

# J.P. Morgan G1 (GP Scots) Limited

formerly J.P. Morgan GMIF (GP Scots) Limited

Registered number: SC371111

Annual report for the year ended 31 December 2017

PARTNERSHIP  
ACCOUNTS



SCT 18/07/2018 #49  
\*S5X5RCAP\*  
COMPANIES HOUSE

LD2 18/07/2018 #102  
\*L7AGX46G\*  
COMPANIES HOUSE

**J.P. Morgan G1 (GP Scots) Limited - formerly J.P. Morgan GMIF (GP Scots) Limited**  
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**J.P. Morgan G1 (GP Scots) Limited - formerly J.P. Morgan GMIF (GP Scots) Limited**  
**Company information**

**Directors**

K W McCathern (resigned 12 April 2018)

R A Crombie

J R Ehlinger (appointed 12 April 2018)

C J Whittington (appointed 12 April 2018)

**Company Secretary**

J.P. Morgan Secretaries (UK) Limited

**Registered office**

50 Lothian Road  
Festival Square  
Edinburgh  
Scotland  
EH3 9WJ

**Independent auditors**

PricewaterhouseCoopers LLP  
*Chartered Accountants and Statutory Auditors*  
7 More London Riverside  
London  
SE1 2RT

**J.P. Morgan G1 (GP Scots) Limited - formerly J.P. Morgan GMIF (GP Scots) Limited**  
**Directors' report for the year ended 31 December 2017**

The directors present their report and the audited financial statements of J.P. Morgan G1 (GP Scots) Limited for the year ended 31 December 2017.

Effective 4 July 2017, J.P. Morgan GMIF (GP Scots) Limited changed its name to J.P. Morgan G1 (GP Scots) Limited. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. The Company has taken advantage of the available exemption from presenting a strategic report conferred by this.

**Principal activities**

The principal activity of J.P. Morgan G1 (GP Scots) Limited ("the Company") is to act as general partner to feeder limited partnerships. The feeder limited partners invest in a limited partnership which, in turn, invests in maritime and maritime related investments.

**Review of business**

The directors consider that the profit for the financial year and the financial position at the end of the year were satisfactory.

The directors of the Company do not anticipate changes in the activities of the Company for the foreseeable future.

**Results and dividends**

The profit on ordinary activities before taxation was \$200 (2016: \$200) and the profit for the financial year and total comprehensive income for the year was \$200 (2016: \$200). The accumulated profit for the financial year was \$200 (2016: \$200) and has been transferred to reserves.

The directors do not recommend the payment of a dividend (2016: \$Nil).

**Directors**

The names of the directors who were in office during the year and up to the date of signing the financial statements are listed on page 1.

**J.P. Morgan G1 (GP Scots) Limited - formerly J.P. Morgan GMIF (GP Scots) Limited**  
**Directors' report for the year ended 31 December 2017**

**Principal risks and uncertainties**

Whilst management of the Company's risks and uncertainties is integrated with that of JPMorgan Chase & Co. (the "Firm") and its associated subsidiaries (collectively, the "Group") of which the Company is part, the Company also manages its risks at a legal entity level.

The principal risks and uncertainties relating to the Group as a whole are discussed within the Group's annual report (which does not form part of this report). Those relating specifically to the Company itself are discussed in the Financial risk management section of this report.

**Financial risk management**

Risk management is an inherent part of the business activities of the Group of which the Company is a part. The Company has adopted the same risk management policies and procedures as the Group as a whole. The Company's risk management framework and governance structure are intended to provide comprehensive controls and ongoing management of its major risks. The Company exercises oversight through the Board of Directors.

The Company's operations expose it to a variety of financial risks, the most significant of which are credit risk, operational risk and foreign exchange risk.

An overview of the key aspects of risk management and the use of financial instruments is provided below. A more detailed description of the policies and processes adopted by all Group companies may be found within the JPMorgan Chase & Co. annual report.

**Credit risk**

The Company complies with Group policies which require monthly monitoring and reporting of exposures to all financial institutions. These exposures are subject to a Group concentration limit and are reviewed annually by the relevant risk committees.

**Operational risk**

Operational risk is the risk of loss resulting from inadequate or failed processes or systems, human factors or external events. To monitor and control operating risk, the Group and the Company maintain a system of comprehensive policies and a control framework designed to provide a well-controlled operational environment and to monitor and record any control failures.

**J.P. Morgan G1 (GP Scots) Limited - formerly J.P. Morgan GMIF (GP Scots) Limited**  
**Directors' report for the year ended 31 December 2017**

**Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to the auditors**

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (2) each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

**J.P. Morgan G1 (GP Scots) Limited - formerly J.P. Morgan GMIF (GP Scots) Limited**  
**Directors' report for the year ended 31 December 2017**

**Liability insurance for directors**

As permitted by Section 233 of the Companies Act 2006, the directors of the Company are covered for insurance purposes by the Group's insurance maintained at a consolidated level.

**Third party indemnities**

An indemnity is provided to the directors of the Company under the by-laws of JPMorgan Chase & Co. against liabilities and associated costs which they could incur in the course of their duties to the Company. The indemnity was in force during the financial year and also at the date of approval of these financial statements and a copy of the by-laws of JPMorgan Chase & Co. is kept at the registered office of the Company.

**Independent Auditors**

The auditors, PricewaterhouseCoopers LLP, have expressed their willingness to continue in office.

Approved by the board on 25 June 2018 and signed on its behalf by:



R A Crombie

Director

25/06/2018

Date

## **J.P. Morgan G1 (GP Scots) Limited - formerly J.P. Morgan GMIF (GP Scots) Limited**

### **Independent Auditor's Report to the members of J.P. Morgan G1 (GP Scots) Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, J.P. Morgan G1 (GP Scots) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report (the "Annual Report"), which comprise: the balance sheet as at 31 December 2017; the profit and loss account and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

##### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

## **J.P. Morgan G1 (GP Scots) Limited - formerly J.P. Morgan GMIF (GP Scots) Limited**

### **Independent Auditor's Report to the members of J.P. Morgan G1 (GP Scots) Limited**

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Directors' report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

#### **Responsibilities for the financial statements and the audit**

##### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **J.P. Morgan G1 (GP Scots) Limited - formerly J.P. Morgan GMIF (GP Scots) Limited**

### **Independent Auditor's Report to the members of J.P. Morgan G1 (GP Scots) Limited**

#### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **Other required reporting**

##### **Companies Act 2006 exception reporting**

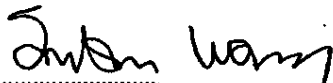
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

#### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Jonathan Wiseman (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

Date: 25 June 2018

**J.P. Morgan G1 (GP Scots) Limited - formerly J.P. Morgan GMIF (GP Scots) Limited**  
**Profit and loss account for the year ended 31 December 2017**

	Note	2017 \$	2016 \$
Turnover	2	200	200
Operating profit		200	200
Profit on ordinary activities before taxation		200	200
Tax on profit on ordinary activities	4	-	-
Profit for the financial year and total comprehensive income for the year	10	200	200

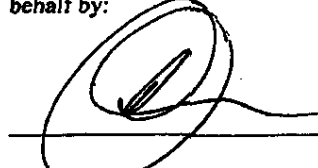
All amounts relate to continuing operations.

There is no material difference between the profits reported above and the results on an unmodified historical cost basis.

**J.P. Morgan G1 (GP Scots) Limited - formerly J.P. Morgan GMIF (GP Scots) Limited**  
**Balance sheet as at 31 December 2017**

	Note	2017 \$	2016 \$
<b>Current assets</b>			
Debtors	7	2,360	2,160
Creditors: amounts falling due within one year	8	(1,005)	(1,005)
<b>Net current assets</b>		<u>1,355</u>	<u>1,155</u>
<b>Capital and reserves</b>			
Called up share capital	9	100	100
Profit and loss account	10	1,255	1,055
<b>Total shareholder's funds</b>	11	<u>1,355</u>	<u>1,155</u>

The financial statements on pages 9 to 15 were approved by the board of directors on 25 June 2018 and signed on its behalf by:



R A Gromble

Director

Company registered number: SC371111

25/06/2018

**J.P. Morgan G1 (GP Scots) Limited - formerly J.P. Morgan GMIF (GP Scots) Limited**  
**Statement of changes in equity for the year ended 31 December 2017**

	Called up share capital	Profit and loss account	Total shareholder's funds
	\$	\$	\$
At 1 January 2016	100	855	955
Profit for the financial year and total comprehensive income for the year	-	200	200
At 31 December 2016	100	1,055	1,155
Profit for the financial year and total comprehensive income for the year	-	200	200
At 31 December 2017	100	1,255	1,355

The following describes the nature and purpose of each reserve within equity:

- Called up share capital - nominal value of share capital subscribed for.
- Profit and loss account - all other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

**J.P. Morgan G1 (GP Scots) Limited - formerly J.P. Morgan GMIF (GP Scots) Limited**  
**Notes to the financial statements for the year ended 31 December 2017**

**1 Accounting policies**

The Company is a private company limited by shares and is incorporated and domiciled in Scotland. The address of its registered office is 50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ.

**Basis of preparation**

The financial statements have been prepared in accordance with UK Financial Reporting Standard 100 "Application of Financial Reporting Requirements" and Financial Reporting Standard 101 "Reduced Disclosure Framework".

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements have been prepared on a going concern basis, using the historical cost convention, and in accordance with the Companies Act 2006.

**Disclosure exemptions adopted:**

In preparing these financial statements the Company has taken advantage of disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed by JPMorgan Chase & Co.

*The financial statements of JPMorgan Chase & Co. can be obtained as described in note 12.*

**Income and expenditure**

Income and expenditure are recognised on an accruals basis. Income is made up solely of profit share from the Limited Partnership.

**Judgements and key areas of estimation uncertainty**

Due to the nature of business undertaken by the Company, no significant accounting estimates or judgements were required in preparation of these financial statements.

**Functional and presentational currency**

Items included in the financial statements, are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in US Dollar, which is the Company's functional and presentation currency and the currency in which the majority of the Company's revenue streams, assets, liabilities and funding is denominated.

**J.P. Morgan G1 (GP Scots) Limited - formerly J.P. Morgan GMIF (GP Scots) Limited****Notes to the financial statements for the year ended 31 December 2017****2 Turnover**

Turnover comprises a profit share (General Partner's Share) receivable from Global Maritime Investor Fund Feeder LP and Global Maritime Investor Fund Intermediate LP. The Company has only one class of business and operates mainly in the United Kingdom.

**3 Administrative expenses**

Auditors' remuneration was \$9,756 (2016: \$8,562), wholly for audit services. All expenses, including audit remuneration costs have been borne by Group undertakings.

**4 Tax on profit on ordinary activities**

	2017	2016
	\$	\$
Current tax:		
Current tax on profits for the year		
Total current tax		

**Factors affecting tax charge for year**

The tax charge for the year is lower (2016: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2017 of 19.25% (2016: 20.00%). The differences are explained below:

	2017	2016
	\$	\$
Profit on ordinary activities before taxation	200	200
Tax on profit on ordinary activities at standard UK rate of 19.25% (2016: 20%)	38	40
Effects of:		
Effects of group relief/other reliefs	(38)	(40)
Total tax charge		

The tax rate for the current year differs to the prior year due to changes in the UK corporation tax rate which decreased from 20% to 19% from 1 April 2017.

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020.

**5 Employee information**

The Company had no employees during the year (2016: nil).

**J.P. Morgan G1 (GP Scots) Limited - formerly J.P. Morgan GMIF (GP Scots) Limited**  
**Notes to the financial statements for the year ended 31 December 2017**

**6 Directors' emoluments**

The directors did not receive any remuneration from the Company (2016: \$nil). Remuneration for their services is provided elsewhere in the Group, and it is not possible to apportion the amount specific to this entity.

**7 Debtors**

	2017 \$	2016 \$
Amounts owed by Group undertakings	<u>2,360</u>	<u>2,160</u>
	<u>2,360</u>	<u>2,160</u>

Amounts owed by Group undertakings are unsecured, interest free and repayable on demand.

**8 Creditors: amounts falling due within one year**

	2017 \$	2016 \$
Amounts owed to Group undertakings	<u>1,005</u>	<u>1,005</u>

Amounts owed to Group undertakings are unsecured and repayable on demand.

**9 Called up share capital**

	2017 \$	2016 \$
Authorised, allotted and fully paid		
100 (2016: 100) ordinary shares of \$1 each	<u>100</u>	<u>100</u>

**J.P. Morgan G1 (GP Scots) Limited - formerly J.P. Morgan GMIF (GP Scots) Limited**  
**Notes to the financial statements for the year ended 31 December 2017**

**10 Reconciliation of movement in reserves**

	<b>Profit and loss account \$</b>
Balance at 1 January 2016	855
Profit for the financial year and total comprehensive income for the year	<u>200</u>
Balance at 31 December 2016	1,055
Profit for the financial year and total comprehensive income for the year	<u>200</u>
Balance at 31 December 2017	<u><u>1,255</u></u>

**11 Reconciliation of movements in shareholder's funds**

	<b>2017 \$</b>	<b>2016 \$</b>
Shareholder's funds brought forward	1,155	955
Profit for the financial year and total comprehensive income for the year	<u>200</u>	<u>200</u>
Shareholder's funds carried forward	<u><u>1,355</u></u>	<u><u>1,155</u></u>

**12 Ultimate parent undertaking**

The immediate parent undertaking and controlling party is JPMorgan Asset Management Holdings (Luxembourg) S.a.r.l.

The parent company of the largest group for which consolidated financial statements are prepared, and whom the directors regard as the ultimate holding company, is JPMorgan Chase & Co. which is incorporated in the United States of America.

The consolidated financial statements of JPMorgan Chase & Co. are available to the public and may be obtained from the Company's registered office at:

*The Company Secretary*  
 25 Bank Street  
 Canary Wharf  
 London  
 E14 5JP

# **GLOBAL MARITIME INVESTMENT FUND INTERMEDIATE LP**

**Audited financial statements for the year ended December 31, 2017**

50 Lothian Road, Festival Square,  
Edinburgh, EH3 9WJ,  
Scotland

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General information	2017
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**Partnership Number:** SL007775

**General Partner:** J.P. Morgan G1 (GP Scots) Limited (formerly "J.P. Morgan GMIF (GP Scots) Limited")

**Directors of the General Partner:** K.W. McCathern  
R.A. Crombie

**Operator:** J.P. Morgan Investment Management Inc.  
270 Park Avenue  
New York  
NY 10017  
USA

**Investment Adviser:** JPMorgan Asset Management (UK) Limited  
25 Bank Street, Canary Wharf  
London  
E14 5JP  
England

**Accountants:** JPMorgan Chase Bank, N.A  
JPMorgan House  
IFSC  
Dublin 1  
Ireland

**Independent Auditors:** PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
7 More London Riverside,  
London, SE1 2RT  
United Kingdom

**Legal Advisers:** Allen & Overy LLP  
One Bishops Square  
London  
E1 6AD  
England

Stroock & Stroock & Lavan LLP  
180 Maiden Lane  
New York  
NY 10038-4982  
USA

The Board of Directors of the General Partner presents its Annual Report and the audited financial statements of Global Maritime Investment Fund Intermediate LP (formerly "J.P. Morgan Global Maritime Investment Fund Intermediate LP") for the year ended December 31, 2017.

### **Principal activities**

The Global Maritime Investment Fund Intermediate LP (formerly "J.P. Morgan Global Maritime Investment Fund Intermediate LP") (the "Intermediate Partnership") has been established to invest in Global Maritime Investment Fund LP (the "Fund Partnership") (formerly "J.P. Morgan Global Maritime Investment Fund LP") for the purpose of income generation and capital appreciation.

As the activity of the Intermediate Partnership is directly linked to the activity of the Fund Partnership, the General Partner's report reflects the activities of the underlying Fund Partnership.

### **Business review and future development**

#### ***Investments***

During the year ended December 31, 2017, the Fund Partnership, through its subsidiaries and joint ventures, took delivery of four vessels (one dry bulk carrier, one containership vessel and two car carriers).

During the course of the year, the Fund Partnership, through its subsidiaries, disposed of four containership vessels.

As at December 31, 2017, the Fund Partnership, through its subsidiaries and joint ventures, owned a total of fifty-eight operating vessels, (thirty-six dry bulk carriers, thirteen containership vessels, seven car carriers and two tankers) and shipbuilding contracts for the construction of five vessels (three containership vessels and two dry bulk carriers), which are expected to be delivered in 2018.

As at December 31, 2017, the Fund Partnership had commitments of approximately USD30.51 million in relation to the above mentioned joint ventures and shipbuilding contracts (December 31, 2016: USD110.62 million). These commitments are partly offset by the Fund Partnership's indirect share of undrawn credit facilities secured by the relevant joint ventures of USD7.63 million (December 31, 2016: USD8.75 million).

#### ***Results***

##### ***Investment and dividend income received***

During the year, the Fund Partnership received USD3.35 million of dividend income from its subsidiary Proteus Holding Limited (2016: USD0.55 million of dividend income from Proteus Holding Limited.)

##### ***Fair value movements of investments***

During the year, the Fund Partnership's investments increased in value by USD81.60 million (2016: USD121.65 million decrease in value). This increase in value was mainly attributable to unrealised gains on vessels and shipbuilding contracts.

##### ***Net result***

The net result for the year, after taking into account the dividend income received of USD3.35 million (2016: USD0.55 million), guarantee fee income of USD0.08 million (2016: USD0.17 million), fair value gain on investments of USD81.60 million (2016: loss of USD121.65 million), the general partner share of USD7.53 million (2016: USD7.89 million) and other fund operating and finance costs of USD1.73 million (2016: USD4.12 million) is a profit of USD75.78 million (December 31, 2016: loss of USD132.94 million). The Intermediate Partnership's proportion of this profit is USD46.74 million (December 31, 2016: losses of USD82.40 million).

**Capital calls**

During the year, the Fund Partnership made three capital calls from its limited partners amounting to USD54.50 million (2016: USD133.05 million). The purpose of these capital calls was to repay amounts previously drawn from the Fund Partnership's credit facility and to fund the completion of vessel investments. The Intermediate Partnership's contribution to these capital calls was USD33.72 million (2016: USD82.32 million).

**Financial risk management objectives and policies**

Refer to Note 3 in the notes to the financial statements for details on financial risk management objectives and policies.

**Events after the balance sheet date**

Refer to Note 14 in the notes to the financial statements for details on events after the balance sheet date.

**Statement of General Partner's responsibilities in respect of the Annual Report and the audited financial statements**

The General Partner is responsible for preparing the General Partner's Report and the financial statements in accordance with applicable law and regulations.

UK Company law requires the General Partner to prepare financial statements for each financial year. Under that law, the General Partner has prepared the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

Under UK Company law, the General Partner must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Intermediate Partnership and of the profit or loss of the Intermediate Partnership for that year. In preparing these financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS as adopted by the EU have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Intermediate Partnership will continue in business.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Intermediate Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Intermediate Partnership and enable it to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying partnerships by the Partnership (Accounts) Regulation 2008. The General Partner is also responsible for safeguarding the assets of the Intermediate Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Intermediate Partnership has applied the Investment Entities amendment to IFRS 10 'Consolidated Financial Statements'. Since the Intermediate Partnership is an investment entity under the standard, it is exempt from consolidating underlying subsidiaries and instead it is required to account for these subsidiaries at fair value through profit or loss. Refer to Notes 2A, 2C and 4.

The Intermediate Partnership has taken advantage of the small companies exemption and has not presented a strategic report.

The financial statements are made available through FIS Data Exchange, a third party hosted site. The maintenance and integrity of the FIS Data Exchange site is the responsibility of the General Partner; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

**Statement of General Partner's responsibilities in respect of the Annual Report and the audited financial statements (continued)**

Legislation in the United Kingdom and Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Section 418 of Companies Act 2006, the General Partner report shall include a statement, in the case of each director in office at the date the General Partner report is approved, that:

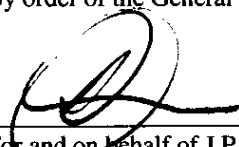
- (a) so far as each director of the General Partner is aware, there is no relevant audit information of which the Intermediate Partnership's auditor is unaware; and
- (b) each director of the General Partner has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Intermediate Partnership's auditor is aware of that information.

**Independent Auditors**

The General Partner confirms that so far as it is aware, there is no relevant audit information of which the Intermediate Partnership's auditors are unaware, and it has taken all the steps that it ought to have taken as a General Partner in order to make itself aware of any relevant audit information and to establish that the Intermediate Partnership's auditor is aware of that information.

PricewaterhouseCoopers LLP has expressed its willingness to continue in office as the Independent Auditors.

By order of the General Partner

  
\_\_\_\_\_  
For and on behalf of J.P. Morgan G1 (GP Scots) Limited  
(formerly "J.P. Morgan GMIF (GP Scots) Limited")  
Director

March 28, 2018  
Date

Independent Auditors' Report	2017
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**Independent auditors' report to the partners of Global Maritime Investment Fund Intermediate LP**

**Report on the audit of the financial statements**

**Opinion**

In our opinion, Global Maritime Investment Fund Intermediate LP's financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at December 31, 2017 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at December 31, 2017; the statement of comprehensive income, the statement of cash flows, the statement of changes in net assets attributable to Limited Partners for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

We remained independent of the qualifying partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the general partner's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the general partner has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the qualifying partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the qualifying partnership's ability to continue as a going concern.

**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The general partner is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the General Partner's Report, we also considered whether the disclosures required by the UK Companies Act 2006 as applied to qualifying partnerships have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

*General Partner's Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the General Partner's Report for the year ended December 31, 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, we did not identify any material misstatements in the General Partner's Report.

**Responsibilities for the financial statements and the audit***Responsibilities of the general partner for the financial statements*

As explained more fully in the Statement of General Partner's responsibilities set out on page 4, the general partner is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The general partner is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the general partner is responsible for assessing the qualifying partnership's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the general partner either intends to liquidate the qualifying partnership or to cease operations, or has no realistic alternative but to do so.

*Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

*Auditors' responsibilities for the audit of the financial statements (continued)*

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

*Use of this report*

This report, including the opinion, has been prepared for and only for the partners of the qualifying partnership as a body in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Other required reporting****Companies Act 2006 exception reporting**

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the qualifying partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

**Entitlement to exemptions**

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report to you if, in our opinion, the general partner were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Sandra Dowling (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

28 March 2018

Financial Statements for the Intermediate Partnership	2017
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**Global Maritime Investment Fund Intermediate LP**  
**Statement of Financial Position**  
As at December 31, 2017

	Notes	December 31, 2017 \$ 000s	December 31, 2016 \$ 000s
<b>Assets</b>			
<b>Non-current assets</b>			
Financial asset:			
Available for sale financial asset	4	313,970	233,508
<i>Total non-current assets</i>		<u>313,970</u>	<u>233,508</u>
<b>Current assets</b>			
Amounts due from limited partner	5	21	21
Cash and cash equivalents	6	5	7
<i>Total current assets</i>		<u>26</u>	<u>28</u>
<b>Total assets</b>		<u>313,996</u>	<u>233,536</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Due to affiliates	7	104	94
Accrued expenses	8	14	11
<i>Total current liabilities</i>		<u>118</u>	<u>105</u>
<b>Total liabilities (excluding net assets attributable to the limited partner)</b>		<u>118</u>	<u>105</u>
<b>Net assets attributable to the limited partner</b>		<u>313,878</u>	<u>233,431</u>
<b>Total liabilities</b>		<u>313,996</u>	<u>233,536</u>

The financial statements were approved by the General Partner on March 28, 2018 and signed on its behalf by



Director

March 28, 2018

Date

The accompanying notes form an integral part of these financial statements

Financial Statements for the Intermediate Partnership	2017
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**Global Maritime Investment Fund Intermediate LP**  
**Statement of Comprehensive Income**  
For the year ended December 31, 2017

		<b>Year ended December 31, 2017</b>	<b>Year ended December 31, 2016</b>
	<b>Notes</b>	<b>\$ 000s</b>	<b>\$ 000s</b>
<b>Income</b>		-	-
<b>Expenses</b>			
Operating expenses	9	(14)	(11)
<b>Operating loss for the year</b>		<u>(14)</u>	<u>(11)</u>
Finance costs	10	(1)	-
<b>Net loss for the year</b>		<u>(15)</u>	<u>(11)</u>
<b>Other comprehensive profit/(loss):</b>			
Net change in fair value of available for sale financial asset		<u>46,742</u>	<u>(82,403)</u>
<b>Total comprehensive profit/(loss) for the year</b>		<u>46,727</u>	<u>(82,414)</u>
<b>Net result for the year</b>			
Attributable to limited partner		<u>(15)</u>	<u>(11)</u>
<b>Total comprehensive profit/(loss) for the year</b>			
Attributable to limited partner		<u>46,727</u>	<u>(82,414)</u>

The accompanying notes form an integral part of these financial statements

Financial Statements for the Intermediate Partnership	2017
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**Global Maritime Investment Fund Intermediate LP**

**Statement of Changes in Equity and Net Assets attributable to the limited partner**

For the year ended December 31, 2017

All amounts in \$ 000s

	<b>Capital contribution</b>	<b>Advance contribution</b>	<b>Retained earnings</b>	<b>Other reserves</b>	<b>Total</b>
<b>Balance as at January 1, 2017</b>	<b>48</b>	<b>412,331</b>	<b>(77)</b>	<b>(178,871)</b>	<b>233,431</b>
Advance contributions	-	33,720	-	-	33,720
Distributions	-	-	-	-	-
Net result for the year	-	-	(15)	-	(15)
<b>Other comprehensive profit</b>					
Net change in fair value of available for sale financial asset	-	-	-	46,742	46,742
<b>Balance as at December 31, 2017</b>	<b>48</b>	<b>446,051</b>	<b>(92)</b>	<b>(132,129)</b>	<b>313,878</b>
	<b>Capital contribution</b>	<b>Advance contribution</b>	<b>Retained earnings</b>	<b>Other reserves</b>	<b>Total</b>
<b>Balance as at January 1, 2016</b>	<b>48</b>	<b>330,011</b>	<b>(66)</b>	<b>(96,468)</b>	<b>233,525</b>
Advance contributions	-	82,320	-	-	82,320
Distributions	-	-	-	-	-
Net result for the year	-	-	(11)	-	(11)
<b>Other comprehensive loss</b>					
Net change in fair value of available for sale financial asset	-	-	-	(82,403)	(82,403)
<b>Balance as at December 31, 2016</b>	<b>48</b>	<b>412,331</b>	<b>(77)</b>	<b>(178,871)</b>	<b>233,431</b>

The accompanying notes form an integral part of these financial statements

Financial Statements for the Intermediate Partnership	2017
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**Global Maritime Investment Fund Intermediate LP**  
**Statement of Cash Flows**  
For the year ended December 31, 2017

		Year ended December 31, 2017	Year ended December 31, 2016
	Notes	\$ 000s	\$ 000s
<b>Cash flows from operating activities</b>			
Net loss for the year		(15)	(11)
<i>Adjustments in relation to:</i>			
Finance costs	10	1	-
Changes in working capital	12	13	10
<i>Net Cash used in operating activities before finance costs</i>		<u>(1)</u>	<u>(1)</u>
Finance costs paid		<u>(1)</u>	<u>-</u>
<i>Net cash used in operating activities</i>		<u>(2)</u>	<u>(1)</u>
<b>Cash flows from investing activities</b>			
Investment in available for sale financial asset		<u>(33,720)</u>	<u>(82,320)</u>
<i>Net cash used in investing activities</i>		<u>(33,720)</u>	<u>(82,320)</u>
<b>Cash flows from financing activities</b>			
Advance contribution from the limited partner		<u>33,720</u>	<u>82,320</u>
<i>Net cash generated by financing activities</i>		<u>33,720</u>	<u>82,320</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(2)</u>	<u>(1)</u>
Cash and cash equivalents at the beginning of the year		<u>7</u>	<u>8</u>
<b>Cash and cash equivalents as at the end of the year</b>		<u>5</u>	<u>7</u>

The accompanying notes form an integral part of these financial statements

# Notes to the Financial Statements for the Intermediate Partnership 2017

## 1. General information

Global Maritime Investment Fund (the “Fund”) comprises the following:

<b>Fund entity:</b>	<b>Date of registration:</b>	<b>Jurisdiction:</b>	<b>Registered office:</b>
Global Maritime Investment Fund LP (“Fund Partnership”)	April 26, 2010	England	60 Victoria Embankment, London, EC4Y 0JP, England
Global Maritime Investment Fund Feeder LP (“Feeder Partnership”)	April 15, 2010	Scotland	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, Scotland
Global Maritime Investment Fund Intermediate LP (“Intermediate Partnership”)	April 15, 2010	Scotland	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, Scotland
Global Maritime Investment Fund Feeder, LLC (“Feeder LLC”)	April 7, 2010	Delaware	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, USA

In accordance with the requirements of the Volcker rule during the year, the following entities have been renamed:

<b>Name</b>	<b>Former name</b>	<b>Date of name change</b>
Global Maritime Investment Fund LP	J.P. Morgan Global Maritime Investment Fund LP	20th July, 2017
Global Maritime Investment Fund Feeder LP	J.P. Morgan Global Maritime Investment Fund Feeder LP	19th July, 2017
Global Maritime Investment Fund Feeder, LLC	J.P. Morgan Global Maritime Investment Fund Feeder, LLC	3rd July, 2017
Global Maritime Investment Fund Intermediate LP	J.P. Morgan Global Maritime Investment Fund Intermediate LP	19th July, 2017
J.P. Morgan G1 (GP Scots) Limited	J.P. Morgan GMIF (GP Scots)Limited	3rd July, 2017
J.P. Morgan G1 (GP) Limited	J.P. Morgan GMIF (GP) Limited	3rd July, 2017
JPMAM G1 CIP LP	J.P. Morgan Global Maritime Investment Fund Cayman CIP, LP	17th July, 2017

The Fund is closed-ended and limited partners may participate in the Fund by purchasing (i) interests directly in the Fund Partnership; (ii) limited liability company interests in the Feeder LLC which invests in the Fund Partnership via the Intermediate Partnership; (iii) limited partnership interests in the Feeder Partnership.

The sole purpose of this Intermediate Partnership is to acquire interests in the Fund Partnership. As at December 31, 2017, the Fund had raised capital commitments totalling USD780.33 million (December 31, 2016: USD780.33 million), of which USD482.80 million (December 31, 2016: USD482.80 million) related to the Intermediate Partnership.

The Intermediate Partnership's founder Limited Partner, JPMorgan Asset Management Holdings (Luxembourg) S.à r.l, has made a capital contribution to the Intermediate Partnership amounting to USD100 and is entitled to receive a profit share of USD100 for each calendar year it has been a limited partner, from the initial closing date to the termination of the Fund.

JPMAM G1 CIP LP (“Carried Interest Partnership”) and its limited partners participate in the Fund as a limited partner with commitments of USD22.73 million to the Fund Partnership (December 31, 2016: USD22.73 million).

## 1. General information (continued)

The Intermediate Partnership's profits and losses are allocated to the limited partner pro rata to its indirect commitments in the Fund Partnership. The Fund Partnership's profits and losses are allocated to the limited partner, pro-rata on its commitments.

Distributions are made to the limited partners on the same basis of allocation as that which would have applied had that limited partner been admitted directly to the Fund Partnership, subject to any additional specific Intermediate Partnership expenses, Intermediate Partnership limited founder partner profit share and Intermediate Partnership General Partner profit share.

### *Final closing*

The Fund's final closing date was December 9, 2011. The total commitments on the final closing date amounted to USD780.33 million.

### *Investment strategy*

The purpose of the Fund is to invest in vessels in any part of the world. The Fund will invest through a variety of different investment methods, including, without limitation, by directly or indirectly, (i) acquiring shares or other ownership units in an existing or newly formed holding company which owns one or more vessels; (ii) investing in listed and unlisted equity or debt securities (including shares, bonds and other securities) of an entity that owns one or more vessels (including in an entity at a pre-IPO stage or a listed entity which the Fund seeks to take private); or (iii) making, refinancing or acquiring a loan (including a non-performing loan) secured by one or more vessels.

The Fund will invest, directly or indirectly, in vessels in the bulkier sector (including, without limitation, roll-on/roll-off vessels), the tanker sector (including, without limitation, crude, product, chemical and liquid petroleum gas carriers and liquefied natural gas carriers ("LNG vessels") and the containership sector (together bulkier tanker containership vessels ("BTC vessels") and, subject to the investment guidelines included in the Limited Partnership Agreement ("LPA"), may invest in offshore supply vessels, barges, car carrier vessels and vessels in other sectors ("Non-BTC vessels").

### *Investment period*

The Fund's investment period commenced on the initial closing date (June 10, 2010) and ended on December 9, 2014, the third anniversary of the final closing date (December 9, 2011).

### *Fund termination*

The Fund shall terminate on the sixth anniversary of the end of the investment period plus an additional two consecutive one-year periods, at the election of the Operator with prior approval of the Fund limited partners.

### *Drawdowns*

During the year ended December 31, 2017, the Fund Partnership drew down USD54.50 million (December 31, 2016: USD133.05 million) from the limited partners to repay amounts previously drawn from the Fund Partnership's credit facility and for the completion of vessel investments. The Intermediate Partnership's contribution to the capital call amounted to USD33.72 million (December 31, 2016: USD82.32 million).

### *Distributions*

In accordance with the Fund Partnership's LPA, distributions are made to the Fund Partnership's limited partners as follows:

- (a) First 100% to the General Partner until the General Partner has received the General Partner's Share;
- (b) Second, 100% to the limited partners until they have received cumulative distributions equal to the aggregate of : (i) their advance contributions used to fund the vessel investment in respect of which distributions are being made and all other

## 1. General information (continued)

### *Distributions (continued)*

- realised investments, plus their proportionate share of any write-downs of unrealised vessel investments, as of that time; and (ii) the advance contributions used to fund all Fund Partnership expenses and loans in respect of the General Partner's share allocated to the investments included in (i);
- (c) 100% to the limited partners until the cumulative distributions to the limited partners under this paragraph (c) and paragraphs (d) and (e) equal the 9% preferred return, compounded annually;
  - (d) 60% to the Carried Interest Partner and 40% to the limited partners until the Carried Interest Partner has received 20% of the aggregate distributions under paragraph (c) and this paragraph (d); and
  - (e) 80% to the limited partners and 20% to the Carried Interest Partner.

As at December 31, 2017, the inception to date distributions from the Fund Partnership to its limited partners amounted to USD62.00 million (December 31, 2016: USD62.00 million). The Intermediate Partnership's share of these distributions was USD38.36 million (December 31, 2016: USD38.36 million). The Intermediate Partnership did not receive any distributions from the Fund Partnership during the year ended December 31, 2017 and consequently it did not make any distributions to its limited partner. (December 31, 2016: USD Nil)

## 2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### *A. Basis of preparation*

The financial statements of the Intermediate Partnership have been prepared in accordance with IFRS as adopted by the EU and in accordance with the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulation 2008. The financial statements have been prepared on a going concern basis, under the historical cost convention modified for the revaluation of financial assets and financial liabilities at fair value through profit or loss.

The Fund Partnership and Intermediate Partnership meet the definition of an investment entity as defined by IFRS 10 and the Intermediate Partnership is required to account for the investment in the Fund Partnership at fair value of the available for sale financial asset. These separate financial statements are the only financial statements presented by the Intermediate Partnership. Refer to Note 2C.

The presentation of financial statements in conformity with IFRS as adopted by the EU requires the use of certain critical accounting estimates. It also requires the General Partner to exercise its judgement in the process of applying the Intermediate Partnership's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to financial statements are disclosed in Note 2G below.

### *B. Changes in accounting policy and disclosures*

#### **Standards, amendments and interpretations effective January 1, 2017 and adopted by the Intermediate Partnership**

Amendments to IAS 7 'Statement of Cash Flows' became effective for annual periods beginning on or after January 1, 2017. These amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning January 1, 2017 that have not been adopted.

## 2. Summary of significant accounting policies (continued)

### *B. Changes in accounting policy and disclosures (continued)*

#### **i. Standards, amendments and interpretations effective for the financial year beginning January 1, 2017 and adopted early**

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning January 1, 2017 that have been adopted early.

#### **ii. Standards, amendments and interpretations that are in issue but not effective for the financial year beginning January 1, 2017 and not adopted early**

IFRS 9 'Financial Instruments' addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and reissued in October 2010. It replaces the parts of IAS 39 'Financial instruments: recognition and measurement' that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. As the investment will continue to be measured at fair value, the adoption of this standard is not expected to have any other material impact on the financial statements of the Intermediate Partnership. The Intermediate Partnership adopted IFRS 9 in the accounting period beginning January 1, 2018.

Amendment to IFRS 15 'Revenue from contracts with customers'. These amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licences of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). IFRS 15 is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IFRS. This standard is not expected to have a material impact on the presentation of financial statements of the Intermediate Partnership.

IFRS 16 'Leases' now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16 a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases. IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Early application is permitted, but not before an entity applies IFRS 15. This standard is not expected to have material effect on the presentation of financial statements of the Intermediate Partnership.

**2. Summary of significant accounting policies (continued)*****B. Changes in accounting policy and disclosures (continued)******ii. Standards, amendments and interpretations that are in issue but not effective for the financial year beginning January 1, 2017 and not adopted early (continued)***

A number of other new standards, amendments to standards and interpretations were effective for annual periods beginning after January 1, 2017 and have not been applied in preparing these financial statements. The General Partner does not expect these to have a material effect on the financial statements of the Intermediate Partnership.

The General Partner does not expect the adoption of the standards, amendments and interpretations that are in issue but not yet effective listed above will have a material impact on the Intermediate Partnership's financial statements in future periods. Beyond the information above, it is not practical to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

***C. Investment Entity***

The Intermediate Partnership, is closed-ended, has one investor and holds multiple investments through the Fund Partnership. Net assets attributable to the limited partner are classified as a financial liability, due to a finite life and contractual payment provisions of the limited partners within the Fund Partnership's LPA. Net assets attributable to limited partner's capital are carried at amortised cost and are classified as debt in accordance with IAS 32. The limited partner's interests are exposed to variable returns from changes in the fair value of the Fund's net assets.

The Intermediate Partnership has been deemed to meet the definition of an investment entity per IFRS 10 as the following conditions exist:

- i) The Intermediate Partnership, which is closed end, has obtained funds for the purpose of providing investors with investment management services.
- ii) The Intermediate Partnership's business purpose, which was communicated directly to investors, is investing solely for returns from capital appreciation and investment income, through the use of a Master-Feeder structure.
- iii) The performance of investments made through the subsidiaries of the Fund Partnership are measured and evaluated on a fair value basis.
- iv) The investor's ownership interests in the Intermediate Partnership is in the form of capital and advance contributions. The investor is exposed to variable returns from changes in the fair value of the Intermediate Partnership's net assets.

***D. Foreign currency translation******Functional and presentational currency***

Items included in the financial statements of the Intermediate Partnership are measured using the currency of the primary economic environment in which the Intermediate Partnership operates (the "functional currency").

The financial statements are presented in US Dollars (USD or \$), which is the Intermediate Partnership's functional and presentational currency.

***Transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the Statement of Financial Position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

When gains or losses on a non-monetary item are recognised directly in other comprehensive income, the exchange component of that gain or loss shall be recognised directly in other comprehensive income. Conversely when gains or losses on a non-monetary

## 2. Summary of significant accounting policies (continued)

### *D. Foreign currency translation (continued)*

item are recognised directly in the profit or loss within the Statement of Comprehensive Income, the exchange component of that gain or loss shall be recognised in the profit or loss within the Statement of Comprehensive Income.

### *E. Receivables*

Receivables are recognised initially at fair value and subsequently measured at fair value.

### *F. Cash and cash equivalents*

Cash and cash equivalents can comprise cash in hand, deposits held at call with banks and other short term investments in an active market with original maturities of three months or less and bank overdrafts.

### *G. Use of significant accounting estimates*

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income, expenses and unrealised gains or losses during the reporting period. Actual results could differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors. These include expectations of future events that are believed to be reasonable under the circumstances.

The Intermediate Partnership makes estimates and assumptions concerning:

- i) fair value of available for sale financial asset,
- ii) the treatment of the investment in the Fund Partnership as an available for sale financial asset,
- iii) the going concern of the Intermediate Partnership, and
- iv) use of investment entity accounting as defined by IFRS 10.

The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

### *H. Available for sale financial asset*

All investments are initially recognised at cost, being fair value of the consideration given and including acquisition charges associated with the investment. Given the nature of the investment into the Fund Partnership, it is classified as available for sale financial asset.

After initial recognition, investments which are classified as available for sale financial asset are measured at fair value. Changes in the fair value are recognised directly in the other comprehensive income and allocated to net assets attributable to the limited partner until the investment is derecognised. At this time, the cumulative gain or loss previously recognised is transferred to the profit and loss within the Statement of Comprehensive Income. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Refer to Note 3B in the Fund Partnership financial statements for further details on the fair valuation policy of the investments.

The investment in the Fund Partnership consists of non-marketable, limited partnership interests. The cost basis of the investment held by the Intermediate Partnership includes all amounts contributed to the Fund Partnership. The fair value of investments represents the cost of the investment adjusted for the Intermediate Partnership's allocated share of investment income, expenses, realised and unrealised gains or losses, based on its percentage interest in the Fund Partnership. Distributions received from the Fund Partnership are recorded as a reduction in its investment in the Fund Partnership.

The Intermediate Partnership assesses, at each Statement of Financial Position date, whether there is objective evidence that a financial asset is impaired. In the case of available for sale equity securities, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If evidence of impairment exists, the cumulative loss previously recognised in other comprehensive income is removed from other comprehensive income and recognised in the statement of profit and loss. Impairment losses recognised in the income statement on equity instruments are not

**2. Summary of significant accounting policies (continued)*****H. Available for sale financial asset (continued)***

reversed through the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the statement of profit and loss. As at December 31, 2017 there is no impairment being recognised (December 31, 2016: USD Nil).

***I. Limited partner's capital***

The capital contributed to the Intermediate Partnership consists of capital contribution and advance contribution. The capital contribution of the limited partner amounts to 0.01% of the limited partner's commitment. The limited partner contributes the full amount of its capital contribution on the closing date on which it is admitted to the Intermediate Partnership. The capital contributions are not returned to the limited partner until the end of the life of the Fund. No interest will be paid or payable by the Intermediate Partnership upon any capital contribution. In order to fund the capital calls from the Fund Partnership, the Intermediate Partnership draws down from the limited partner's committed capital. The advances are drawn down pro rata to the aggregate undrawn commitments to the Intermediate Partnership, until the commitments from the limited partner are fully paid up. No interest will be paid or payable by the Intermediate Partnership upon any advances. On termination of the Intermediate Partnership, the limited partner will be subordinated to all other creditors as regards repayment of any advances outstanding together with the committed capital.

***J. Distributions to limited partner***

Distributions are made by the Intermediate Partnership in accordance with its LPA, see Note 1.

***K. Revenue recognition******Interest income***

Interest income is recognised on an accrual basis using the effective interest rate method. Interest income is included in finance income in the Statement of Comprehensive Income.

***L. Provisions***

Provisions are recognised when the Intermediate Partnership has an obligation (legal or constructive) arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured.

***M. Going concern***

As a result of the funding activities undertaken, the Intermediate Partnership should be able to operate within the level of its current financing. After making enquiries, the General Partner has a reasonable expectation that the Intermediate Partnership has adequate resources based on its uncalled committed capital (see Note 5) to continue in operational existence for the foreseeable future. The Intermediate Partnership therefore adopts the going concern basis in preparing its financial statements.

**3. Financial risk management****A. Financial risk factors**

The Intermediate Partnership's activities expose it to a variety of financial risks: market risk (including price risk, cash flow and fair value interest rate risk and currency risk), credit risk and liquidity risk.

The Intermediate Partnership invests solely in the Fund Partnership. An investment in the Fund Partnership involves certain risks relating to the Fund Partnership's structure and to the investment policies which it applies. Refer to Note 3 of the Fund Partnership's financial statements for further detail on the Fund Partnership's financial risk management. Where possible, the General Partner of the Intermediate Partnership and its operator (J.P. Morgan Investment Management Inc.) and its adviser (JPMorgan Asset Management (UK) Limited) will take the necessary actions to mitigate these risks.

**3. Financial risk management (continued)****A. Financial risk factors (continued)****3.1 Market risk***Price risk*

The Intermediate Partnership is exposed to market risk with respect to the value of the available for sale financial asset. The future cash flows related to the available for sale financial asset in the Intermediate Partnership are mainly linked to the Fund's investments in maritime investments which are exposed to price risk.

*Cash flow and fair value interest rate risk*

The Intermediate Partnership is not exposed to interest rate risk as its assets and liabilities are non-interest bearing.

Given the illiquid nature of the underlying Investments, the Intermediate Partnership's remaining cash flow risk is largely considered to be liquidity, and this is further considered in 3.3.

*Currency risk*

The Intermediate Partnership's income and operating cash flows are substantially independent of changes in market exchange rates as the Partnership is not directly involved in foreign currency transactions.

As at December 31, 2017 and also in the prior year the Intermediate Partnership did not have any hedging policy with respect to foreign exchange and interest rate risks as exposure to such risks was not considered to be significant by the General Partner.

**3.2 Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Intermediate Partnership's exposure to credit risk is indicated by the carrying amount of its assets which consist principally of the available for sale financial asset in the Fund Partnership and amounts due from limited partner, cash and cash equivalents.

The credit risk on available for sale financial asset is mainly related to the underlying investments held by the Intermediate Partnership through the Fund Partnership. Refer to Note 3 of the Fund Partnership's financial statements for further detail on the Fund Partnership's financial risk management.

The Intermediate Partnership has no significant concentration of credit risk.

As at December 31, 2017 and December 31, 2016, excess cash is held in short term cash accounts with creditworthy financial institutions (held with J.P. Morgan Chase Bank N.A. London which has a credit rating of "Aa3" (2016: "Aa3") for long term debt from the credit rating agency Moody's).

The accounts receivable balances of the Intermediate Partnership are neither past due nor impaired. The Intermediate Partnership is not deemed to have any significant credit risk.

**3.3 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions at short notice.

The commitment of the Intermediate Partnership into the Fund Partnership is limited to the commitment of the limited partner into the Intermediate Partnership. The limited partner's commitment to the Intermediate Partnership is available for drawdown for any working capital or investment purposes.

### 3. Financial risk management (continued)

#### A. Financial risk factors (continued)

##### 3.3 Liquidity risk (continued)

The table below summarises the Intermediate Partnership's financial liabilities (excluding net assets attributable to limited partners) into relevant maturity groupings based on the remaining period from the Statement of Financial Position date (and comparative period end) to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not deemed to be significant.

At December 31, 2017 All amounts in \$ 000s	Less than 3 months	3 months - 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
<b>Current liabilities</b>						
Amounts due to affiliates	104	-	-	-	-	104
Accrued expenses	14	-	-	-	-	14
<b>Total current liabilities</b>	<b>118</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118</b>

At December 31, 2016 All amounts in \$ 000s	Less than 3 months	3 months - 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
<b>Current liabilities</b>						
Amounts due to affiliates	94	-	-	-	-	94
Accrued expenses	11	-	-	-	-	11
<b>Total current liabilities</b>	<b>105</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>105</b>

#### B. Fair value estimation

Fair value is the amount for which an asset can be exchanged or a liability settled, between knowledgeable and willing parties transacting at "arm's length". This requires the Intermediate Partnership to classify, for disclosure purposes, fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

##### Level 1

Quoted price (unadjusted) in active markets for identical assets or liabilities.

##### Level 2

Inputs other than quoted prices included within the level that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

##### Level 3

Inputs for asset or liability that are not based on observable market data (that is, unobservable inputs).

**3. Financial risk management (continued)**

**B. Fair value estimation (continued)**

The following table analyses the fair value hierarchy of the Intermediate Partnership's financial assets and liabilities (by class) measured at fair value as at December 31, 2017

As at December 31, 2017	Level 1 \$ 000s	Level 2 \$ 000s	Level 3 \$ 000s	Total \$ 000s
<b>Assets</b>				
Available for sale financial asset	-	-	313,970	313,970
<b>Total</b>	-	-	<b>313,970</b>	<b>313,970</b>
<b>Liabilities</b>				
Net assets attributable to the limited partner	-	-	313,878	313,878
<b>Total</b>	-	-	<b>313,878</b>	<b>313,878</b>
As at December 31, 2016	Level 1 \$ 000s	Level 2 \$ 000s	Level 3 \$ 000s	Total \$ 000s
<b>Assets</b>				
Available for sale financial asset	-	-	233,508	233,508
<b>Total</b>	-	-	<b>233,508</b>	<b>233,508</b>
<b>Liabilities</b>				
Net assets attributable to the limited partner	-	-	233,431	233,431
<b>Total</b>	-	-	<b>233,431</b>	<b>233,431</b>

The Intermediate Partnership held no level 1 or level 2 financial assets and liabilities measured at fair value in the current year or the prior year. There were no movements between level 1, 2 and 3 financial assets and liabilities during the year. In the opinion of General Partner, the carrying values of the financial assets and liabilities are not significantly different from their fair values. Refer to Note 3B of the Fund Partnership's financial statements for the valuation process for level 3 assets.

**C. Capital risk management**

For the purpose of this section, capital means capital contribution and advance contribution.

The Intermediate Partnership's objective when managing capital is to safeguard the Intermediate Partnership's ability to continue as a going concern so as to maximise value and returns for the partners and keep an optimal capital structure.

Since inception the Intermediate Partnership was financed by capital contributions from the limited partner and by cash advances from the Fund Partnership and it did not enter into any borrowings.

Notes to the Financial Statements for the Intermediate Partnership	2017
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**4. Available for sale financial asset**

Movements during the year were as follows:

2017	Total \$ 000s
<b><u>Cost:</u></b>	
As at January 1, 2017	412,379
Additions	33,720
As at December 31, 2017	446,099
<b><u>Fair value movement:</u></b>	
As at January 1, 2017	(178,871)
Net change in fair value of available for sale financial asset	46,742
As at December 31, 2017	(132,129)
<b><u>Fair Value:</u></b>	
As at January 1, 2017	233,508
As at December 31, 2017	313,970

Available for sale financial asset include the following:

	December 31, 2017 \$ 000s	December 31, 2016 \$ 000s
Unlisted securities:		
Global Maritime Investment Fund LP	313,970	233,508
	313,970	233,508

At the Statement of Financial Position date, the Intermediate Partnership had a 61.87% (December 31, 2016: 61.87%) interest in the Fund Partnership, based on the percentage of its commitments into the Fund Partnership. The Intermediate Partnership does not exercise significant influence over the Fund Partnership as under clause 9.4 of the Fund Partnership's LPA, the Operator has full power and authority in respect of the affairs of the Fund Partnership and the management and control of the Fund Partnership's business shall rest exclusively with the Operator. Therefore, the Intermediate Partnership is not accounted for as an associate.

As at December 31, 2017, the Fund Partnership had net assets attributable to limited partners of USD508.53 million (December 31, 2016: USD378.26 million) and the Intermediate Partnership's share of the Fund Partnership's net assets amounted to USD313.97 million (December 31, 2016: USD233.51 million). Under the Fund Partnership's LPA the Intermediate Partnership is liable to pay the debts, liabilities or obligations of the Fund Partnership limited to the amount of the Intermediate Partnership's committed capital.

The lower share of net assets as compared to the Intermediate Partnership's interest in the Fund Partnership is because the JPMorgan affiliates are exempt from paying the General Partner Share.

# Notes to the Financial Statements for the Intermediate Partnership 2017

## 5. Limited partner's contributions and commitments

At the Statement of Financial Position date, the outstanding uncalled committed capital was as follows:

	December 31, 2017 \$ 000s	December 31, 2016 \$ 000s
Committed capital	482,800	482,800
Contributions	(482,800)	(450,739)
Recallable distribution <sup>1</sup>	13,190	14,849
Uncalled committed capital	<u>13,190</u>	<u>46,910</u>

<sup>1</sup>In September 2014, a distribution of USD14.85 million was made to the limited partners. Since this distribution was made during the investment period, it is subject to recall. As at December 31, 2017, USD1.66 million of the USD14.85 million was recalled.

In October 2015 a second distribution of USD23.51 million was made to the limited partners. This distribution is not included in the table above as it is not recallable, due to the fact that it happened after the investment period ended.

The Founder Limited Partner, JPMorgan Asset Management Holdings (Luxembourg) S.à r.l has a USD100 commitment.

The balances due from the Feeder LLC are detailed below.

	December 31, 2017 \$ 000s	December 31, 2016 \$ 000s
<b>Amounts due from limited partner:-</b>		
Due from the limited partner	<u>21</u>	<u>21</u>
	<u>21</u>	<u>21</u>

## 6. Cash and cash equivalents

Cash and cash equivalents comprise:

	December 31, 2017 \$ 000s	December 31, 2016 \$ 000s
Cash at bank	<u>5</u>	<u>7</u>
	<u>5</u>	<u>7</u>

## 7. Related party transactions

The Fund Partnership, together with the Fund Partnership's General Partner, J.P. Morgan GI (GP) Limited, J.P. Morgan Investment Management Inc. (the 'Operator') JPMorgan Asset Management (UK) Limited ('Investment Advisor'), J.P. Morgan Chase Bank N.A. London Branch (the 'Bank') and JP Morgan Chase Bank, N.A., Dublin Branch (the 'Accountant'), are related parties as they are subsidiaries or affiliates of JPMorgan Chase & Co.

The Fund Partnership is managed by the Operator. Under the terms of the LPA, the Fund Partnership appointed the Operator as a manager to provide management services to the Fund Partnership.

On July 22, 2014, JPMorgan Investment Management Inc. replaced JPMorgan Asset Management (UK) Limited as Operator to the Fund Partnership. On the same date JPMorgan Asset Management (UK) Limited was appointed as non-discretionary Investment Advisor to J.P. Morgan Investment Management Inc. in its capacity as Operator of the Fund Partnership. J.P. Morgan Investment Management Inc. is incorporated in the United States.

Notes to the Financial Statements for the Intermediate Partnership	2017
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## 7. Related party transactions (continued)

### *General Partner's Profit Share ("GPPS")*

A GPPS is payable to the General Partner, J.P. Morgan G1 (GP Scots) Limited on termination of the Intermediate Partnership and is accrued at the rate of USD100 for each calendar year. As at December 31, 2017, USD700 (December 31, 2016: USD656) of GPPS was outstanding.

At Fund Partnership level, a General Partner's Share / management fee is payable to the Fund Partnership's General Partner and is payable directly by the Fund Partnership and not via the Intermediate Partnership.

### *Founder Limited Partner Profit Share*

A Founder Limited Partner Profit Share is payable to the Founder Partner, JPMorgan Asset Management Holdings (Luxembourg) S.à r.l, on termination of the Intermediate Partnership and is accrued at the rate of USD100 for each calendar year the Founder Limited Partner remains a limited partner. The charge during the year was USD100 (December 31, 2016: USD100) of which USD700 (December 31, 2016: USD656) of Founder Limited Partner Profit Share was outstanding.

### *Investments in / transactions with affiliates*

The Intermediate Partnership invests in the Fund Partnership, and as at December 31, 2017 the value of the investment was USD313.97 million (December 31, 2016: USD233.51 million) see Note 4. As at December 31, 2017 the Intermediate Partnership owed the Fund Partnership USD0.10 million (December 31, 2016: USD0.09 million).

### *Transactions with Limited Partner*

The Feeder LLC invests in the Intermediate Partnership, and as at December 31, 2017 the Feeder LLC owed the Intermediate Partnership USD0.02 million (December 31, 2016: USD0.02 million) (See Note 5).

## 8. Accrued expenses

	December 31, 2017 \$ 000s	December 31, 2016 \$ 000s
Accrued audit fees	12	10
Accrued professional fees	2	1
	14	11

## 9. Operating expenses

	December 31, 2017 \$ 000s	December 31, 2016 \$ 000s
Audit fees	12	10
Professional fees	2	1
	14	11

Notes to the Financial Statements for the Intermediate Partnership	2017
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**10. Finance costs**

	December 31, 2017 \$ 000s	December 31, 2016 \$ 000s
Bank charges	1	-
	1	-

**11. Income tax**

The Intermediate Partnership is tax transparent for the purposes of UK taxation.

**12. Changes in working capital**

**December 31, 2017:**

	Balance as at December 31, 2017 \$ 000s	Balance as at December 31, 2016 \$ 000s	Change in working capital \$ 000s
Amounts due to affiliates	63	53	10
Accrued expenses	14	11	3
	77	64	13

**December 31, 2016:**

	Balance as at December 31, 2016 \$ 000s	Balance as at December 31, 2015 \$ 000s	Change in working capital \$ 000s
Amounts due to affiliates	53	44	9
Accrued expenses	11	10	1
	64	54	10

**13. Ultimate controlling party**

In the opinion of the directors of the General Partner, there is no ultimate controlling party.

**14. Events after the date of the statement of financial position**

In preparing these financial statements, the General Partner has evaluated events that have occurred from the statement of financial position date to the date the financial statements were issued/available to be issued and has determined that no other events besides those being disclosed above have occurred that would require recognition or additional disclosures in these financial statements.

**15. Approval for financial statements**

The financial statements were authorised for issue by the General Partner on March 28, 2018.

# **GLOBAL MARITIME INVESTMENT FUND FEEDER LP**

**Audited financial statements for the year ended December 31, 2017**

50 Lothian Road, Festival Square,  
Edinburgh, EH3 9WJ,  
Scotland

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General information	2017
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**Partnership Number:** SL007776

**General Partner:** J.P. Morgan G1 (GP Scots) Limited (formerly "J.P. Morgan GMIF (GP Scots) Limited")

**Directors of the General Partner:** K.W. McCathern  
R.A. Crombie

**Operator:** J.P. Morgan Investment Management Inc.  
270 Park Avenue  
New York  
NY 10017  
USA

**Investment Adviser:** JPMorgan Asset Management (UK) Limited  
25 Bank Street, Canary Wharf  
London  
E14 5JP  
England

**Accountants:** JPMorgan Chase Bank, N.A.  
JPMorgan House  
IFSC  
Dublin 1  
Ireland

**Independent Auditors:** PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
7 More London Riverside  
London, SE1 2RT  
United Kingdom

**Legal Advisers:** Allen & Overy LLP  
One Bishops Square  
London  
E1 6AD  
England

Stroock & Stroock & Lavan LLP  
180 Maiden Lane  
New York  
NY 10038-4982  
USA

The Board of Directors of the General Partner presents its Annual Report and the audited financial statements of Global Maritime Investment Fund Feeder LP (formerly "J.P. Morgan Global Maritime Investment Fund Feeder LP") for the year ended December 31, 2017.

### **Principal activities**

The Global Maritime Investment Fund Feeder LP (formerly "J.P. Morgan Global Maritime Investment Fund Feeder LP") (the "Feeder Partnership") has been established to invest solely in Global Maritime Investment Fund LP (formerly "J.P. Morgan Global Maritime Investment Fund LP") (the "Fund Partnership") for the purpose of income generation and capital appreciation.

As the activity of the Feeder Partnership is directly linked to the activity of the Fund Partnership, the General Partner's report reflects the activities of the underlying Fund Partnership.

### **Business review and future development**

#### ***Investments***

During the year ended December 31, 2017, the Fund Partnership, through its subsidiaries and joint ventures, took delivery of four vessels (one dry bulk carrier, one containership vessel and two car carriers).

During the course of the year, the Fund Partnership, through its subsidiaries, disposed of four containership vessels.

As at December 31, 2017, the Fund Partnership, through its subsidiaries and joint ventures, owned a total of fifty-eight operating vessels, (thirty-six dry bulk carriers, thirteen containership vessels, seven car carriers and two tankers) and shipbuilding contracts for the construction of five vessels (three containership vessels and two dry bulk carriers), which are expected to be delivered in 2018.

As at December 31, 2017, the Fund Partnership had commitments of approximately USD30.51 million in relation to the above mentioned joint ventures and shipbuilding contracts (December 31, 2016: USD110.62 million). These commitments are partly offset by the Fund Partnership's indirect share of undrawn credit facilities secured by the relevant joint ventures of USD7.63 million (December 31, 2016: USD8.75 million).

#### ***Results***

##### ***Investment and dividend income received***

During the year, the Fund Partnership received USD3.35 million of dividend income from its subsidiary Proteus Holding Limited (2016: USD0.55 million of dividend income from Proteus Holding Limited.)

##### ***Fair value movements of investments***

During the year, the Fund Partnership's investments increased in value by USD81.60 million (2016: USD121.65 million decrease in value). This increase in value was mainly attributable to unrealised gains on vessels and shipbuilding contracts.

#### ***Net result***

The net result for the year, after taking into account the dividend income received of USD3.35 million (2016: USD0.55 million), guarantee fee income of USD0.08 million (2016: USD0.17 million), fair value gain on investments of USD81.60 million (2016: loss of USD121.65 million), the general partner share of USD7.53 million (2016: USD7.89 million) and other fund operating and finance costs of USD1.73 million (2016: USD4.12 million) is a profit of USD75.78 million (December 31, 2016: loss of USD132.94 million). The Feeder Partnership's proportion of this profit is USD22.27 million (December 31, 2016: loss of USD39.26 million).

#### ***Capital calls***

During the year, the Fund Partnership made three capital calls from its limited partners amounting to USD54.50 million (2016: USD133.05 million). The purpose of these capital calls was to repay amounts previously drawn from the Fund Partnership's credit facility and to fund the completion of vessel investments. The Feeder Partnership's contribution to this capital call amounted to USD16.07 million (2016: USD39.22 million).

**Financial risk management objectives and policies**

Refer to Note 3 in the notes to the financial statements for details on financial risk management objectives and policies.

**Events after the balance sheet date**

Refer to Note 14 in the notes to the financial statements for details on events after the balance sheet date.

**Statement of General Partner's responsibilities in respect of the Annual Report and the audited financial statements**

The General Partner is responsible for preparing the General Partner's Report and the financial statements in accordance with applicable law and regulations.

UK Company law requires the General Partner to prepare financial statements for each financial year. Under that law, the General Partner has prepared the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

Under UK Company law, the General Partner must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Feeder Partnership and of the profit or loss of the Feeder Partnership for that year. In preparing these financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Feeder Partnership will continue in business.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Feeder Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Feeder Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying partnerships by the Partnership (Accounts) Regulation 2008. The General Partner is also responsible for safeguarding the assets of the Feeder Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Feeder Partnership has applied the Investment Entities amendment to IFRS 10 'Consolidated Financial Statements'. Since the Feeder Partnership is an investment entity under the standard, it is exempt from consolidating underlying subsidiaries and instead it is required to account for these subsidiaries at fair value through profit or loss. Refer to Notes 2A, 2C and 4.

The Fund Partnership has taken advantage of the small companies exemption and has not presented a strategic report.

The financial statements are made available through FIS Data Exchange, a third party hosted site. The maintenance and integrity of the FIS Data Exchange site is the responsibility of the General Partner; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom and Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Section 418 of Companies Act 2006, the General Partner report shall include a statement, in the case of each director in office at the date the General Partner report is approved, that:

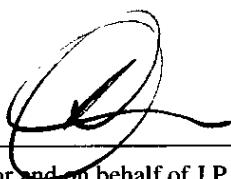
- (a) so far as each director of the General Partner is aware, there is no relevant audit information of which the Feeder Partnership's auditor is unaware; and
- (b) each director of the General Partner has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Feeder Partnership's auditor is aware of that information.

**Statement of General Partner's responsibilities in respect of the Annual Report and the audited financial statements (continued)****Independent Auditors**

The General Partner confirms that so far as it is aware, there is no relevant audit information of which the Feeder Partnership's auditor is unaware, and it has taken all the steps that it ought to have taken as a General Partner in order to make itself aware of any relevant audit information and to establish that the Feeder Partnership's auditor is aware of that information.

PricewaterhouseCoopers LLP has expressed its willingness to continue in office as the Independent Auditors.

By order of the General Partner



For and on behalf of J.P. Morgan G1 (GP Scots) Limited  
(formerly "J.P. Morgan GMIF (GP Scots) Limited")  
Director

March 28, 2018

Date

Independent Auditors' Report	2017
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## **Independent auditors' report to the partners of Global Maritime Investment Fund Feeder LP**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, Global Maritime Investment Fund Feeder LP's financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at December 31, 2017 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at December 31, 2017; the statement of comprehensive income, the statement of cash flows, the statement of changes in net assets attributable to Limited Partners for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remained independent of the qualifying partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the general partner's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the general partner has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the qualifying partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the qualifying partnership's ability to continue as a going concern.

**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The general partner is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the General Partner's Report, we also considered whether the disclosures required by the UK Companies Act 2006 as applied to qualifying partnerships have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

**General Partner's Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the General Partner's Report for the year ended December 31, 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, we did not identify any material misstatements in the General Partner's Report.

**Responsibilities for the financial statements and the audit***Responsibilities of the general partner for the financial statements*

As explained more fully in the Statement of General Partner's responsibilities set out on page 4, the general partner is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The general partner is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the general partner is responsible for assessing the qualifying partnership's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the general partner either intends to liquidate the qualifying partnership or to cease operations, or has no realistic alternative but to do so.

*Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

*Auditors' responsibilities for the audit of the financial statements (continued)*

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

*Use of this report*

This report, including the opinion, has been prepared for and only for the partners of the qualifying partnership as a body in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Other required reporting****Companies Act 2006 exception reporting**

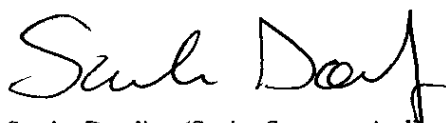
Under the Companies Act 2006 as applied to qualifying partnerships we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the qualifying partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

**Entitlement to exemptions**

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report to you if, in our opinion, the general partner were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Sandra Dowling (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

28 March 2018

# Financial Statements for the Feeder Partnership

2017

## Global Maritime Investment Fund Feeder LP Statement of Financial Position As at December 31, 2017

		December 31, 2017	December 31, 2016
	Notes	\$ 000s	\$ 000s
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial asset:			
Available for sale financial asset	4	149,589	111,253
<i>Total non-current assets</i>		<u>149,589</u>	<u>111,253</u>
<b>Current assets</b>			
Cash and cash equivalents	6	1	1
<i>Total current assets</i>		<u>1</u>	<u>1</u>
<b>Total assets</b>		<u>149,590</u>	<u>111,254</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Amounts due to affiliates	7	80	67
Accrued expenses	8	15	12
<i>Total current liabilities</i>		<u>95</u>	<u>79</u>
<b>Total liabilities (excluding net assets attributable to limited partners)</b>		<u>95</u>	<u>79</u>
<b>Net assets attributable to limited partners</b>		<u>149,495</u>	<u>111,175</u>
<b>Total liabilities</b>		<u>149,590</u>	<u>111,254</u>

The financial statements were approved by the General Partner on March 28, 2018 and signed on its behalf by



Director

March 28, 2018

Date

The accompanying notes form an integral part of these financial statements

Financial Statements for the Feeder Partnership	2017
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**Global Maritime Investment Fund Feeder LP**  
**Statement of Comprehensive Income**  
**For the year ended December 31, 2017**

		Year ended December 31, 2017	Year ended December 31, 2016
	Notes	\$ 000s	\$ 000s
<b>Income</b>		-	-
<b>Expenses</b>			
Operating expenses	9	(15)	(11)
<b>Operating loss for the year</b>		<b>(15)</b>	<b>(11)</b>
Finance costs	10	(1)	(1)
<b>Net loss for the year</b>		<b>(16)</b>	<b>(12)</b>
<b>Other comprehensive profit/(loss):</b>			
Net change in fair value of available for sale financial asset	4	22,270	(39,261)
<b>Total comprehensive profit/(loss) for the year</b>		<b>22,254</b>	<b>(39,273)</b>
<b>Net result for the year</b>			
Attributable to limited partners		(16)	(12)
<b>Total comprehensive profit/(loss) for the year</b>			
Attributable to limited partners		<b>22,254</b>	<b>(39,273)</b>

The accompanying notes form an integral part of these financial statements

Financial Statements for the Feeder Partnership	2017
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**Global Maritime Investment Fund Feeder LP**  
**Statement of Changes in Equity and Net Assets attributable to limited partners**  
**For the year ended December 31, 2017**  
**All amounts in \$ 000s**

	<b>Capital contribution</b>	<b>Advance contribution/ distribution</b>	<b>Retained earnings</b>	<b>Other reserves</b>	<b>Total</b>
<b>Balance at January 1, 2017</b>	<b>23</b>	<b>196,449</b>	<b>(78)</b>	<b>(85,219)</b>	<b>111,175</b>
Advance contributions	-	16,066	-	-	16,066
Distributions	-	-	-	-	-
Net result for the year	-	-	(16)	-	(16)
<b>Other comprehensive profit</b>					
Net change in fair value of available for sale financial asset	-	-	-	22,270	22,270
<b>Balance as at December 31, 2017</b>	<b>23</b>	<b>212,515</b>	<b>(94)</b>	<b>(62,949)</b>	<b>149,495</b>

	<b>Capital contribution</b>	<b>Advance contribution/ distribution</b>	<b>Retained earnings</b>	<b>Other reserves</b>	<b>Total</b>
<b>Balance at January 1, 2016</b>	<b>23</b>	<b>157,228</b>	<b>(66)</b>	<b>(45,958)</b>	<b>111,227</b>
Advance contributions	-	39,221	-	-	39,221
Distributions	-	-	-	-	-
Net result for the year	-	-	(12)	-	(12)
<b>Other comprehensive loss</b>					
Net change in fair value of available for sale financial asset	-	-	-	(39,261)	(39,261)
<b>Balance as at December 31, 2016</b>	<b>23</b>	<b>196,449</b>	<b>(78)</b>	<b>(85,219)</b>	<b>111,175</b>

The accompanying notes form an integral part of these financial statements

Financial Statements for the Feeder Partnership	2017
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**Global Maritime Investment Fund Feeder LP**  
**Statement of Cash Flows**  
For the year ended December 31, 2017

		Year ended December 31, 2017	Year ended December 31, 2016
	Notes	\$ 000s	\$ 000s
<b>Cash flows from operating activities</b>			
Net result for the year attributable to limited partners		(16)	(12)
<i>Adjustments in relation to:</i>			
Finance costs	10	1	1
Changes in working capital	12	16	11
<i>Cash generated by operating activities before finance costs</i>		<u>1</u>	<u>-</u>
Finance costs paid	10	(1)	(1)
<i>Net cash used in operating activities</i>		<u>-</u>	<u>(1)</u>
<b>Cash flows from investing activities</b>			
Investment in available for sale financial asset		16,066	39,221
<i>Net cash generated by investing activities</i>		<u>16,066</u>	<u>39,221</u>
<b>Cash flows from financing activities</b>			
Advance contribution from limited partners		(16,066)	(39,221)
<i>Net cash used in financing activities</i>		<u>(16,066)</u>	<u>(39,221)</u>
<b>Net decrease in cash and cash equivalents</b>		<u>-</u>	<u>(1)</u>
Cash and cash equivalents at the beginning of the year		1	2
<b>Cash and cash equivalents as at the end of the year</b>		<u>1</u>	<u>1</u>

The accompanying notes form an integral part of these financial statements

# Notes to the Financial Statements for the Feeder Partnership

2017

## 1. General information

Global Maritime Investment Fund (the “Fund”) comprises the following:

<b>Fund entity:</b>	<b>Date of registration:</b>	<b>Jurisdiction:</b>	<b>Registered office:</b>
Global Maritime Investment Fund LP (“Fund Partnership”)	April 26, 2010	England	60 Victoria Embankment, London, EC4Y 0JP, England
Global Maritime Investment Fund Feeder LP (“Feeder Partnership”)	April 15, 2010	Scotland	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, Scotland
Global Maritime Investment Fund Intermediate LP (“Intermediate Partnership”)	April 15, 2010	Scotland	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, Scotland
Global Maritime Investment Fund Feeder, LLC (“Feeder LLC”)	April 7, 2010	Delaware	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, USA

In accordance with the requirements of the Volcker rule during the year, the following entities have been renamed:

<b>Name</b>	<b>Former name</b>	<b>Date of name change</b>
Global Maritime Investment Fund LP	J.P. Morgan Global Maritime Investment Fund LP	20th July, 2017
Global Maritime Investment Fund Feeder LP	J.P. Morgan Global Maritime Investment Fund Feeder LP	19th July, 2017
Global Maritime Investment Fund Feeder, LLC	J.P. Morgan Global Maritime Investment Fund Feeder, LLC	3rd July, 2017
Global Maritime Investment Fund Intermediate LP	J.P. Morgan Global Maritime Investment Fund Intermediate LP	19th July, 2017
J.P. Morgan G1 (GP) Limited	J.P. Morgan GMIF (GP) Limited	3rd July, 2017
J.P. Morgan G1 (GP Scots) Limited	J.P. Morgan GMIF (GP SCOTS) Limited	3rd July, 2017
JPMAM G1 CIP LP	J.P. Morgan Global Maritime Investment Fund Cayman CIP, LP	17th July, 2017

The Fund is closed-ended and limited partners may participate in the Fund by purchasing (i) interests directly in the Fund Partnership; (ii) limited liability company interests in the Feeder LLC which invests in the Fund Partnership via the Intermediate Partnership; (iii) limited partnership interests in the Feeder Partnership.

The sole purpose of this Feeder Partnership is to acquire interests in the Fund Partnership. As at December 31, 2017, the Fund had raised capital commitments totalling USD780.33 million (December 31, 2016: USD780.33 million), of which USD230.03 million (December 31, 2016: USD230.03 million) related to the Feeder Partnership.

The Fund Partnership’s Founder Limited Partner JPMorgan Asset Management Holdings (Luxembourg) S.à r.l (the “Founder Limited Partner”) made a USD100 capital contribution to the Fund Partnership (December 31, 2016: USD100). The Founder Limited Partner has no other commitments besides the capital contributed.

JPMAM G1 CIP LP (“Carried Interest Partnership”) and its limited partners participate in the Fund as a limited partner with commitments of USD22.73 million to the Fund Partnership (December 31, 2016: USD22.73 million).

**1. General information (continued)**

The Feeder Partnership's profits and losses are allocated to the limited partners pro rata to their indirect commitments in the Fund Partnership. The Fund Partnership's profits and losses are allocated to the limited partners, pro-rata on their commitments.

Distributions are made to the limited partners on the same basis of allocation as that which would have applied had that limited partner been admitted directly to the Fund Partnership, subject to any additional specific Feeder Partnership expenses, Feeder Partnership Founder Limited Partner profit share and Feeder Partnership General Partner profit share.

*Final closing*

The Fund's final closing date was December 9, 2011. The total commitments on the final closing date amounted to USD780.33 million.

*Investment strategy*

The purpose of the Fund is to invest in vessels in any part of the world. The Fund will invest through a variety of different investment methods, including, without limitation, by directly or indirectly, (i) acquiring shares or other ownership units in an existing or newly formed holding company which owns one or more vessels; (ii) investing in listed and unlisted equity or debt securities (including shares, bonds and other securities) of an entity that owns one or more vessels (including in an entity at a pre-IPO stage or a listed entity which the Fund seeks to take private); or (iii) making, refinancing or acquiring a loan (including a non performing loan) secured by one or more vessels.

The Fund will invest, directly or indirectly, in vessels in the bulker sector (including, without limitation, roll-on/roll-off vessels), the tanker sector (including, without limitation, crude, product, chemical and liquid petroleum gas carriers and liquefied natural gas carriers ("LNG vessels") and the containership sector (together bulker tanker containership vessels ("BTC vessels") and, subject to the investment guidelines included in the Limited Partnership Agreement ("LPA"), may invest in offshore supply vessels, barges, car carrier vessels and vessels in other sectors ("Non-BTC vessels").

*Investment period*

The Fund's investment period commenced on the initial closing date (June 10, 2010) and ended on December 9, 2014, the third anniversary of the final closing date (December 9, 2011).

*Fund termination*

The Fund shall terminate on the sixth anniversary of the end of the investment period plus an additional two consecutive one-year periods, at the election of the Operator with prior approval of the Funds limited partners.

*Drawdowns*

During the year ended December 31, 2017, the Fund Partnership drew down USD54.50 million (December 31, 2016: USD133.05 million) from the limited partners to repay amounts previously drawn from the Fund Partnership's credit facility for investment and working capital purposes and to fund the completion of vessel investments. The Feeder Partnership's contribution to this capital call amounted to USD16.07 million (December 31, 2016: USD39.22 million).

**1. General information (continued)***Distributions*

In accordance with the Fund Partnership's LPA, distributions are made to the Fund Partnership's limited partners as follows:

- (a) First 100% to the General Partner until the General Partner has received the General Partner's Share;
- (b) Second, 100% to the limited partners until they have received cumulative distributions equal to the aggregate of : (i) their advance contributions used to fund the vessel investment in respect of which distributions are being made and all other realised investments, plus their proportionate share of any write-downs of unrealised vessel investments, as of that time; and (ii) the advance contributions used to fund all Fund Partnership expenses and loans in respect of the General Partner's share allocated to the investments included in (i);
- (c) 100% to the limited partners until the cumulative distributions to the limited partners under this paragraph (c) and paragraphs (d) and (e) equal the 9% preferred return, compounded annually;
- (d) 60% to the Carried Interest Partner and 40% to the limited partners, until the Carried Interest Partner has received 20% of the aggregate distributions under paragraph (c) and this paragraph (d); and
- (e) 80% to the limited partners and 20% to the Carried Interest Partner.

As at December 31, 2017, the inception to date distributions from the Fund Partnership to its limited partners amounted to USD62.00 million (December 31, 2016: USD62.00 million). The Feeder Partnership's share of these distributions was USD18.28 million (December 31, 2016: USD18.28 million). The Feeder Partnership did not receive any distributions from the Fund Partnership during the year ended December 31, 2017 and consequently it did not make any distributions to its limited partners. (December 31, 2016: USD Nil)

**2. Summary of significant accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**A. Basis of preparation**

The financial statements of the Feeder Partnership have been prepared in accordance with IFRS as adopted by the EU and in accordance with the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulation 2008. The financial statements have been prepared on a going concern basis, under the historical cost convention modified for the revaluation of financial assets and financial liabilities at fair value through profit or loss.

The Fund Partnership and Feeder Partnership meet the definition of an investment entity as defined by IFRS 10 and the Feeder Partnership is required to account for the investment in the Fund Partnership at fair value of the available for sale financial asset. These separate financial statements are the only financial statements presented by the Feeder Partnership. Refer to Note 2C.

The presentation of financial statements in conformity with IFRS as adopted by the EU requires the use of certain critical accounting estimates. It also requires the General Partner to exercise its judgement in the process of applying the Feeder Partnership's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to financial statements are disclosed in Note 2G below.

**B. Changes in accounting policy and disclosures****i. Standards and amendments to existing standards for the financial year beginning January 1, 2017 and adopted by the Feeder Partnership**

Amendments to IAS 7 'Statement of Cash Flows' became effective for annual periods beginning on or after January 1, 2017. These amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning January 1, 2017 that have not been adopted.

**2. Summary of significant accounting policies (continued)****B. Changes in accounting policy and disclosures (continued)****ii. Standards, amendments and interpretations effective for the financial year beginning January 1, 2017 and adopted early**

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning January 1, 2017 that have been adopted early.

**iii. Standards, amendments and interpretations that are in issue but not effective for the financial year beginning January 1, 2017 and not early adopted**

IFRS 9 'Financial Instruments' addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and reissued in October 2010. It replaces the parts of IAS 39 'Financial instruments: recognition and measurement' that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. As the investment will continue to be measured at fair value, the adoption of this standard is not expected to have any other material impact on the financial statements of the Feeder Partnership. The Feeder Partnership adopted IFRS 9 in the accounting period beginning on January 1, 2018.

Amendment to IFRS 15 'Revenue from contracts with customers'. These amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licences of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). IFRS 15 is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after January 1, 2018. This standard is not expected to have material effect on the presentation of financial statements of the Feeder Partnership.

IFRS 16 'Leases' now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16 a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases. IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Early application is permitted, but not before an entity applies IFRS 15. This standard is not expected to have material effect on the presentation of financial statements of the Feeder Partnership.

**2. Summary of significant accounting policies (continued)****B. Changes in accounting policy and disclosures (continued)****iii. Standards, amendments and interpretations that are in issue but not effective for the financial year beginning January 1, 2017 and not early adopted (continued)**

A number of other new standards, amendments to standards and interpretations were effective for annual periods beginning after January 1, 2017 and have not been applied in preparing these financial statements. The General Partner does not expect these to have a material effect on the financial statements of the Feeder Partnership.

The General Partner does not expect the adoption of the standards, amendments and interpretations that are in issue but not yet effective listed above will have a material impact on the Feeder Partnership's financial statements in future periods. Beyond the information above, it is not practical to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

**C. Investment Entity**

The Feeder Partnership, which is closed ended, has various investors and holds multiple investments through the Fund Partnership. Net assets attributable to the limited partners are classified as a financial liability, due to a finite life and contractual payment provisions to each of the limited partners within the Fund Partnership's LPA. Net assets attributable to limited partner's capital are carried at amortised cost and are classified as debt in accordance with IAS 32. The limited partner's interests are exposed to variable returns from changes in the fair value of the Fund's net assets.

The Feeder Partnership has been deemed to meet the definition of an investment entity per IFRS 10 as the following conditions exist:

- i) The Feeder Partnership, which is closed ended, has obtained funds for the purpose of providing investors with investment management services.
- ii) The Feeder Partnership's business purpose, which was communicated directly to investors, is investing solely for returns from capital appreciation and investment income, through the use of a Master-Feeder structure.
- iii) The performance of investments made through the subsidiaries of the Fund Partnership are measured and evaluated on a fair value basis.
- iv) The investors' ownership interests in the Feeder Partnership are in the form of capital and advance contributions. They are exposed to variable returns from changes in the fair value of the Feeder Partnership's net assets.

**D. Foreign currency translation****Functional and presentational currency**

Items included in the financial statements of the Feeder Partnership are measured using the currency of the primary economic environment in which the Feeder Partnership operates (the "functional currency").

The financial statements are presented in US Dollars (USD or \$), which is the Feeder Partnership's functional and presentational currency.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the Statement of Financial Position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

**2. Summary of significant accounting policies (continued)****D. Foreign currency translation***Transactions and balances (continued)*

When gains or losses on a non-monetary item are recognised directly in other comprehensive income, the exchange component of that gain or loss shall be recognised directly in other comprehensive income. Conversely when gains or losses on a non-monetary item are recognised directly in the profit or loss within the Statement of Comprehensive Income, the exchange component of that gain or loss shall be recognised in the profit or loss within the Statement of Comprehensive Income.

**E. Receivables**

Receivables are recognised initially at fair value and subsequently measured at fair value.

**F. Cash and cash equivalents**

Cash and cash equivalents can comprise cash in hand, deposits held at call with banks and other short term investments in an active market with original maturities of three months or less and bank overdrafts.

**G. Use of significant accounting estimates**

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income, expenses and unrealised gains or losses during the reporting period. Actual results could differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors. These include expectations of future events that are believed to be reasonable under the circumstances.

The Feeder Partnership makes estimates and assumptions concerning:

- i) the fair value of the available for sale financial asset,
- ii) the treatment of the investment in the Fund Partnership as an available for sale financial asset,
- iii) the going concern of the Feeder Partnership, and
- iv) the use of investment entity accounting as defined in IFRS 10.

The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

**H. Available for sale financial asset**

All investments are initially recognised at cost, being fair value of the consideration given and including acquisition charges associated with the investment. Given the nature of the investment into the Fund Partnership it is classified as available for sale financial asset.

After initial recognition, investments which are classified as available for sale financial asset are measured at fair value. Changes in the fair value are recognised directly in the other comprehensive income as net change in fair value of available for sale financial asset and allocated to net assets attributable to limited partners until the investment is derecognised. At this time, the cumulative gain or loss previously recognised is transferred to the profit and loss within the Statement of Comprehensive Income. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Refer to Note 3B in the Fund Partnership financial statements for further details on the fair valuation policy of the investments.

The investment in the Fund Partnership consists of non-marketable, limited partnership interests. The cost basis of the investment held by the Feeder Partnership includes all amounts contributed to the Fund Partnership. The fair value of investments represents the cost of the investment adjusted for the Feeder Partnership's allocated share of investment income, expenses, realised and unrealised gains or losses, based on its percentage interest in the Fund Partnership. Distributions received from the Fund Partnership are recorded as a reduction in its investment in the Fund Partnership.

**2. Summary of significant accounting policies (continued)****H. Available for sale financial asset (continued)**

The Feeder Partnership assesses, at each Statement of Financial Position date, whether there is objective evidence that a financial asset is impaired. In the case of available-for-sale equity securities, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If evidence of impairment exists, the cumulative loss previously recognised in other comprehensive income is removed from other comprehensive income and recognised in the statement of profit and loss. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the statement of profit and loss. As at December 31, 2017 there is no impairment being recognised (December 31, 2016: USD Nil).

**I. Limited partners' capital**

The capital contributed to the Feeder Partnership consists of capital contribution and advance contribution. The capital contribution of each limited partner amounts to 0.01% of each limited partner's commitment. Each limited partner contributes the full amount of its capital contribution on the closing date on which it is admitted to the Feeder Partnership. The capital contributions are not returned to the limited partner until the end of the life of the Fund. No interest will be paid or payable by the Feeder Partnership upon any capital contribution. In order to fund the capital calls from the Fund Partnership, the Feeder Partnership draws down from the limited partner's committed capital. The advances are drawn down pro rata to the aggregate undrawn commitments to the Feeder Partnership, until the commitments from the limited partner are fully paid up. No interest will be paid or payable by the Feeder Partnership upon any advances. On termination of the Feeder Partnership, the limited partner will be subordinated to all other creditors as regards repayment of any advances outstanding together with the committed capital.

**J. Distributions to limited partners**

Distributions are made by the Feeder Partnership in accordance with its LPA, see Note 1.

**K. Revenue recognition****Interest income**

Interest income is recognised on an accrual basis using the effective interest rate method. Interest income is included in finance income in the Statement of Comprehensive Income.

**L. Provisions**

Provisions are recognised when the Feeder Partnership has an obligation (legal or constructive) arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured.

**M. Going concern**

As a result of the funding activities undertaken, the Feeder Partnership should be able to operate within the level of its current financing. After making enquiries, the General Partner has a reasonable expectation that the Feeder Partnership has adequate resources based on its uncalled committed capital (see Note 5) to continue in operational existence for the foreseeable future. The Feeder Partnership therefore adopts the going concern basis in preparing its financial statements.

**3. Financial risk management****A. Financial risk factors**

The Feeder Partnership's activities expose it to a variety of financial risks: market risk (including price risk, cash flow and fair value interest rate risk and currency risk), credit risk and liquidity risk.

The Feeder Partnership invests solely in the Fund Partnership. An investment in the Fund Partnership involves certain risks relating to the Fund Partnership's structure and to the investment policies which it applies. Refer to Note 3 of the Fund Partnership's financial statements for further detail on the Fund Partnership's financial risk management. Where possible, the General Partner of the Feeder Partnership and its adviser (J.P. Morgan Investment Management Inc. and JPMorgan Asset Management (UK) Limited) will take the necessary actions to mitigate these risks.

**3.1 Market risk***Price risk*

The Feeder Partnership is exposed to the market risk with respect to the value of the available for sale financial asset. The future cash flows related to the available for sale financial asset in the Feeder Partnership are mainly linked to the Fund Partnership's maritime investments which are exposed to price risk.

*Cash flow and fair value interest rate risk*

The Feeder Partnership was not exposed to interest rate risk as its assets and liabilities were non-interest bearing.

Given the illiquid nature of the underlying Investments, the Feeder Partnership's remaining cash flow risk is largely considered to be liquidity, and this is further considered in 3.3.

*Currency risk*

The Feeder Partnership's income and operating cash flows are substantially independent of changes in market exchange rates as the Partnership is not directly involved in foreign currency transactions.

As at December 31, 2017 and also in the prior year the Feeder Partnership did not have any hedging policy with respect to foreign exchange and interest rate risks as exposure to such risks was not considered to be significant by the General Partner.

**3.2 Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Feeder Partnership's exposure to credit risk is indicated by the carrying amount of its assets which consist principally of the available for sale financial asset in the Fund Partnership. The credit risk on the available for sale financial asset is mainly related to the underlying investments held by the Feeder Partnership through the Fund Partnership. Refer to Note 3 of the Fund Partnership's financial statements for further detail on the Fund Partnership's financial risk management.

The Feeder Partnership has no significant concentration of credit risk.

As at December 31, 2017 and December 31, 2016, excess cash is held in short term cash accounts with creditworthy financial institutions (held with JP Morgan Chase Bank N.A. London Branch which has a credit rating of "Aa3" (2016: "Aa3") for long term debt from the credit rating agency Moody's).

### 3. Financial risk management (continued)

#### 3.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions at short notice.

The commitment of the Feeder Partnership into the Fund Partnership is limited to the commitment of the limited partners into the Feeder Partnership. The limited partners' commitment to the Feeder Partnership is available for drawdown for any working capital or investment purpose.

The table below summarises the Feeder Partnership's financial liabilities (excluding net assets attributable to limited partners) into relevant maturity groupings based on the remaining period from the Statement of Financial Position date (and comparative period end) to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not deemed to be significant.

At December 31, 2017 All amounts in \$ 000s	Less than 3 months	3 months to 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
<b>Current liabilities</b>						
Amounts due to affiliates	80	-	-	-	-	80
Accrued expenses	15	-	-	-	-	15
<b>Total current liabilities</b>	<b>95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95</b>
<b>At December 31, 2016 All amounts in \$ 000s</b>	<b>Less than 3 months</b>	<b>3 months to 1 year</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
<b>Current liabilities</b>						
Amounts due to affiliates	67	-	-	-	-	67
Accrued expenses	12	-	-	-	-	12
<b>Total current liabilities</b>	<b>79</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79</b>

#### B. Fair value estimation

Fair value is the amount for which an asset can be exchanged or a liability settled, between knowledgeable and willing parties transacting at "arm's length". This requires the Feeder Partnership to classify, for disclosure purposes, fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

##### Level 1

Quoted price (unadjusted) in active markets for identical assets or liabilities.

##### Level 2

Inputs other than quoted prices included within the level that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

##### Level 3

Inputs for asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table analyses the fair value hierarchy of the Feeder Partnership's financial assets and liabilities (by class) measured at fair value as at December 31, 2017.

Notes to the Financial Statements for the Feeder Partnership	2017
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**3. Financial risk management (continued)**

**B. Fair value estimation (continued)**

As at December 31, 2017	Level 1 \$ 000s	Level 2 \$ 000s	Level 3 \$ 000s	Total \$ 000s
<b>Assets</b>				
Available for sale financial asset	-	-	149,589	149,589
<b>Total</b>	-	-	<b>149,589</b>	<b>149,589</b>
<b>Liabilities</b>				
Net assets attributable to limited partners	-	-	149,495	149,495
<b>Total</b>	-	-	<b>149,495</b>	<b>149,495</b>
 As at December 31, 2016	 Level 1 \$ 000s	 Level 2 \$ 000s	 Level 3 \$ 000s	 Total \$ 000s
<b>Assets</b>				
Available for sale financial asset	-	-	111,253	111,253
<b>Total</b>	-	-	<b>111,253</b>	<b>111,253</b>
<b>Liabilities</b>				
Net assets attributable to limited partners	-	-	111,175	111,175
<b>Total</b>	-	-	<b>111,175</b>	<b>111,175</b>

The Feeder Partnership held no level 1 or level 2 financial assets and liabilities in the current year or the prior year. There were no movements between level 1, 2 and 3 financial assets and liabilities during the year. In the opinion of General Partner, the carrying values of the financial assets and liabilities are not significantly different from their fair values. Refer to Note 3B of the Fund Partnership's financial statements for the valuation process for level 3 assets.

**C. Capital risk management**

For the purpose of this section, capital means capital contribution and advance contribution.

The Feeder Partnership's objective when managing capital is to safeguard the Feeder Partnership's ability to continue as a going concern so as to maximise value and returns for the partners and keep an optimal capital structure.

Since inception the Feeder Partnership was financed by capital contributions from the limited partners and by cash advances from the Fund Partnership and it did not enter into any borrowings.

Notes to the Financial Statements for the Feeder Partnership	2017
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#### 4. Available for sale financial asset

Movements during the year were as follows:

2017		Total
		\$ 000s
<u>Cost:</u>		
As at January 1, 2017		196,472
Additions		16,066
As at December 31, 2017		<u>212,538</u>
<u>Fair value movement:</u>		
As at January 1, 2017		(85,219)
Movement in fair value through profit or loss		22,270
As at December 31, 2017		<u>(62,949)</u>
<u>Fair value:</u>		
As at December 31, 2017		149,589
As at December 31, 2016		111,253
Available for sale financial asset include the following:		
	December 31,	December 31,
	2017	2016
	\$ 000s	\$ 000s
Unlisted securities:		
Global Maritime Investment Fund LP	149,589	111,253
	<u>149,589</u>	<u>111,253</u>

At the Statement of Financial Position date, the Feeder Partnership had a 29.48% (December 31, 2016: 29.48%) interest in the Fund Partnership, based on the percentage of its commitments into the Fund Partnership. The Feeder Partnership does not exercise significant influence over the Fund Partnership as under clause 9.4 of the Fund Partnership's LPA, the Operator has full power and authority in respect of the affairs of the Fund Partnership and the management and control of the Fund Partnership's business shall rest exclusively with the Operator. Therefore, the Fund Partnership is not accounted for as an associate.

As at December 31, 2017, the Fund Partnership had net assets attributable to limited partners of USD508.53 million (December 31, 2016: USD378.26 million) and the Feeder Partnership's share of the Fund Partnership's net assets amounted to USD149.59 million (December 31, 2016: USD111.25 million). Under the Fund Partnership's LPA, the Feeder Partnership is liable to pay the debts, liabilities or obligations of the Fund Partnership limited to the amount of the Feeder Partnership's committed capital.

The lower share of net assets as compared to the Feeder Partnership's interest in the Fund Partnership is because the JPMorgan Chase and Co. affiliates are exempt from paying the General Partner Share.

**5. Limited partners' contributions and commitments**

At the Statement of Financial Position date, the outstanding uncalled committed capital was as follows:

	<b>December 31, 2017</b>	<b>December 31, 2016</b>
	\$ 000s	\$ 000s
Committed capital	230,025	230,025
Contributions <sup>1</sup>	(230,024)	(214,749)
Recallable distribution <sup>2</sup>	6,284	7,075
Uncalled committed capital	<u>6,285</u>	<u>22,351</u>

<sup>1</sup>The contributions are less than the committed capital, as a result of historical calls made for the general partner's share, from which J.P. Morgan employees are exempt.

<sup>2</sup>In September 2014, a distribution of USD7.07 million was made to the limited partners. Since this distribution was made during the investment period, it is subject to recall. As at December 31, 2017, USD0.79 million of the USD7.07 million distributed was recalled.

In October 2015 a second distribution of USD11.20 million was made to the limited partners. This distribution is not included in the table above as it is not recallable, due to the fact that it happened after the investment period ended.

The Founder Limited Partner, JPMorgan Asset Management Holdings (Luxembourg) S.à r.l has a USD100 commitment.

**6. Cash and cash equivalents**

Cash and cash equivalents comprise:

	<b>December 31, 2017</b>	<b>December 31, 2016</b>
	\$ 000s	\$ 000s
Cash at bank	<u>1</u>	<u>1</u>

**7. Related party transactions**

The Fund, together with the Fund Partnership's General Partner, J.P. Morgan G1 (GP) Limited, J.P. Morgan Investment Management Inc. (the 'Operator') JPMorgan Asset Management (UK) Limited ('Investment Advisor'), J.P. Morgan Chase Bank N.A. London Branch (the 'Bank') and JP Morgan Chase Bank, N.A., Dublin Branch (the 'Accountant'), are related parties as they are subsidiaries or affiliates of JPMorgan Chase & Co.

The Fund Partnership is managed by the Operator. Under the terms of the LPA, the Fund Partnership appointed the Operator as a manager to provide management services to the Fund Partnership.

On July 22, 2014, J.P. Morgan Investment Management Inc. replaced JPMorgan Asset Management (UK) Limited as Operator to the Fund Partnership. On the same date JPMorgan Asset Management (UK) Limited was appointed as non-discretionary Investment Advisor to J.P. Morgan Investment Management Inc. in its capacity as Operator of the Fund Partnership. J.P. Morgan Investment Management Inc. is incorporated in the United States.

Notes to the Financial Statements for the Feeder Partnership	2017
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**7. Related party transactions (continued)**

*General Partner's Profit Share ("GPPS")*

A GPPS is payable to the General Partner, J.P. Morgan G1 (GP Scots) Limited on termination of the Feeder Partnership and is accrued at the rate of USD100 for each calendar year. As at December 31, 2017 USD700 (December 31, 2016: USD656 was outstanding).

At Fund Partnership level, a General Partner's Share / management fee is payable to the Fund Partnership's General Partner and is payable directly by the Fund Partnership and not via the Feeder Partnership.

*Founder Limited Partner Profit Share*

A Founder Limited Partner Profit Share is payable to the Founder Limited Partner, JPMorgan Asset Management Holdings (Luxembourg) S.á r.l, on termination of the Feeder Partnership and is accrued at the rate of USD100 for each calendar year the Founder Limited Partner remains a limited partner. The charge during the year was USD100 (December 31, 2016: USD100) of which USD700 (December 31, 2016: USD656) of Founder Limited Partner Profit Share was outstanding.

*Investments in / transactions with affiliates*

The Feeder Partnership invests in the Fund Partnership, and as at December 31, 2017 the value of the investment was USD149.59 million (December 31, 2016: USD111.25 million) see Note 4. As at December 31, 2017 the Feeder Partnership owed the Fund Partnership USD0.01 million (December 31, 2016: USD0.01 million) relating to capital call monies.

**8. Accrued expenses**

	December 31, 2017 \$ 000s	December 31, 2016 \$ 000s
Accrued audit fees	13	11
Accrued professional fees	2	1
	<u>15</u>	<u>12</u>

**9. Operating expenses**

	December 31, 2017 \$ 000s	December 31, 2016 \$ 000s
Audit fees	13	10
Professional fees	2	1
	<u>15</u>	<u>11</u>

**10. Finance costs**

	December 31, 2017 \$ 000s	December 31, 2016 \$ 000s
Bank charges	1	1
	<u>1</u>	<u>1</u>

Notes to the Financial Statements for the Feeder Partnership	2017
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**11. Income tax**

The Feeder Partnership is tax transparent for the purposes of UK taxation.

**12. Changes in working capital**

**December 31, 2017**

	Balance as at December 31, 2017 \$ 000s	Balance as at December 31, 2016 \$ 000s	Change in working capital \$ 000s
Amounts due to affiliates	65	52	13
Accrued expenses	15	12	3
	<b>80</b>	<b>64</b>	<b>16</b>

**December 31, 2016**

	Balance as at December 31, 2016 \$ 000s	Balance as at December 31, 2015 \$ 000s	Change in working capital \$ 000s
Amounts due to affiliates	52	42	10
Accrued expenses	12	11	1
	<b>64</b>	<b>53</b>	<b>11</b>

**13. Ultimate controlling party**

In the opinion of the directors of the General Partner, there is no ultimate controlling party.

**14. Events after the date of the statement of financial position**

In preparing these financial statements, the General Partner has evaluated events that have occurred from the statement of financial position date to the date the financial statements were issued/available to be issued and has determined that no other events besides those being disclosed above have occurred that would require recognition or additional disclosures in these financial statements.

**15. Approval for financial statements**

The financial statements were authorised for issue by the General Partner on March 28, 2018.