleet) remains favorable at just below 11% with shipyard capacity still strangled, providing solid supply fundamentals.

The IA experienced strong interest in the Fund's offering, however, the declining second-hand prices and subdued earnings in the Fund's key segments has created some misalignment in price expectations between buyers and sellers, with several transactions either not materializing or pushed back to Q3-Q4'23. Whilst the pipeline remains firm, the second quarter provided lower than expected deployment – but with positive outlook.

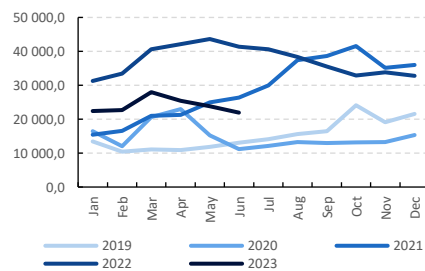
World Orderbook of Total Fleet (%)



World Fleet Growth YoY (%)



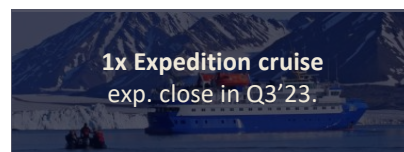
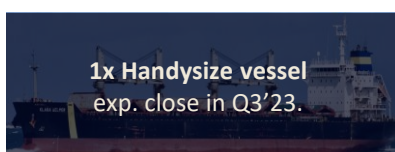
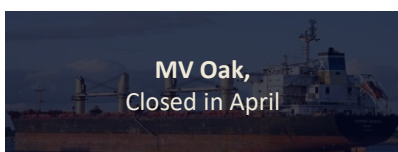
Clarksea Index (USD)



Deal Update

- In Q2 the Fund deployed USD 9.0m financing a Supramax drybulk vessel to a Norwegian buyer. The vessel is on a time charter with strong backlog – significantly above market rates. The transaction market yet another smooth execution.
- Unfortunately, two transactions in the pipeline totalling ~USD 18m did not materialise. In addition, transactions totalling USD 12.0m were pushed from Q2 execution to now expected completing in Q3. The pipeline remains solid with several new transactions entering in Q2 and so far in Q3, with current deals under discussions now close to USD 30m.
- We remain optimistic for the remaining quarters this year against the backdrop of continuing drop in second-hand values in the Fund's target segments creating increased activity in the S&P-market and demand for the Fund's offerings.

Latest Transactions



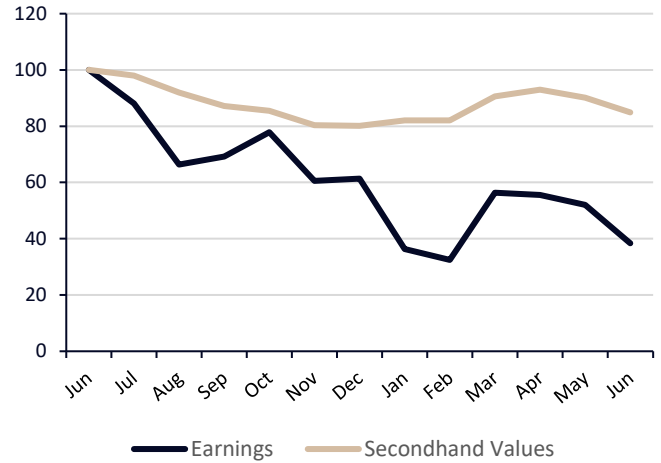
Dry Bulk Market

Market Update

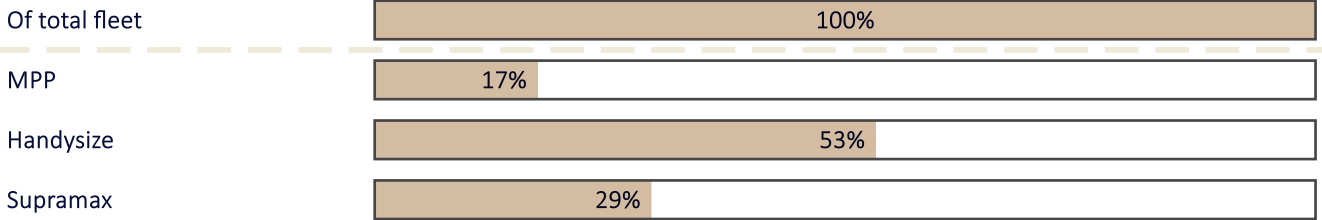
Whilst we have not seen new headlines in Q2, both earnings and values have eased back throughout the second quarter, mainly driven by weak trends in China and port congestions now at more normalised levels increasing the effective supply of vessels with less tonnage now strapped in port.

Although the lower second-hand values have created some opportunities for cash rich shipowners, there seem to be some misalignment in price-expectations between some sellers and buyers. For the Fund, this has led to some transactions failing to materialise whilst others have been pushed back to Q3 in anticipation of lower prices and stronger earnings. The bulker supply backdrop is supportive overall with the current low dry bulk orderbook of ~7% in combination with the historical high costs of newbuildings (index up ~30% since Q1'20), limited slots at shipyards and higher interest rates/capital costs should provide a healthy supply/demand environment.

Values & Earnings Last 12 Months (Indexed)



Portfolio Overview Q2-2023



Fleet List Per Q2-2023

Vessel Name	Built	Size	Charter Type	Debt	Debt Domicile	Area
Bharadwaj	2003	MPP	TC	USD 2,30m	Norway	Non-EU
Christina	2011	Handysize	TC	USD 7,00m	Greece	EU
Vyssos **	2007	MPP	Spot	USD 3,00m	Greece	EU
Despina	2007	Handysize	Spot	USD 5,30m	Greece	EU
Athanasia	2010	Handysize	TC	USD 4,00m	Greece	EU
Oak	2011	Supramax	TC	USD 9,00m	Norway	Non-EU

*Employment status is a «snapshot», and may vary from time to time over the course of the tenor.

**Client is in default, with default mechanisms put in place. The vessel is currently marketed for sale at MV significantly above outstanding debt.



FUND OVERVIEW

Overview Table

Company:	Premium Maritime Credit Fund, SCA SICAV-RAIF (LUX)
Fund Name:	Premium Maritime Credit Fund
Legal Structure:	Reserved Alternative Investment Fund ("RAIF")
Fund Manager/External AIFM:	FundRock Management Company S.A. (LUX)
Investment Advisor:	NRP Maritime Asset Management AS (NO)
Total Investor Commitments:	USD 112.82m
First Closing Date:	January 2022
Final Closing Date:	July 2023 (extendable by 6 months)
First Investment Date:	July 2022
Lifetime:	January 2031
End Investment Period:	January 2024 (+ option to extend by 12 months)
Term:	9 years from First Closing Date
Extension Permitted:	Up to 2 years
Fund Currency:	United States Dollar (USD)
Fund Structure:	Closed-end
Max. Investment Size:	10% of Total Committed Fund Capital
Other Restrictions:	Exposure to Greece not exceeding 50% of Total Committed Fund Capital Fund Size <= USD 175m, then: <ul style="list-style-type: none"> the 5 largest borrowers not to exceed 35% Committed Fund Capital the 10 largest borrowers not to exceed 65% of Committed Fund Capital Fund Size > USD 175, then: <ul style="list-style-type: none"> the 5 largest borrowers not to exceed 30% of Committed Fund Capital the 10 largest borrowers not to exceed 50% of Committed Fund Capital Min. asset coverage ratio of borrower: 150% Bullet Loans: Max 60% of Committed Fund Capital Senior Secured Loans: Min. 80% of Committed Fund Capital. Follow-on Investments: Max. 20% of Committed Fund Capital Tenor: Up to 7 years
Re-investment Policy:	Principal proceeds may be re-invested up to 4 years after the first drawdown notice
Accounting Principle:	Luxembourg GAAP
ESG Policy:	https://www.nrp.no/ESG/

Investment Focus:

Stage:	All stages in the company's cycle
Sector:	Shipping
Geography Focus:	Europe

Key Economic Terms GP

Advisory Fee:	1%
Carried Interest:	15% above 6% IRR (no catch-up)

Operations and Governance

Auditor:	PWC Luxembourg
Administrator:	European Fund Administrations S.A
Legal Counsel:	Wikborg Rein (London) and Allen & Overy (Luxembourg)
Bank:	ING Luxembourg
Tax and Regulatory:	Luxembourg tax authorities
Regulator of Manager:	CSSF
Depository:	ING Luxembourg
Independant Value Expert:	VesselsValue Ltd.
Independant Risk Manager:	FundRock Management Company S.A.



Fund Performance Status

Committed Fund Capital:	\$ 112,82m
Paid-in Capital:	\$ 71,05m
Invested Capital:	\$ 32,80m
Outstanding Loans:	\$ 30,60m
NAV (current):	\$ 71,93m
NAV (previous):	\$ 45,83m
Change:	\$ 26,10m
Adj. Change in %:¹	2,07%
Value of investments (current):	\$ 31,09m
Value of investments (previous):	\$ 22,75m
Change:	\$ 8,34m
Adj. Change in %:¹	3,88%
Total distributions to Investors:	\$ 0,00m
Total Cash:	\$ 40,50m

Net IRR:	2,16%
Total Interests and Fees:	\$ 1,34m
Distributions to Paid-In Capital (DPI):	0,0x
Total Value to Paid-In Capital (TVPI):	1,01x
Paid-In Capital to Committed Capital (PiCC):	0,63x

Fees and expenses

External AIFM fee:	15bps of NAV
Ongoing expenses:	Max. 1% of Committed Fund Capital
Advisory Fee:	1% of Invested Capital

1. Adjusted for deployed capital, drawdowns and distributions.



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