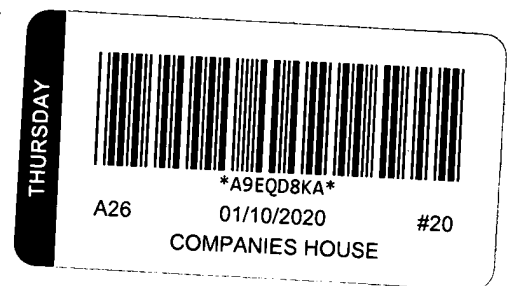


# J.P. Morgan G1 (GP) Limited

Registered number: 07220674

Annual report for the year ended 31 December 2019



# J.P. Morgan G1 (GP) Limited

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

### **Company information**

#### **Directors**

R A Crombie

C J Whittington

J R Ehlinger

#### **Company Secretary**

J.P. Morgan Secretaries (UK) Limited

#### **Registered office**

25 Bank Street  
Canary Wharf  
London  
E14 5JP

#### **Independent auditors**

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

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

### **Director's report for the year ended 31 December 2019**

The directors present their report and the audited financial statements of J.P. Morgan G1 (GP) Limited for the year ended 31 December 2019.

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 exemption under s414B of the Companies Act 2006 not to prepare a Strategic Report on the basis that the Company is small.

#### **Principal activities**

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

#### **Review of business**

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

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

#### **Results and dividends**

The profit before taxation for the financial year was \$2,889 (2018: \$4,114) and after taxation \$2,889 (2018: \$4,114). This profit after taxation has been transferred to reserves.

A prior period restatement has been made, further details can be found in note 10 on page 16.

The directors do not recommend the payment of a dividend (2018: \$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) Limited**

### **Director's report for the year ended 31 December 2019**

#### **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.

#### **COVID-19**

The Firm is monitoring Coronavirus Disease 2019 ("COVID-19"), based on the guidance being provided by the relevant health and government authorities, and continues to implement protocols and processes in response to the spread of the virus. For more detail on Firmwide measures refer to operational risk below. The Company was not aware of any material adverse effects on the financial statements as a result of COVID-19, refer to post balance sheet event note 11 (page 16). The Company remains a going concern.

#### **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 and operational 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.

The Firm is monitoring the COVID-19 pandemic closely, based on the guidance being provided by the relevant health and government authorities, and continues to implement protocols and processes in response to the spread of the virus. The Firm has organised a central team to continue to consider what steps should be taken around the globe to protect our employees, prepare our businesses, and serve our clients and the communities where we live and work. In addition, teams across functions, businesses and regions continue to meet regularly to understand the global situation and to ensure any emerging developments relating to the well-being of our employees or the resiliency of our businesses are addressed quickly. Our business remains operational and senior leaders across the firm continue to monitor operational metrics.

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

### **Director's report for the year ended 31 December 2019**

#### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual 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 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.

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.

#### **Directors' confirmations**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

### **Director's report for the year ended 31 December 2019**

#### **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 remains in force at the date 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 15<sup>th</sup> September 2020 and signed on its behalf by:

  
Richard Crombie

**Director**

# ***Independent auditors' report to the members of J.P. Morgan G1 (GP) Limited***

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

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### **Opinion**

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

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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, which comprise: the balance sheet as at 31 December 2019, the statement of comprehensive income 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.

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### **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.

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### **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 where:

- 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.

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### **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 2019 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.

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## **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 in respect of the financial statements set out on page 4, 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.

### *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.

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## **Other required reporting**

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### **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.

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### **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.



Jennifer March (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
15 September 2020

**J.P. Morgan G1 (GP) Limited****Statement of comprehensive income for the year ended 31 December 2019**

		2019	(As restated) 2018
	Note	\$	\$
Turnover	2	8,613,712	8,623,971
Administrative expenses		<u>(8,611,711)</u>	<u>(8,621,971)</u>
<b>Operating profit</b>		2,001	2,000
Interest receivable and similar income		887	2,114
<b>Profit before taxation</b>		<u>2,888</u>	<u>4,114</u>
Tax on profit	4	-	-
<b>Profit for the financial year and total comprehensive income for the year</b>		<u><u>2,888</u></u>	<u><u>4,114</u></u>

All amounts relate to continuing operations.

The notes on pages 12 to 16 form an integral part of these financial statements.

**J.P. Morgan G1 (GP) Limited**  
**Balance sheet as at 31 December 2019**

	Note	2019 \$	2018 \$
<b>Current assets</b>			
Debtors	7	4,343,426	4,346,417
Cash at bank and in hand		9,203	196,016
		<u>4,352,629</u>	<u>4,542,433</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(4,339,426)</u>	<u>(4,532,118)</u>
<b>Net assets</b>		<u>13,203</u>	<u>10,315</u>
<b>Capital and reserves</b>			
Called up share capital	9	100	100
Profit and loss account		13,103	10,215
<b>Total shareholders' funds</b>		<u>13,203</u>	<u>10,315</u>

The financial statements on pages 9 to 16 were approved by the director on 15<sup>th</sup> September 2020.



**Richard Crombie**

**Director**

Company registered number: 07220674

The notes on pages 12 to 16 form an integral part of these financial statements.

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

### Statement of changes in equity for the year ended 31 December 2019

	Called up share capital	Profit and loss account	Total shareholders' funds
	\$	\$	\$
At 1 January 2018	100	6,101	6,201
Profit for the financial year and total comprehensive income for the year	-	4,114	4,114
At 31 December 2018	100	10,215	10,315
Profit for the financial year and total comprehensive income for the year	-	2,888	2,888
At 31 December 2019	100	13,103	13,203

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) Limited**

### **Notes to the financial statements for the year ended 31 December 2019**

#### **1 Accounting policies**

The Company is a private company limited by shares and is incorporated and domiciled in England & Wales. The address of its registered office is 25 Bank Street, Canary Wharf, London, E14 5JP.

#### **Basis of preparation**

The financial statements have been prepared on a going concern basis and 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 11.

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

### **Notes to the financial statements for the year ended 31 December 2019**

#### **Changes in accounting policy**

Effective 1 January 2019, the Company adopted IFRS 16 Leases, which superseded IAS 17 Leases. The objective of IFRS 16 is to report information that (a) faithfully represents lease transactions and (b) provides a basis for users of financial information to assess the amount, timing and uncertainty of cash flows arising from leases. To meet that objective, a lessee should recognise assets and liabilities arising from a lease.

The adoption of IFRS 16 did not result in any changes to the classification and measurement of leases due to the Company not having any leases.

#### **Income and expenditure**

Income and expenditure are recognised on an accruals basis. Income comprises of management fees (General Partner's Share) receivable 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.

#### **Cash at bank and in hand**

This includes deposits held on demand with banks with a maturity of less than 30 days and cash in hand.

#### **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.

## **2 Turnover**

Turnover comprises management fees (General Partner's Share) receivable from Global Maritime Investment Fund LP. The Company has only one class of business and operates in the United Kingdom.

Please refer to the prior year restatement note 10 on page 16 for further details.

## **3 Administrative expenses**

Auditors' remuneration was \$10,326 (2018: \$8,227) wholly for audit services. The audit remuneration costs are borne by a fellow subsidiary.

Please refer to the prior year restatement note 10 on page 16 for further details.

**J.P. Morgan G1 (GP) Limited**

**Notes to the financial statements for the year ended 31 December 2019**

**4 Tax on profit**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Analysis of tax charge in the year</b>		
Current tax:		
Current tax on profits for the year	-	-
<b>Total current tax</b>	<u>-</u>	<u>-</u>

**(b) Factors affecting tax charge for year**

The tax charge for the year is lower (2018: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2019 of 19.00% (2018: 19.00%). The differences are explained below:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Profit before taxation	2,888	4,114
Tax on profit at standard UK tax rate of 19.00% (2018: 19.00%)	<u>549</u>	<u>782</u>
<b>Effects of:</b>		
Effects of group relief	(549)	(782)
<b>Total tax charge</b>	<u>-</u>	<u>-</u>

The Chancellor announced as part of his 2020 Budget that the rate of corporation tax would remain at 19% with effect from 1 April 2020, which was subsequently substantively enacted in March 2020.

**5 Employee information**

The Company had no employees during the year (2018: nil).



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

### Notes to the financial statements for the year ended 31 December 2019

#### 6 Director's emoluments

The directors did not receive any remuneration from the Company (2018: \$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

	2019 \$	2018 \$
Amounts owed by Group undertakings	<u>4,343,426</u>	<u>4,346,417</u>

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

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

	2019 \$	2018 \$
Amounts owed to Group undertakings	<u>4,339,426</u>	<u>4,532,118</u>

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

#### 9 Called up share capital

	2019 \$	2018 \$
<b>Authorised, allotted and fully paid</b>		
100 (2018: 100) ordinary shares of \$1 each	<u>100</u>	<u>100</u>

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

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

### Notes to the financial statements for the year ended 31 December 2019

#### 10 Prior period restatement

The prior period restatement is to present certain income and expenses on a gross basis rather than net. In the prior period J.P. Morgan G1(GP) Ltd was incorrectly accounted for as an agent under IFRS 15.

The restatement had no overall impact on the Shareholder's funds.

	<u>As originally reported</u>	<u>Adjustment</u>	<u>As restated</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
<b>Statement of comprehensive income for the year ended 31 December 2018</b>			
Turnover	2000	8,621,971	8,623,971
Administrative expenses	-	(8,621,971)	(8,621,971)

#### 11 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 and smallest 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

#### 12 Post balance sheet event

Following the outbreak of the COVID-19 pandemic in early 2020, the Company and the Firm are monitoring the development of the pandemic and evaluating its impact on the financial position and operating results of the Company. As at the date on which this set of financial statements were authorised for issue, the Company was not aware of any material adverse effects on the financial position, operations or capital position as a result of the COVID-19 pandemic. For more detail on Firmwide measures refer to Financial risk management.

There were no other post balance sheet events.

**GLOBAL MARITIME INVESTMENT FUND LP (THE “FUND  
PARTNERSHIP”)**

**Audited financial statements for the year ended December 31, 2019**

60 Victoria Embankment  
London EC4Y 0JP  
England

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## General information

2019

<b>Partnership Number:</b>	LP013886
<b>General Partner:</b>	J.P. Morgan G1 (GP) Limited
<b>Directors of the General Partner:</b>	R.A. Crombie C.J. Whittington J.C. Ehlinger
<b>Operator:</b>	J.P. Morgan Investment Management Inc. 270 Park Avenue New York NY 10017 USA
<b>Investment Adviser:</b>	JPMorgan Asset Management (UK) Limited 25 Bank Street, Canary Wharf London E14 5JP England
<b>Accountants:</b>	JPMorgan Chase Bank, N.A. 200 Capital Dock 79 Sir John Rogerson's Quay Dublin 2 Ireland
<b>Independent Auditors:</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London, SE1 2RT United Kingdom
<b>Legal Advisers:</b>	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 LP for the year ended December 31, 2019.

**Principal activities**

The objective of Global Maritime Investment Fund LP (the "Fund Partnership") is to seek a combination of income generation and capital appreciation through exposure to maritime investments.

**Business review and future development**

The Fund Partnership commenced its investment activity in June 2010. The Investment Period ended on December 9, 2014. The original Termination Date of the Fund Partnership is December 9, 2020 but the Operator may elect, with prior approval of the Investors by an Investors' Consent, to extend the term of the Fund Partnership for up to two consecutive additional one-year periods.

**Investments**

During the year ended December 31, 2019, the Fund Partnership, through its subsidiaries and joint ventures, took delivery of two containership vessels.

Additionally the Fund Partnership terminated the Bulk Trading Group joint venture ("BTG JV"). Following the termination of the BTG JV, the eight vessels owned by the joint venture, were split evenly between the joint venture partners, with each taking ownership of four vessels on a 100% basis.

As at December 31, 2019, the fleet stood at fifty-nine operating vessels, (thirty-four dry bulk carriers, sixteen containership vessels, seven car carriers and two tankers).

**Results****Dividend and interest income received**

During the year, the Fund Partnership received USD3.84 million of dividend income from its subsidiaries. (2018: USD11.50 million)

**Fair value movements of investments**

During the year, the Fund Partnership's investments decreased in value by USD39.26 million (2018: USD26.57 million increase in value). This decrease in value was mainly attributable to unrealized losses on the fair value of vessels, partly offset by net operating income generated by vessel investments.

**Net result**

The net result for the year, after taking into account the dividend income received of USD3.84 million (2018: USD11.50 million), fair value loss on investments of USD39.26 million (2018: gain of USD26.57 million), the General Partner Share of USD8.60 million (2018: USD8.62 million) and other fund operating and finance costs of USD1.03 million (2018: USD1.32 million) is a loss of USD45.05 million (December 31, 2018: profit of USD28.12 million).

**Capital calls**

During the year, the Fund Partnership did not call any capital from its limited partners (2018: USD Nil).

**Distributions**

During the year, the Fund Partnership made a distribution of USD5.00 million to its limited partners (2018: USD 11.00 million).

**Economy**

The UK officially exited the European Union on January 31, 2020. The UK's exit from the European Union and the resulting future negotiations between the two parties may have an impact on the global economy and companies operating within the UK and European Union. The General Partner does not believe that the outcomes of the future negotiations between the UK and the European Union will have a material impact on the performance of the Fund, as the Fund's assets operate globally and have no direct exposure to the trade between the UK and Europe.

**Current events**

The outbreak of the novel coronavirus in many countries continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets. The global impact of the outbreak has been rapidly evolving and many countries have reacted by instituting quarantines and restrictions on travel. Such actions are creating disruption in global supply chains, and adversely impacting a number of industries. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of slower global economic growth. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of the novel coronavirus. Nevertheless, the novel coronavirus presents uncertainty and risk with respect to the Fund Partnership's performance and financial results. At this stage, the General Partner does not believe there is a need to alter its existing investment strategy as a result of these economic uncertainties. The General Partner has reviewed business continuity plans for itself, the operator and service providers and expects the Fund to be in a position to continue operations throughout this period of uncertainty.

**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 16 in the notes to the financial statements for details of 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 Fund Partnership and of the profit or loss of the Fund 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 Fund Partnership will continue in business.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain these transactions and disclose with reasonable accuracy at any time the financial position of the Fund 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 Fund Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Fund Partnership has applied the Investment Entities amendment to IFRS 10 'Consolidated Financial Statements'. Since the Fund 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 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.

# General Partner's Report

2019

## 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:

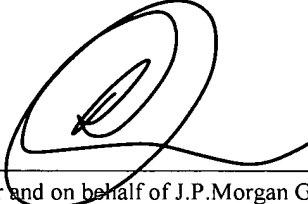
- (a) so far as each director of the General Partner is aware, there is no relevant audit information of which the Fund Partnership's auditors are unaware; and
- (b) each director of the General Partner has taken all the steps that he ought to have taken as a director in order to make himself aware of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

April 3, 2020  
Date



# ***Independent auditors' report to the partners of Global Maritime Investment Fund LP***

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

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### **Opinion**

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

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2019 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (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 Audited financial statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2019; the Statement of Comprehensive Income, the Statement of Cash Flows, and 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.

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### **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.

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

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.

We have nothing to report in respect of the above matters.

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.

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### **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 31 December 2019 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.

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## **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 in respect of the Annual Report and the audited financial statements 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.

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.

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## **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 general partner's 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.

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**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  
3 April 2020

# Financial Statements for the Fund Partnership

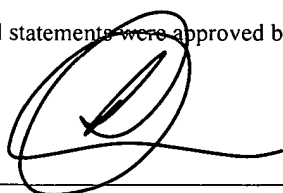
2019

**Global Maritime Investment Fund LP**  
**Statement of Financial Position**  
**As at December 31, 2019**  
**All Amounts in USD Thousands**

	Notes	December 31, 2019	December 31, 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Investments at fair value through profit or loss	4	476,112	523,957
<i>Total non-current assets</i>		<u>476,112</u>	<u>523,957</u>
<b>Current assets</b>			
Amount due from limited partners and affiliates	5	473	455
Prepayments		90	74
Cash and cash equivalents		4,347	6,621
<i>Total current assets</i>		<u>4,910</u>	<u>7,150</u>
<b>Total assets</b>		<u><b>481,022</b></u>	<u><b>531,107</b></u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	7	1	19
Due to affiliates	5	-	37
Due to General Partner	6	4,326	4,346
Accrued expenses	8	1,093	1,052
<i>Total current liabilities</i>		<u>5,420</u>	<u>5,454</u>
<b>Net current assets/(liabilities)</b>		<u><b>(510)</b></u>	<u><b>1,696</b></u>
<b>Net assets attributable to limited partners</b>		<u><b>475,602</b></u>	<u><b>525,653</b></u>
<b>Total liabilities</b>		<u><b>481,022</b></u>	<u><b>531,107</b></u>

The financial statements were approved by the General Partner on April 3, 2020 and signed on its behalf by

Director



April 3, 2020  
Date

The accompanying notes form an integral part of these financial statements

# Financial Statements for the Fund Partnership

2019

**Global Maritime Investment Fund LP**  
**Statement of Comprehensive Income**  
**For the year ended December 31, 2019**  
**All Amounts in USD Thousands**

	Notes	Year ended December 31, 2019	Year ended December 31, 2018
<b>Investment income</b>			
Dividend income	10	3,840	11,495
Guarantee fee income	11	37	77
Net change in fair value of investments at fair value through profit or loss	4	<u>(39,261)</u>	<u>26,571</u>
<b>Net investment (loss)/gain</b>		<b><u>(35,384)</u></b>	<b><u>38,143</u></b>
<b>General and administrative expenses</b>			
General Partner's share	6	(8,599)	(8,622)
Other expenses	12	<u>(1,108)</u>	<u>(1,434)</u>
<b>Total general and administrative expenses</b>		<b><u>(9,707)</u></b>	<b><u>(10,056)</u></b>
<b>Operating result</b>		<b><u>(45,091)</u></b>	<b><u>28,087</u></b>
Finance income		43	35
Finance costs	9	<u>(3)</u>	<u>(2)</u>
<b>Net finance costs</b>		<b><u>40</u></b>	<b><u>33</u></b>
<b>Net result for the year attributable to limited partners</b>		<b><u>(45,051)</u></b>	<b><u>28,120</u></b>

The accompanying notes form an integral part of these financial statements

# Financial Statements for the Fund Partnership

2019

**Global Maritime Investment Fund LP**  
**Statement of Changes in Net Assets attributable to limited partners**  
**For the year ended December 31, 2019**  
**All Amounts in USD Thousands**

	<b>Capital contribution</b>	<b>Advance contribution/ (distribution)</b>	<b>Accumulated losses</b>	<b>Fund Partnership Total</b>
<b>Balance as at January 1, 2019</b>	<b>108</b>	<b>708,742</b>	<b>(183,197)</b>	<b>525,653</b>
Distribution	-	(5,000)	-	(5,000)
Net result for the year	-	-	(45,051)	(45,051)
<b>Balance as at December 31, 2019</b>	<b>108</b>	<b>703,742</b>	<b>(228,248)</b>	<b>475,602</b>

	<b>Capital contribution</b>	<b>Advance contribution/ (distribution)</b>	<b>Accumulated losses</b>	<b>Fund Partnership Total</b>
<b>Balance as at January 1, 2018</b>	<b>108</b>	<b>719,742</b>	<b>(211,317)</b>	<b>508,533</b>
Distribution	-	(11,000)	-	(11,000)
Net result for the year	-	-	28,120	28,120
<b>Balance as at December 31, 2018</b>	<b>108</b>	<b>708,742</b>	<b>(183,197)</b>	<b>525,653</b>

The accompanying notes form an integral part of these financial statements

# Financial Statements for the Fund Partnership

2019

**Global Maritime Investment Fund LP**  
**Statement of Cash Flows**  
**For the year ended December 31, 2019**  
**All Amounts in USD Thousands**

	Notes	Year ended December 31, 2019	Year ended December 31, 2018
<b>Cash flows from operating activities</b>			
Net result for the year attributable to limited partners		(45,051)	28,120
<i>Adjustments in relation to:</i>			
Dividend income		(3,840)	(11,495)
Net change in fair value of investments at fair value through profit or loss	4	39,261	(26,571)
Changes in working capital	15	(68)	1,502
Finance (income) and costs, net		(40)	(33)
<b>Net cash used in operations</b>		<b>(9,738)</b>	<b>(8,477)</b>
Finance (costs) paid and income received, net		40	32
<b>Net cash used in operating activities</b>		<b>(9,698)</b>	<b>(8,445)</b>
<b>Cash flows from investing activities</b>			
Investments in subsidiaries		(11,851)	(100)
Return of capital from subsidiaries		20,435	8,067
Dividend income received		3,840	11,495
<b>Net cash generated by investing activities</b>		<b>12,424</b>	<b>19,462</b>
<b>Cash flows from financing activities</b>			
Distributions paid to limited partners		(5,000)	(11,000)
<b>Net cash used in financing activities</b>		<b>(5,000)</b>	<b>(11,000)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(2,274)</b>	<b>17</b>
Cash and cash equivalents at the beginning of the year		6,621	6,604
<b>Cash and cash equivalents at the end of the year</b>		<b>4,347</b>	<b>6,621</b>

The accompanying notes form an integral part of these financial statements

# Notes to the Financial Statements for the Fund Partnership

2019

## 1. General information

Global Maritime Investment Fund LP (the "Fund") comprises the following:

Fund entity	Date of registration	Jurisdiction	Registered office
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, U.S.A.

The General Partner of the Fund Partnership is, J.P. Morgan G1 (GP) Limited. The General Partner has delegated the operation and administration of the Fund Partnership to J.P.Morgan Investment Management Inc. (the 'Operator'). The Operator has appointed JPMorgan Asset Management (UK) Limited (the 'investment adviser') to provide certain non-discretionary advisory services.

The Fund is closed-end 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.

### 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.

JPMAM G1 CIP LP (the "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, 2018: USD22.73 million).

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, 2018: USD100). The Founder Limited Partner has no other commitments besides the capital contributed.

### 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).



**1. General information (continued)***Fund termination*

The Fund shall terminate on the sixth anniversary of the end of the investment period subject to extension by an additional two consecutive one-year periods, at the election of the Operator with prior approval of the Fund investors.

*Drawdowns*

During the year ended December 31, 2019, the Fund Partnership did not call any capital from the limited partners (year ended December 31, 2018: Nil).

The total amount drawn down at December 31, 2019, was USD781.85 million (year ended December 31, 2018: USD781.85 million) and this included USD2.68 million of returned capital that was recalled in 2017.

*Distributions*

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

Distributions are made to the 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, 2019, the inception to date distributions amounted to USD78.00 million (December 31, 2018: USD73.00 million). A distribution of USD 5.00 million was made during the year ended December 31, 2019.

**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 Fund Partnership is a Qualifying Limited Partnership. The financial statements have been prepared in accordance with IFRSs as adopted by the EU 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 as modified for the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

The Fund Partnership meets the definition of an investment entity as defined by IFRS 10 and is required to account for the investment in its subsidiaries at fair value through profit or loss. These separate financial statements are the only financial statements presented by the Fund Partnership. Refer to Note 2 (C) in these financial statements for further information on investment entities.

The presentation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the General Partner to exercise its judgment in the process of applying the Fund Partnership's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions or estimates are significant to financial statements are disclosed in Note 2C and 2H below.

**2. Summary of significant accounting policies (continued)****B. Changes in accounting policy and disclosures****i) Standards and amendments to existing standards for the financial year beginning January 1, 2019**

IFRS 16 primarily affects the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short term and low-value leases. The income statement will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change. Operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows. The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. 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 adoption of the standard, amendment and interpretation did not have a material impact on the Fund Partnership's financial statements.

The amendments made to IFRS 9 Financial Instruments regarding Prepayment Features with Negative Compensation in December 2017 enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model. The adoption of this amendment did not have a material impact on the Fund Partnership's financial statements.

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on January 1, 2019 that have a material effect on the financial statements of the Fund Partnership.

**ii) Standards, amendments and interpretations effective for the financial year beginning January 1, 2020 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, 2020 that have been adopted early.

**iii) New standards, amendments and interpretations issued but not effective for the financial year beginning January 1, 2020 and not adopted early***Amendments to IAS 1 and IAS 8 - Definition of Material*

The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information. In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

iii) **New standards, amendments and interpretations issued but not effective for the financial year beginning January 1, 2020 and not adopted early (continued)**

*Amendments to IFRS 3 - Definition of a Business*

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

*Amendment to IFRS 7, IFRS 9 and IAS 39 - Interest rate benchmark reform*

The amendments modify some specific hedge accounting requirements to provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries.

The impact of these new standards and amendments will be assessed in the next financial year.

**C. Investment entity**

The Fund Partnership has multiple unrelated investors and holds multiple investments. 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 LPA. Net assets attributable to limited partners' capital are carried at amortised cost and are classified as debt in accordance with IAS 32. The limited partners' interests are exposed to variable returns from changes in the fair value of the Fund Partnership's net assets.

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

- (a) The Fund Partnership has obtained funds for the purpose of providing investors with investment management services.
- (b) The Fund Partnership's business purpose, which was communicated directly to investors, is investing solely for returns from capital appreciation and investment income.
- (c) The performance of investments made through the subsidiaries are measured and evaluated on a fair value basis.
- (d) The Fund Partnership holds more than one investment.
- (e) The Fund Partnership has more than one investor.
- (f) The majority of its ultimate investors are not related parties to the Fund Partnership.
- (g) The investors' ownership interests in the Fund Partnership are in the form of capital and advance contributions. They are exposed to variable returns from changes in the fair value of the Fund Partnership's net assets.

# Notes to the Financial Statements for the Fund Partnership

2019

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

### D. Subsidiaries

As at December 31, 2019 and December 31, 2018, the Fund Partnership controlled the following subsidiaries through its majority holding of the voting rights and ownership interests. These subsidiaries have been accounted for at Fair Value through profit or loss in accordance with IFRS 10:

Name of entity	Country	2019 equity ownership %	Nature of business	Address
Corvair Holding B Ltd.	Bermuda	100%	Holding company	Victoria Place, 5 <sup>th</sup> Floor, 31, Victoria Street, Hamilton HM 10 Bermuda
Corvair Holding 2 Ltd.	Marshall Islands	99%	Holding company	Ajeltake Road, Ajeltake Island, Majuro Marshall Islands
Heavy Lift Sumo Holding Ltd.	Bermuda	100%	Holding company	Victoria Place, 5 <sup>th</sup> Floor, 31, Victoria Street, Hamilton HM 10 Bermuda
Sumo Shipping Holding GmbH & Co KG	Germany	70%	Holding partnership	Gartenstr. 2 49733 Haren (Ems), Germany
Harren & Partner Sumo-Shipping GmbH & Co KG MS Palmarola	Germany	70%	Investment partnership	Boschstr. 21 49733 Haren (Ems), Germany
Sumo Shipping Holding GP GmbH	Germany	70%	General Partner	Gartenstr. 2 49733 Haren (Ems), Germany
Harren & Partner Sumo-Shipping GP GmbH	Germany	70%	General Partner	Boschstr. 21 49733 Haren (Ems), Germany
Harren & Partner Sumo Palmarola Ltd.	Antigua and Barbuda	70%	Holding company	60 Nevis Street, St. John's, Antigua
Corvair Holding A Ltd.	Bermuda	100%	Holding company	Victoria Place, 5 <sup>th</sup> Floor, 31, Victoria Street, Hamilton HM 10 Bermuda
Corvair Holding 1 Ltd.	Marshall Islands	100%	Holding company	Ajeltake Road Ajeltake Island, Majuro Marshall Islands
Windley Key Limited	Liberia	93.69%	Investment company	80 Broad Street, Monrovia, Liberia
Shark Key Pte Limited <sup>1</sup>	Singapore	93.69%	Investment company	1 Raffles Place No 36-01 One Raffles Place, Singapore
Dry Bulk Selene Holding Ltd.	Bermuda	100%	Holding company	Victoria Place, 5 <sup>th</sup> Floor, 31, Victoria Street, Hamilton HM 10 Bermuda
Proteus Holding Ltd.	Bermuda	100%	Holding company	Victoria Place, 5 <sup>th</sup> Floor, 31, Victoria Street, Hamilton HM 10 Bermuda
Proteus 7 Ltd.	Liberia	100%	Investment company	80 Broad Street, Monrovia, Liberia
Proteus 8 Ltd.	Liberia	100%	Investment company	80 Broad Street, Monrovia, Liberia
Centurion Holding Ltd	Bermuda	100%	Holding company	Victoria Place, 5 <sup>th</sup> Floor, 31, Victoria Street, Hamilton HM 10 Bermuda

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

#### D. Subsidiaries (continued)

Name of entity	Country	2019 equity ownership %	Nature of business	Address
Dakota Holding Ltd.	Bermuda	100%	Holding company	Victoria Place, 5 <sup>th</sup> Floor, 31, Victoria Street, Hamilton HM 10 Bermuda
Dakota 1 Ltd.	Liberia	100%	Investment company	80 Broad Street, Monrovia, Liberia
Dakota 2 Ltd.	Liberia	100%	Investment company	80 Broad Street, Monrovia, Liberia
Dreadnought Holding Ltd.	Bermuda	100%	Holding company	Victoria Place, 5 <sup>th</sup> Floor, 31, Victoria Street, Hamilton HM 10 Bermuda
Dragon Investments Coöperatief U.A.	Netherlands	100%	Holding company	Naritaweg 165, Telestone 8, 1043 BW Amsterdam
Dynasty Holdings 1 Ltd.	Bermuda	100%	Holding company	Victoria Place, 5 <sup>th</sup> Floor, 31, Victoria Street, Hamilton HM 10 Bermuda
Deadweight Holdings 1 Ltd.	Bermuda	100%	Holding company	Victoria Place, 5 <sup>th</sup> Floor, 31, Victoria Street, Hamilton HM 10 Bermuda
Deadweight Holdings 2 Ltd.	Bermuda	100%	Holding company	Victoria Place, 5 <sup>th</sup> Floor, 31, Victoria Street, Hamilton HM 10 Bermuda
Nautilus H Ltd.	UK	100%	Holding company	4th Floor, 18, St. Swithin's Lane, London EC4N 8AD, England

<sup>1</sup>Shark Key Pte Limited was liquidated in 2019.

#### E. Financial assets

##### Classification

The Fund Partnership classifies its financial assets as 'Investments at fair value through profit or loss'.

The investments have been designated as 'at fair value through profit or loss' as the Fund Partnership manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Fund Partnership's investment strategy. These are classified as non-current assets.

##### Recognition and measurement

Regular purchases and sales of investments are recognised on the trade-date – the date on which the Fund Partnership commits to purchase or sell the asset. Investments carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Comprehensive Income. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund Partnership has transferred substantially all risks and rewards of ownership.

Gains or losses arising from changes in the fair value of the 'investments at fair value through profit or loss' category are presented in the Statement of Comprehensive Income within 'net change in fair value of investments through profit or loss' in the year in which they arise. Dividend income from investments at fair value through profit or loss is recognised in the Statement of Comprehensive Income as part of dividend income when the Fund Partnership's right to receive payments is established and dividend has been received.

**2. Summary of significant accounting policies (continued)****Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. At December 31, 2019 and December 31, 2018 no such legal right of offset was applicable.

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

Items included in the books and records of each of the Fund Partnership's subsidiaries 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 (USD or \$), which is the Fund 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 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 the Statement of Other Comprehensive Income, the exchange component of that gain or loss shall be recognised directly in the Statement of 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.

As at December 31 the exchange rate was as follows:

**2019:** 1 USD (\$) = 0.8163 euros (EUR)

**2018:** 1 USD (\$) = 0.8748 euros (EUR)

**G. Cash and cash equivalents**

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

**H. Critical accounting estimates and judgements**

The preparation of 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 year. Actual results could differ from these estimates.

Estimates and judgments 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 General Partner makes estimates and assumptions concerning:

- i) its recognition as an investment entity as defined in IFRS 10,
- ii) fair value of financial assets at fair value through profit or loss (see 2E above) and
- iii) the going concern status of the Fund Partnership.

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

**2. Summary of significant accounting policies (continued)*****I. Dead deal costs***

These costs are fully expensed in the statement of comprehensive income in the year in which they are incurred.

***J. Revenue recognition***

Revenue comprises the fair value of consideration received or receivable for rendering services in the ordinary course of the Fund's activities.

Financial interest income and expense for all interest-bearing financial instruments, except for those designated at fair value through profit or loss, are recognised within 'interest income' in the statement of comprehensive income based on the effective interest rate.

Dividend income and interest income are only recognised upon receipt.

***K. Provisions***

Provisions are recognised when the Fund 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.

***L. Borrowings***

Borrowings are recognised at amortised cost. Borrowings are classified as current liabilities unless the Fund has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date.

Interest and expenses related to the borrowings are reported as finance costs in the Statement of Comprehensive Income based on the effective interest rate.

***M. Borrowing costs***

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are recognised as an expense in the year in which they incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

***N. Limited partners' capital***

Limited partners' capital in the Fund 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 Fund Partnership. The capital contributions are not returned to the limited partners until the end of the life of the Fund Partnership. No interest is paid or payable by the Fund Partnership upon any capital contribution.

In order to fund the capital calls, the Fund Partnership draws down from the limited partners' committed capital. The advances are drawn down pro rata to the aggregate undrawn commitments to the Fund Partnership, until the commitments from the limited partners are fully paid up. No interest is paid or payable by the Fund Partnership upon any advances.

On termination of the Fund Partnership, the limited partners will be subordinated to all other creditors as regards repayment of any advances outstanding.

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

### *O. Distributions to limited partners*

Distributions are made in accordance with the LPA, see note 1.

### *P. Payables*

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. The Fund Partnership's payables comprise 'trade and other payables' and 'amounts due to affiliates' and 'amounts due to the General Partner' in the Statement of Financial Position. Payables are classified as current liabilities if payment is due within one year or less from statement of financial date. If not, they are presented as non-current liabilities. Payables are recognised initially at fair value and subsequently measured at fair value.

### *Q. Treatment of organisational expenses*

Organisational expenses are all costs and expenses incurred in relation to the formation and establishment of the Fund Partnership and its subsidiaries, which includes costs such as professional fees; i.e. tax consulting fees, legal fees and structuring fees. These costs are fully expensed within the year in which they are incurred and included under 'other expenses' in the Statement of Comprehensive Income.

### *R. Receivables*

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

### *S. Derivative financial instruments*

The Fund Partnership may use derivative financial instruments such as interest rate swaps. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each reporting period. Changes in fair value of the derivatives are recognised immediately in the Statement of Comprehensive Income.

A derivative with a positive fair value is presented as a financial asset; a derivative with a negative value is presented as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months.

### *T. Guarantees*

A performance guarantee may be provided by the Fund Partnership or its subsidiaries to the shipyards contracted by the underlying investment companies, guaranteeing the performance of the various payment obligations under the shipbuilding contracts. In those instances where the relevant investment company is only partially owned by the Fund Partnership, the joint venture partner would typically provide the Fund Partnership with a back-stop guarantee for its share of the obligations under the shipbuilding contract. Similarly the joint venture partner of investment companies may provide a full performance guarantee to the shipyard and in turn, receive a back-stop guarantee from the Fund Partnership for its share of the obligations. Guarantee fee income and guarantee fee expenses are recognised in the Statement of Comprehensive Income account when incurred.

### *U. Going concern*

As mentioned in Note 1, the original Termination Date of the Fund Partnership is December 9, 2020. However the Operator may elect, with prior approval of the Fund Investors by an Investors' Consent to extend the term of the Fund Partnership for up to two consecutive additional one-year periods.

The Partnership has net current liabilities as at the date of the Statement of Financial Position. However, there are sufficient undrawn capital commitments from the Funds investors to cover this short term liability.

In view of the above, the financial statements of the Fund Partnership have been prepared on a going concern basis



## 3. Financial risk management

### 3 A. Financial risk factors

An investment in the Fund involves certain risks relating to the Fund Partnership structure and to its investment policy. Where possible the Fund Partnership, J.P. Morgan Investment Management Inc. (the 'Operator') and JPMorgan Asset Management (UK) Limited ('Investment Advisor') will take the necessary actions to mitigate these risks.

The Fund Partnership's activities expose it to a variety of financial risks: market risk (including price risk, currency risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Fund Partnership's overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise their potential adverse effects on the Fund Partnership's financial performance. The Fund Partnership may use derivative financial instruments to moderate certain risk exposures.

#### 3.1 Market risk

##### *Price risk*

The Fund Partnership is exposed to price risk in connection with the selling prices that it will be able to secure for its investments in investment companies which are linked to the maritime investments they hold, should it choose to sell them in the future. To manage its price risk arising from its investments, the Fund Partnership diversifies its portfolio. Diversification of the portfolio is done in accordance with the investment guidelines per the LPA. The values of vessels or shipbuilding contracts may vary significantly. Vessel values are a function of market sentiment, which is based on forward views of vessel supply and demand. Vessel supply is limited to what can be produced at shipyards globally and the price shipyards are willing to accept to build a vessel. Vessel demand is linked to the volumes of the underlying commodities they transport and the distances the commodities need to travel. The Fund Partnership evaluates potential sales and purchases based on available market information and estimated future earnings and costs so as to maximize returns to the limited partners.

The Fund Partnership also is exposed to price risk in connection with the charter rates that its investment companies can secure on their vessels. The charter revenue is highly dependent on market conditions impacting freight rates. This risk is mitigated by lowering exposure towards the spot market by stabilizing revenue through use of long-term charters, when possible and when deemed beneficial.

##### *Currency risk*

The majority of the Fund Partnership's transactions are in USD and therefore it is not expected that the Fund Partnership will be exposed to any significant foreign currency risk. However, the Fund Partnership may invest or undertake transactions in target markets in which the USD is not the local currency. Where it is appropriate to do so, the Investment Advisor may advise the Fund Partnership to enter into transactions that mitigate the currency risk in connection with an investment. These transactions will not be entered into for speculative purposes. Where hedging is deemed appropriate to reduce currency risk for the Fund Partnership, the Investment Advisor will evaluate and advise the Fund Partnership to purchase the most cost effective instrument available at the time. In some instances either (i) it may not be cost effective to enter into such transaction or (ii) the anticipated hold period for an investment may be relatively short, in which case the risk arising from such investment will remain and the risk will be monitored and assessed on a regular basis.

It is impossible to reduce currency risk entirely where the magnitude and timing of future cash flows are not known with certainty. Therefore, the Fund Partnership's policy will serve to reduce, but not eliminate all the risks of currency or interest rate fluctuations.

##### *Cash flow and fair value interest rate risk*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As at December 31, 2019 and December 31, 2018, the Fund Partnership's interest-bearing financial assets were included in 'investments at fair value through profit or loss' and 'cash and cash equivalents'. The Fund Partnership did not have any interest-bearing financial liabilities. These interest-bearing financial assets expose the Fund Partnership's financial position and cash flows to risks associated with the effects of fluctuations in the prevailing levels of market interest rates. Given the illiquid nature of the underlying investments, the Fund Partnership's remaining cash flow risk is largely considered to be liquidity risk and this is considered in note 3.3.

# Notes to the Financial Statements for the Fund Partnership

2019

## 3. Financial risk management (continued)

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

#### 3.1 Market risk (continued)

The following table summarises the Fund Partnership's exposure to interest rate risks at December 31, 2019. It includes the Fund Partnership's assets and liabilities at fair value.

At December 31, 2019 All amounts in \$ 000s	Less than 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Non interest bearing	Total
<b>ASSETS</b>						
Investments at fair value through profit or loss	-	-	750	-	475,362	476,112
Amounts due from limited partners and affiliates	-	-	-	-	473	473
Prepayments	-	-	-	-	90	90
Cash and cash equivalents	4,347	-	-	-	-	4,347
<b>Total assets</b>	<b>4,347</b>	<b>-</b>	<b>750</b>	<b>-</b>	<b>475,925</b>	<b>481,022</b>
<b>LIABILITIES</b>						
Trade and other payables	-	-	-	-	1	1
Amounts due to general partner	-	-	-	-	4,326	4,326
Accrued expenses	-	-	-	-	1,093	1,093
<b>Total liabilities (excluding net liabilities attributable to partners)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,420</b>	<b>5,420</b>
<b>Net assets attributable to partners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>475,602</b>	<b>475,602</b>
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>481,022</b>	<b>481,022</b>

At December 31, 2018 All amounts in \$ 000s	Less than 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Non interest bearing	Total
<b>ASSETS</b>						
Investments at fair value through profit or loss	-	-	-	750	523,207	523,957
Amounts due from limited partners and affiliates	-	-	-	-	455	455
Prepayments	-	-	-	-	74	74
Cash and cash equivalents	6,621	-	-	-	-	6,621
<b>Total assets</b>	<b>6,621</b>	<b>-</b>	<b>-</b>	<b>750</b>	<b>523,736</b>	<b>531,107</b>
<b>LIABILITIES</b>						
Trade and other payables	-	-	-	-	19	19
Amounts due to general partner	-	-	-	-	4,346	4,346
Amounts due to affiliates	-	-	-	-	37	37
Accrued expenses	-	-	-	-	1,052	1,052
<b>Total liabilities (excluding net liabilities attributable to partners)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,454</b>	<b>5,454</b>
<b>Net assets attributable to partners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>525,653</b>	<b>525,653</b>
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>531,107</b>	<b>531,107</b>

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

The Fund Partnership's financial position and cash flows are exposed to the effects of fluctuations in the prevailing levels of market interest rates. For the year ended December 31, 2019 a decrease/increase in interest rates by 50 basis points would have resulted in an decrease/increase in loss for the financial year of USD0.02 million (December 31, 2018: USD0.03 million).

**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 Fund Partnership's exposure to credit risk is indicated by the carrying amount of its assets which consist principally of investments, receivables and cash and cash equivalents balances.

The Fund Partnership has no significant concentration of credit risk. Excess cash is held in short term cash accounts with credit worthy financial institutions (held with J.P. Morgan Chase Bank N.A. London Branch which has a credit rating of "Aa2" in 2019 (2018: "Aa2") for long term debt from the credit rating agency Moody's). The receivable balances as at December 31, 2019 and December 31, 2018 are neither past due nor impaired and are substantially due from the limited partners or affiliates. Management reviews outstanding receivables on a regular basis and believes there is no significant credit risk.

The Fund Partnership's investments are exposed to credit risk resulting from possible default by the counterparties of the relevant investment company. The counterparties would mainly include charter parties, shipbuilding yards and joint venture partners. These risks are managed as follows (a) the client portfolio is analysed, systematically assessed and outstanding receivables are reviewed in a timely manner (b) advances paid to shipyards with which orders have been placed to construct ships are covered by appropriate refund guarantees (c) joint venture partners are subject to due diligence before contracting with them; joint venture partners directly or indirectly provide the shipyards with performance guarantees in relation to their share of the joint venture's obligations under shipbuilding contracts; the joint venture agreements take into account the possibility of a joint venture partner not providing additional funds to the joint venture as and when required and provide a solution that deals with such instances.

**3.3 Liquidity risk**

Liquidity risk is the risk that the Fund Partnership may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to settle investment transactions as they fall due. The Fund Partnership aims to maintain flexibility in funding by keeping adequate cash balances and by calling outstanding capital commitments from its investors as and when necessary. At December 31, 2019 outstanding commitments were USD22.48 million (December 31, 2018: USD22.48 million).

All cash flows arising from the investments held by the subsidiaries are managed and reviewed through a detailed budgeting process. These reviews are performed based on the annual budget and reviewed throughout the year on a regular basis. The Investment Advisor makes budget recommendations for each investment which are approved by the Operator and the Board of Directors of the relevant Fund Partnership subsidiaries. The Investment Advisor provides further updates and recommendations for any particular investments to the Operator when required. The Operator will then decide on the appropriate action required.

The table below summarises the Fund 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 significant. The liquidity risk is limited by the fact that the Fund is closed-end and not subject to redemption demands.

# Notes to the Financial Statements for the Fund Partnership

2019

## 3. Financial risk management (continued)

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

#### 3.3 Liquidity risk (continued)

At December 31, 2019 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>						
Trade and other payables	1	-	-	-	-	1
Amounts due to General Partner	4,326	-	-	-	-	4,326
Accrued expenses	1,093	-	-	-	-	1,093
<b>Total current liabilities</b>	<b>5,420</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,420</b>

At December 31, 2018 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>						
Trade and other payables	19	-	-	-	-	19
Amounts due to General Partner	4,346	-	-	-	-	4,346
Amounts due to affiliates	37	-	-	-	-	37
Accrued expenses	1,052	-	-	-	-	1,052
<b>Total current liabilities</b>	<b>5,454</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,454</b>

### 3 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 Fund 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 adoption of this standard does not have a material impact on the financial statements of the Fund Partnership and does not require retrospective application. 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).

# Notes to the Financial Statements for the Fund Partnership

2019

## 3. Financial risk management (continued)

### 3 B. Fair value estimation (continued)

The following table analyses the fair value hierarchy of the Fund Partnership's financial assets and liabilities (by class) measured at fair value as at December 31, 2019.

	Level 1 \$ 000s	Level 2 \$ 000s	Level 3 \$ 000s	Total \$ 000s
<b>Assets</b>				
Investments held at fair value through profit or loss	-	-	476,112	476,112
<b>Net financial assets and liabilities measured at fair value</b>	<u>-</u>	<u>-</u>	<u>476,112</u>	<u>476,112</u>

The following table analyses the fair value hierarchy of the Fund Partnership's financial assets and liabilities (by class) measured at fair value as at December 31, 2018.

	Level 1 \$ 000s	Level 2 \$ 000s	Level 3 \$ 000s	Total \$ 000s
<b>Assets</b>				
Investments held at fair value through profit or loss	-	-	523,957	523,957
<b>Net financial assets and liabilities measured at fair value</b>	<u>-</u>	<u>-</u>	<u>523,957</u>	<u>523,957</u>

The Fund Partnership classifies all its financial asset investments within level 3. The table of the movement in level 3 instruments for the years ended December 31, 2019 and December 31, 2018 is presented in note 4. There were no transfers between level 2 or 3 during the years presented.

### Valuation Process for Level 3 Assets

#### Overview

The Fund Partnership's Valuation Policy and Appraisal Procedures ("Policy") are applied when determining the value of investments categorized as level 3.

The Valuations Committee ("Committee"), which consists of qualified representatives from J.P. Morgan Asset Management's Global Alternatives Group, is solely responsible for overseeing and recommending valuations for each maritime investment held by the Fund Partnership. All investments are subject to a quarterly internal valuation review process using all the appropriate valuation and reporting standards such as the guidelines described in IFRS.

In order to assess level 3 valuations per the Policy, the Investment Adviser reviews the performance of the investment companies on a quarterly basis and is regularly in contact with the joint venture partners and the management of the investment companies, in order to make assessments of business and operational matters which are considered in the valuation process. The Investment Adviser reviews the quarterly net asset value of each investment company and makes fair value adjustments to any components of the net asset value, which have a carrying amount that differs from the fair value. This would typically include vessels' and shipbuilding contracts. The vessels and shipbuilding contracts' values are subject to the valuation review processes listed below:

### 3. Financial risk management (continued)

#### 3 B. Fair value estimation (continued)

##### *Internal Valuation Review Process*

Each investment held by the Fund Partnership is screened on a quarterly basis to determine if it has experienced a change in fair value. The internal valuation process consists of the following:

1. The vessels or shipbuilding contracts are compared to recent market transactions when available for vessels of a similar size, age and type. These values are then adjusted for any differences in age, size, employment and quality of shipyard. These market comparables will be a primary source of market data impacting any changes in valuation.
2. In those instances where external valuations have been obtained from independent brokers, an average is taken of the value resulting from the market comparables as explained above and the average broker values. The resulting value is deemed to be the fair value of the vessel/shipbuilding contract.
3. In those instances where there are no comparables for vessels held, the vessel is depreciated on a straight line basis over its useful life, and reviewed quarterly to market conditions to ensure it approximates the fair value.
4. Options for the construction of shipbuilding contracts are not fair valued until they are exercised and the relevant shipbuilding contracts are signed. Vessel options are typically not traded as they cannot be assigned, until the option is exercised and a buying entity is nominated.
5. Shipbuilding contracts are typically valued once the shipbuilding contracts are signed. However, in those instances when refund guarantees, which back-stop the progress payments made to the shipyard, have not been received and thus no payments made on the shipbuilding contract, an assessment is made as to the likelihood of their receipt in the future and if less than certain, the shipbuilding contract is held at cost. This is determined following discussions with the shipbrokers, joint venture partners and the shipyard.
6. The discounted cash flow technique is used in those instances where it is deemed to be a more meaningful representation of fair value than the process described above.

The results of the Internal Valuation Review, including quantitative valuation analysis and sector specific market overviews are presented to the Committee. This report is discussed in detail during the quarterly valuation committee meeting.

##### *External Appraisal Process*

Following the Internal Valuation Review Process, the Committee may, at its discretion, request an external appraisal to be done for any of the Fund Partnership's investments. The key steps to be undertaken by the Committee in connection with the external valuation process are:

1. Read and review the appraisal report.
2. Review any market analysis for reasonableness to market and to the historical trends.
3. Review any discussion to the asset's competitive position compared to its competitors.
4. Review any discussion of the regulatory environment and changes that have occurred that would impact the future performance of the asset.

The Committee will communicate directly with the external broker to discuss any aspects of the appraisal report.

No sensitivity analysis has been performed, as this is not deemed to be applicable, given that values are substantially determined using comparables and external appraisals.

In the opinion of management, the carrying values of the financial assets and liabilities are not significantly different from their fair values.

#### 3 C. Capital risk management

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

The Fund Partnership's objective when managing capital is to safeguard the Fund Partnership's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize value and returns for the partners. In order to maintain or adjust the capital structure, the Fund Partnership will normally call additional capital from limited partners' commitments.

# Notes to the Financial Statements for the Fund Partnership

2019

## 4. Investments at fair value through profit or loss

2019	Total \$ 000s
<b>Cost:</b>	
As at January 1, 2019	607,847
Acquisitions	11,851
Disposals	<u>(20,435)</u>
As at December 31, 2019	<u>599,263</u>
<b>Fair value movement:</b>	
As at January 1, 2019	(83,890)
Movement in fair value through profit or loss	<u>(39,261)</u>
As at December 31, 2019	<u>(123,151)</u>
<b>Fair value:</b>	
As at December 31, 2019	<u>476,112</u>
As at December 31, 2018	<u>523,957</u>

The Fund Partnership had the following direct interests in subsidiaries as at December 31, 2019.:

Fund Partnership subsidiary	Category of vessel investments	Equity ownership %	Investment Cost \$ 000s	Investment Fair Value \$ 000s	Fair value as a % of total assets
Corvair Holding A Ltd.	-	100	41,551	-	-
Corvair Holding B Ltd.	-	100	45,113	-	-
Dry Bulk Selene Holding Ltd.	Bulkers	100	17,943	5,908	1.23
Heavy Lift Sumo Holding Ltd. <sup>1</sup>	Bulkers	100	12,578	1,721	0.36
Proteus Holding Ltd.	Tankers	100	(9,514)	36,249	7.54
Centurion Holding Ltd. <sup>2</sup>	Containerships	100	100,491	145,761	30.30
Dragon Investments					
Coöperatief U.A.	Bulkers	100	129,745	102,434	21.30
Dreadnought Holding Ltd. <sup>3</sup>	Bulkers	100	72,583	53,123	11.04
Dakota Holding Ltd.	Bulkers	100	64,742	54,316	11.29
Dynasty Holdings 1 Ltd.	Bulkers	100	8,497	6,551	1.36
Deadweight Holding 1 Ltd.	Bulkers	100	14,318	6,310	1.31
Deadweight Holding 2 Ltd.	Bulkers	100	14,344	6,125	1.27
Nautilus H Ltd.	Car carriers	100	86,872	57,614	11.98
<b>Total Investments</b>			<u>599,263</u>	<u>476,112</u>	<u>98.98</u>

# Notes to the Financial Statements for the Fund Partnership

2019

## 4. Investments at fair value through profit or loss (continued)

2018	Total \$ 000s
<b>Cost:</b>	
<b>At January 1, 2018</b>	<b>615,846</b>
Acquisitions	100
Disposals	(8,067)
Movement relating to liquidation of Delphi Holding Ltd	(32)
<b>At December 31, 2018</b>	<b>607,847</b>
<b>Fair value movement:</b>	
<b>At January 1, 2018</b>	<b>(110,493)</b>
Movement in fair value through profit or loss	26,571
Movement relating to liquidation of Delphi Holding Ltd	32
<b>At December 31, 2018</b>	<b>(83,890)</b>
<b>Fair value:</b>	
<b>At December 31, 2018</b>	<b>523,957</b>
<b>At December 31, 2017</b>	<b>505,353</b>

The Fund Partnership had the following direct interests in subsidiaries as at December 31, 2018:

Fund Partnership subsidiary	Category of vessel investments	Equity ownership%	Investment Cost \$ 000s	Investment Fair Value \$ 000s	Fair value as a % of total assets
Corvair Holding A Ltd.	-	100	41,453	-	-
Corvair Holding B Ltd.	-	100	45,053	-	-
Dry Bulk Selene Holding Ltd.	Bulkers	100	17,943	8,966	1.69
Heavy Lift Sumo Holding Ltd.	Bulkers	100	9,885	237	0.04
Proteus Holding Ltd.	Tankers	100	(9,514)	36,518	6.88
Centurion Holding Ltd.	Containerships	100	107,591	156,866	29.54
Dragon Investments Coöperatief U.A.	Bulkers	100	131,645	120,042	22.60
Dreadnought Holding Ltd.	Bulkers	100	78,018	63,251	11.91
Dakota Holding Ltd.	Bulkers	100	64,742	63,419	11.94
Delphi Holding Ltd*	-	100	-	-	-
Nautilus H Ltd.	Car carriers	100	83,872	54,072	10.18
Deadweight Holdings 1 Ltd.	Bulkers	100	14,318	7,007	1.32
Deadweight Holdings 2 Ltd.	Bulkers	100	14,344	6,181	1.16
Dynasty Holdings 1 Ltd.	Bulkers	100	8,497	7,398	1.39
<b>Total Investments</b>			<b>607,847</b>	<b>523,957</b>	<b>98.65</b>

\* Delphi Holding Ltd was liquidated on May 7, 2018.



**4. Investments at fair value through profit or loss (continued)****<sup>1</sup> Heavy Lift Sumo Holding Limited***Investments*

Heavy Lift Sumo Holding Limited holds 70% of the original capital of Sumo Shipping Holding GmbH & Co KG (December 31, 2018: 70%). The Sumo Shipping Holding GmbH & Co KG, through its 98% ownership of Harren & Partner Sumo-Shipping GmbH & Co KG MS Palmarola owns and operates a dry bulk carrier (together, "Sumo JV").

During the year ended December 31, 2019, additional capital support was provided by the shareholders to the Sumo JV. This was provided in the form of preferred capital, with Heavy Lift Sumo Holding Limited providing USD 2.67million (60%), while the other shareholder provided the remaining USD1.78million (40%). The preferred capital attracts 8% preferred return, with Heavy Lift Sumo Holding Limited having first priority. If the vessel is sold, preferred capital holders will be paid up to a 12% IRR, with the remainder of the proceeds to be paid to the original capital holders.

This preferred capital funded the required dry-dock of the vessel and along with new financing, enabled the existing vessel loan to be partially repaid, while the remainder was waived. Concurrent with the new financing of the vessel, the vessel was chartered for three years at a market rate to an affiliate of the JV partner.

**<sup>2</sup> Centurion Holding Limited***Investments*

Centurion Holdings Limited holds a 50% joint venture investment in Benoi Park Shipping Co. Pte Ltd and its subsidiaries (together, "Benoi Park JV"). During the year ended December 31, 2019 the Benoi Park JV received delivery of two containership vessels and the joint venture now owns 16 containership vessels.

**<sup>3</sup> Dreadnought Holding Limited***Investments*

In July 2019, the Fund Partnership, through its subsidiary Dreadnought, entered into an agreement for the termination of its 50% joint venture in the BTG JV. Following the termination of the BTG JV, the eight vessels owned by the JV were split evenly between the joint venture partners, with each taking ownership of four vessels on a 100% basis. Since the aggregate net asset value of the four entities taken over by Dreadnought was higher than the aggregate net asset value of the four entities taken over by the joint venture partners, Dreadnought paid the difference in value of USD 0.4million in cash, to the joint venture partner.

As a result of this transaction, Dreadnought, through its wholly-owned subsidiaries, now owns four vessels on a 100% basis. Concurrent with the termination of the BTG JV, Dreadnought, through its subsidiaries, refinanced its fleet of vessels. The Fund Partnership is expanding its existing parent guarantee for Dreadnought's loan obligations to the higher of USD8m or 20% of the outstanding loan balance.

# Notes to the Financial Statements for the Fund Partnership

2019

## 5. Limited partners' contributions and commitments

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

	December 31, 2019 \$ 000s	December 31, 2018 \$ 000s
Committed capital	780,328	780,328
Contributions	(779,168)	(779,168)
Recallable distributions <sup>1</sup>	21,318	21,318
Uncalled committed capital	<u>22,478</u>	<u>22,478</u>

<sup>1</sup> In September 2014, a distribution of USD24 million was made to the limited partners. Since this distribution was made during the investment period, this distribution is included in uncalled committed capital. As at December 31, 2019 USD2.68 million of the USD24 million distribution had been recalled.

The cashflow impact of the contributions and distributions are reflected within the Statement of Changes in Net assets attributable to limited partners. There are no other non-cash changes relating to limited partners contributions or distributions.

The balances due from/to limited partners and affiliates are detailed below:

### Amounts due from limited partners and affiliates

	December 31, 2019 \$ 000s	December 31, 2018 \$ 000s
Due from limited partners and affiliates	<u>473</u>	<u>455</u>
	<u>473</u>	<u>455</u>

### Amounts due to affiliates

	December 31, 2019 \$ 000s	December 31, 2018 \$ 000s
Due to affiliates	<u>-</u>	<u>37</u>
	<u>-</u>	<u>37</u>

# Notes to the Financial Statements for the Fund Partnership

2019

## 6. Related party transactions

The Fund Partnership, 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 JPMorgan Chase Bank, N.A., Dublin Branch (the 'Accountant'), are related parties as they are subsidiaries or affiliates of JPMorgan Chase & Co.

### *General Partner's Share ("GPS")*

The Fund Partnership pays the General Partner, a GPS per annum based on commitments into the Fund Partnership. In respect of each limited partner, the GPS is 1.5 per cent per annum of: (A) during the investment period, the total commitment of that limited partner and (B) thereafter, the aggregate amount of contributions made by that limited partner with respect to any investment vessel (including contributions used to pay Fund Partnership expenses allocated to such investment) until such investment vessel is no longer owned by the Fund or has been written off, as applicable, and taking into account any write-downs in the value of such investment vessel.

No GPS is paid in respect of commitments made by any J.P. Morgan limited partner and J.P. Morgan employees.

As at December 31, 2019 and December 31, 2018, total commitments held by the JPMAM G1 CIP LP. and J.P. Morgan employees amounted to USD22.73 million and USD0.3 million, respectively.

The total GPS for the year, and the accrued GPS due to the General Partner at the end of the year, are detailed below.

### **Amounts due to General Partner**

	<b>December 31, 2019</b>	<b>December 31, 2018</b>
	<b>\$ 000s</b>	<b>\$ 000s</b>
Accrued GPS at the beginning of the year	4,346	3,328
GPS for the year	8,599	8,622
GPS paid during the year	<u>(8,619)</u>	<u>(7,604)</u>
Accrued GPS at the end of the year	<u><b>4,326</b></u>	<u><b>4,346</b></u>

The GPS has been expensed in the statement of comprehensive income and not treated as a profit allocation. This is mainly due to the fact that it accrues on a daily basis and is payable to the General Partner irrespective of the results of the Fund Partnership.

### *Founder Limited Partner's profit share*

A Founder Limited Partner's profit share is payable to the Founder Limited Partner on termination of the Fund Partnership and is accrued at the rate of USD100 for each calendar year the Founder Limited Partner remains a limited partner in the Fund. As at December 31, 2019, USD900 (December 31, 2018: USD800) was payable.

### *Accounting services*

The Fund has contracted JPMorgan Chase Bank, N.A., Dublin Branch to provide accounting services. The Fund Partnership incurred USD258,426 (December 31, 2018: USD295,415) relating to these accounting services. The amounts payable at the Statement of Financial Position date were USD69,558 (December 31, 2018: USD75,334).

# Notes to the Financial Statements for the Fund Partnership

2019

## 7. Trade and other payables

	December 31, 2019 \$ 000s	December 31, 2018 \$ 000s
Other operating expenses	1	19
	<u>1</u>	<u>19</u>

## 8. Accrued expenses

	December 31, 2019 \$ 000s	December 31, 2018 \$ 000s
Audit fees	185	198
Other professional fees	570	648
Other operating expenses	338	206
	<u>1,093</u>	<u>1,052</u>

## 9. Finance costs

	December 31, 2019 \$ 000s	December 31, 2018 \$ 000s
Bank charges	3	2
	<u>3</u>	<u>2</u>

## 10. Dividend and interest income

	December 31, 2019 \$ 000s	December 31, 2018 \$ 000s

Dividend income was received from the following investments:

Proteus Holding limited	1,400	4,650
Dreadnought Holding Ltd	-	1,825
Dry Bulk Selene Holding Limited	720	500
Centurion Holding Limited	-	2,470
Dynasty Holdings 1 Ltd	-	150
Dakota Holding Ltd	1,500	1,900
Deadweight Holdings 2 Ltd.	220	-
	<u>3,840</u>	<u>11,495</u>

## 11. Guarantee fee income

During the year ended December 31, 2019, the Fund Partnership earned fees amounting to USD0.04 million (December 31, 2018: USD0.08 million) in relation to guarantees provided to lenders of affiliated entities.

# Notes to the Financial Statements for the Fund Partnership

2019

12. Other expenses	December 31, 2019 \$ 000s	December 31, 2018 \$ 000s
Accounting fees	258	295
Audit fees	172	198
Insurance costs	119	120
Legal fees	35	90
Non-recoverable VAT	91	53
Tax compliance/advice fees	322	441
Travel costs	91	134
Other expenses	20	103
	<b>1,108</b>	<b>1,434</b>

## 13. Income tax

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

## 14. Commitments and contingencies

### *Capital commitments*

As at December 31, 2019, the Fund Partnership, through its subsidiaries and jointly controlled entities, did not have any outstanding capital commitments (December 31, 2018: USD15.14 million). The commitments as at December 31, 2018, mainly related to pre-delivery installments for new-build vessels and for supervision contracts. The vessels to which these commitments related, were delivered during the year and all commitments were settled.

### *Guarantees*

As at December 31, 2019, the Fund Partnership has issued guarantees of USD293.58 million (December 31, 2018: USD302.18 million) relating to credit facilities secured by its subsidiaries and its joint ventures.

As at December 31, 2019 and December 31, 2018 no provision was made in respect of any of these guarantees.

Fund Partnership subsidiary	December 31, 2019 \$ 000s	December 31, 2018 \$ 000s
Proteus Holding Ltd.	17	19
Centurion Holding Ltd.	95	91
Dragon Investments Coöperatief U.A.	125	136
Dreadnought Holding Ltd.	12	7
Dakota Holding Ltd.	33	36
Dynasty Holdings 1 Ltd.	6	6
Deadweight Holding 1 Ltd.	4	4
Deadweight Holding 2 Ltd.	2	3
<b>Total Guarantees</b>	<b>294</b>	<b>302</b>

# Notes to the Financial Statements for the Fund Partnership

2019

## 15. Changes in working capital

For the year ended December 31, 2019:

	Balance as at December 31, 2019 \$ 000s	Balance as at December 31, 2018 \$ 000s	Change in working capital \$ 000s
Amounts due from limited partners and affiliates	(444)	(426)	(18)
Prepayments	(90)	(74)	(16)
Trade and other payables	1	19	(18)
Accrued expenses	1,093	1,052	41
Amounts due to General Partner	4,326	4,346	(20)
Amounts due to affiliates	-	37	(37)
	<u>4,886</u>	<u>4,954</u>	<u>(68)</u>

For the year ended December 31, 2018:

	Balance as at December 31, 2018 \$ 000s	Balance as at December 31, 2017 \$ 000s	Change in working capital \$ 000s
Amounts due from limited partners and affiliates	(426)	(798)	372
Prepayments	(74)	(70)	(4)
Trade and other payables	19	215	(196)
Accrued expenses	1,052	740	312
Amounts due to General Partner	4,346	3,328	1,018
Amounts due to affiliates	37	37	-
	<u>4,954</u>	<u>3,452</u>	<u>1,502</u>

## 16. Events after the date of the statement of financial position

On January 30, 2020, the World Health Organisation declared the coronavirus (COVID-19) to be a public health emergency. There are no comparable recent events which may provide guidance as to the effect of the spread of COVID-19. The ultimate impact of the COVID-19 pandemic is highly uncertain and the full extent of the economic impacts on the financial performance of the Fund Partnership its operations or the global economy as a whole is as yet unknown.

Given the emergence and spread of COVID-19 occurred in 2020, it is not considered relevant to conditions that existed at the balance sheet date. Consequently COVID-19 is considered to be a non-adjusting post balance sheet event. The measurement of assets and liabilities in the accounts has not been adjusted for its potential impact. The impact of COVID-19 is uncertain and may be material and the General Partner together with the Investment Adviser will continue to monitor the situation.

Based on the values at the year ended 31 December 2019, a decrease of 10% in the value of the underlying vessel investments would have resulted in a decrease in the Fund Partnership's net asset value of USD 81.99 million. This information is provided solely to illustrate the impact on the net asset value of a change in the underlying assets of the Fund Partnership and is not an estimate or a forecast of the impact of COVID19.

At this stage, the General Partner does not believe there is a need to alter the investment strategy as a result of these economic uncertainties. However, the effects could have an impact on the business and operations of the Fund Partnership and its financial performance, and the General Partner will continue to monitor the COVID-19 situation closely.

Notes to the Financial Statements for the Fund Partnership
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2019
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**17. Ultimate controlling party**

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

**18. Approval for financial statements**

The financial statements were authorized for issue by the General Partner on April 3, 2020.

Supplemental information to the Annual Financial Statements for the  
Fund Partnership - Unaudited

2019

Statement of consolidated investments held  
For the quarter ended December 31, 2019  
(Unaudited)

Investments	Quarterly Movement						
	Net cost	Opening fair value	Additions/ (disposals)	Net operating income/(loss)	Distributions	Realised and Unrealised fair value movement	Closing fair value
	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s
Corvair Holding A Ltd.	41,551	98	-	(98)	-	-	-
Corvair Holding B Ltd.	45,113	60	-	(60)	-	-	-
Dry Bulk Selene Holding Ltd.	17,943	6,815	-	121	(220)	(808)	5,908
Heavy Lift Sumo Holding Ltd.	12,578	1,585	-	240	-	(104)	1,721
Proteus Holding Ltd.	(9,514)	35,570	-	67	-	612	36,249
Centurion Holding Ltd.	100,491	150,795	-	3,281	-	(8,315)	145,761
Dragon Investments Coöperatief U.A.	129,745	103,833	-	3,207	-	(4,606)	102,434
Dreadnought Holding Ltd.	72,583	54,066	(1,935)	3,312	-	(2,320)	53,123
Dakota Holding Ltd.	64,742	53,637	-	1,983	-	(1,304)	54,316
Dynasty Holdings 1 Ltd.	8,497	6,851	-	206	-	(506)	6,551
Deadweight Holding 1 Ltd.	14,318	5,898	-	225	-	187	6,310
Deadweight Holding 2 Ltd.	14,344	5,552	-	750	(220)	43	6,125
Nautilus H Ltd.	86,872	55,724	-	(17)	-	1,907	57,614
<b>Total</b>	<b>599,263</b>	<b>480,484</b>	<b>(1,935)</b>	<b>13,217</b>	<b>(440)</b>	<b>(15,214)</b>	<b>476,112</b>



Supplemental information to the Annual Financial Statements for the  
Fund Partnership - Unaudited

2019

Statement of consolidated investments held  
For the year ended December 31, 2019  
(Unaudited)

Investments	Year to date movement						
	Net cost	Opening fair value	Additions/ (disposals)	Net operating income/(loss)	Distributions	Realised and Unrealised fair value movement	Closing fair value
	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s
Corvair Holding A Ltd.	41,551	-	98	(98)	-	-	-
Corvair Holding B Ltd.	45,113	-	60	(60)	-	-	-
Dry Bulk Selene Holding Ltd.	17,943	8,966	-	655	(720)	(2,993)	5,908
Heavy Lift Sumo Holding Ltd.	12,578	237	2,693	(462)	-	(747)	1,721
Proteus Holding Ltd.	(9,514)	36,518	-	2,507	(1,400)	(1,376)	36,249
Centurion Holding Ltd.	100,491	156,866	(7,100)	15,073	-	(19,078)	145,761
Dragon Investments Coöperatief U.A.	129,745	120,042	(1,900)	15,255	-	(30,963)	102,434
Dreadnought Holding Ltd.	72,583	63,251	(5,435)	7,390	-	(12,083)	53,123
Dakota Holding Ltd.	64,742	63,419	-	6,595	(1,500)	(14,198)	54,316
Dynasty Holdings 1 Ltd.	8,497	7,398	-	697	-	(1,544)	6,551
Deadweight Holding 1 Ltd.	14,318	7,007	-	707	-	(1,404)	6,310
Deadweight Holding 2 Ltd.	14,344	6,181	-	1,423	(220)	(1,259)	6,125
Nautilus H Ltd.	86,872	54,072	3,000	(88)	-	630	57,614
<b>Total</b>	<b>599,263</b>	<b>523,957</b>	<b>(8,584)</b>	<b>49,594</b>	<b>(3,840)</b>	<b>(85,015)</b>	<b>476,112</b>

Supplemental information to the Annual Financial Statements for the Fund Partnership - Unaudited	2019
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**Global Maritime Investment Fund LP**

**Statement of changes in net assets  
for the quarter ended December 31, 2019 (Unaudited)**

	Feeder LP \$ 000s	Feeder LLC (Including Intermediate LP)* \$ 000s	JPMAM G1 CIP LP \$ 000s	Other Limited Partners \$ 000s	Total - Fund Partnership \$ 000s
<b>Fund Partnership net assets as at October 1, 2019</b>	142,527	299,147	15,597	27,763	485,034
Contributions	-	-	-	-	-
Distributions	(1,474)	(3,093)	(146)	(287)	(5,000)
<b>Net change in net assets resulting from contributions and distributions</b>	<b>141,053</b>	<b>296,054</b>	<b>15,451</b>	<b>27,476</b>	<b>480,034</b>
Net income/(loss), gross of management fees - master fund	47	99	5	10	161
Management fees	(654)	(1,374)	-	(127)	(2,155)
Net change in fair value of investments at fair value through profit or loss	(718)	(1,508)	(71)	(141)	(2,438)
<b>Net change in net assets resulting from operations</b>	<b>(1,325)</b>	<b>(2,783)</b>	<b>(66)</b>	<b>(258)</b>	<b>(4,432)</b>
<b>Fund Partnership net assets as at December 31, 2019</b>	<b>139,728</b>	<b>293,271</b>	<b>15,385</b>	<b>27,218</b>	<b>475,602</b>
Net income/(loss) for Feeder Funds					
For the periods up to October 1, 2019	(120)	(232)			
For the quarter ended December 31, 2019	(5)	(9)			
<b>Feeder Funds' net assets as at December 31, 2019</b>	<b>139,603</b>	<b>293,030</b>			

\*Intermediate LP is a 100% owned entity of Feeder LLC that in turn invests in the Fund Partnership.

Supplemental information to the Annual Financial Statements for the  
Fund Partnership - Unaudited

2019

Global Maritime Investment Fund LP

Statement of changes in net assets  
for the year ended December 31, 2019 (Unaudited)

	Feeder LP \$ 000s	Feeder LLC (Including Intermediate LP)* \$ 000s	JPMAM G1 CIP LP \$ 000s	Other Limited Partners \$ 000s	Total - Fund Partnership \$ 000s
<b>Fund Partnership net assets as at January 1, 2019</b>	154,558	324,399	16,593	30,103	525,653
Contributions	-	-	-	-	-
Distributions	(1,474)	(3,093)	(146)	(287)	(5,000)
<b>Net change in net assets resulting from contributions and distributions</b>	153,084	321,306	16,447	29,816	520,653
Net income/(loss), gross of management fees - master fund	829	1,739	82	160	2,809
Management fees	(2,612)	(5,482)	-	(505)	(8,599)
Net change in fair value of investments at fair value through profit or loss	(11,573)	(24,292)	(1,144)	(2,253)	(39,261)
<b>Net change in net assets resulting from operations</b>	(13,356)	(28,035)	(1,062)	(2,598)	(45,051)
<b>Fund Partnership net assets as at December 31, 2019</b>	<b>139,728</b>	<b>293,271</b>	<b>15,385</b>	<b>27,218</b>	<b>475,602</b>
Net income/(loss) for Feeder Funds					
For the periods up to January 1, 2019	(109)	(211)			
For the twelve months ended December 31, 2019	(16)	(30)			
<b>Feeder Funds' net assets as at December 31, 2019</b>	<b>139,603</b>	<b>293,030</b>			

\*Intermediate LP is a 100% owned entity of Feeder LLC that in turn invests in the Fund Partnership.