

JPMAM RE GP 3 (Scots) Limited

Registered number SC455770

Annual report for the year ended 31 December 2019

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JPMAM RE GP 3 (Scots) Limited

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JPMAM RE GP 3 (Scots) Limited
Company information

Directors

R A Crombie

C J Whittington

S M Greenspan

J R Ehlinger

L J Fuchs (resigned 21 December 2019)

Company Secretary

J.P. Morgan Secretaries (UK) Limited

Registered office

50 Lothian Road
Festival Square
Edinburgh
EH3 9WJ

Independent auditors

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

JPMAM RE GP 3 (Scots) Limited

Directors' report for the year ended 31 December 2019

The directors present their annual report and the audited financial statements of JPMAM RE GP 3 (Scots) Limited (the "Company") 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 the JPMAM RE GP 3 (Scots) Limited is to act as general partner to limited partnerships which invest in real estate.

Review of business

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

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

Results and dividends

The profit before taxation for the financial year was €200 (2018: €200) and after taxation €200 (2018: €200). This profit after taxation has been transferred to reserves.

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.

JPMAM RE GP 3 (Scots) Limited

Directors' 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 13 (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.

JPMAM RE GP 3 (Scots) Limited

Directors' 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.

Liability insurance for directors

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

Third party indemnities

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


JPMAM RE GP 3 (Scots) Limited

Directors' report for the year ended 31 December 2019

Independent Auditors

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

Approved by the board on 15th September 2020 and signed on its behalf by:



Richard Crombie

Director

Independent auditors' report to the members of JPMAM RE Property GP Limited

Report on the audit of the financial statements

Opinion

In our opinion, JPMAM RE Property 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.

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.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The 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.

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 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. This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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


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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report.

We have no exceptions to report arising from this responsibility.



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

JPMAM RE GP 3 (Scots) Limited**Statement of comprehensive income for the year ended 31 December 2019**

	Note	2019 €	2018 €
Turnover	2	200	200
Operating profit		200	200
Profit before taxation		200	200
Tax on profit	5	-	-
Profit for the financial year and total comprehensive income for the year		200	200


All amounts relate to continuing operations.

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

JPMAM RE GP 3 (Scots) Limited
Balance sheet as at 31 December 2019

	Note	2019 €	2018 €
Fixed assets			
Investments	6	200	200
Investment in subsidiary undertakings	7	2	2
		<u>202</u>	<u>202</u>
Current assets			
Debtors	8	101,000	100,800
Creditors: amounts falling due within one year	9	(202)	(202)
Net current assets		<u>100,798</u>	<u>100,598</u>
Net assets		<u>101,000</u>	<u>100,800</u>
Capital and reserves			
Called up share capital	10	100,000	100,000
Profit and loss account		1,000	800
Total shareholders' funds		<u>101,000</u>	<u>100,800</u>

The financial statements on pages 9 to 16 were approved by the board of directors on 15th September 2020 and signed on its behalf by:


Richard Crombie

Director

Company registered number: SC455770

JPMAM RE GP 3 (Scots) 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	100,000	600	100,600
Profit for the financial year and total comprehensive income for the year	-	200	200
At 31 December 2018	100,000	800	100,800
Profit for the financial year and total comprehensive income for the year	-	200	200
At 31 December 2019	<u>100,000</u>	<u>1,000</u>	<u>101,000</u>

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

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

JPMAM RE GP 3 (Scots) 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 Scotland. The address of its registered office is 50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ.

Basis of preparation

The financial statements have been prepared 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;
- disclosure of related party transactions with other wholly owned members of the group headed by JPMorgan Chase & Co; and
- presentation of the statement of financial position as at the beginning of the preceding period when the entity applies an accounting policy retrospectively or makes a retrospective restatement of its financial statements.

The financial statements of JPMorgan Chase & Co. can be obtained as described in note 13.

Group financial statements

The financial statements contain information about JPMAM RE GP 3 (Scots) Limited as an individual company. The Company has taken advantage of the exemption conferred by Section 401 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the consolidated financial statements of a larger non-EEA group.

JPMAM RE GP 3 (Scots) 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.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are included at cost less any impairment in value that may have occurred. Realised gains and losses arising on disposal of subsidiaries are calculated as the difference between net sales proceeds and the carrying value.

Investments

Investments are included at cost less any impairment in value that may have occurred.

Income and expenditure

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

Judgements and key areas of estimation uncertainty

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

Functional 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 EUR, 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.

JPMAM RE GP 3 (Scots) Limited

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

Financial instruments

The Company recognises financial instruments from the trade date, and continues to recognise them until, in the case of assets, the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership, or in the case of liabilities, until the liability has been settled, extinguished or has expired. Realised and recognised gains or losses arising from changes in fair value are included in the profit and loss account of the period in which they arise.

Impairment of financial assets

The Company's approach to measuring expected credit losses ("ECLs") depends on the type of instrument.

Fee receivables

For fee receivables arising from contracts with customers (e.g. investment management fee receivables), the Company applies a provision matrix as a practical expedient for calculating expected credit losses. The matrix provides that in the case of institutional customers, a receivable is considered to have had a significant increase in credit risk ("SICR") if it is 90 days past due and credit-impaired, if it is 180 days past due at which point an ECL for 100% of the amount owned is recognised. In the case of non-institutional customers, a receivable is considered to have had a SICR if it is 30 days past due and credit-impaired and if it is 90 days past due at which point an ECL for 100% of the amount owned is recognised.

Other financial instruments

The Company has determined that ECLs on other financial instruments are immaterial due to: the existence of credit risk mitigants such as the credit quality (e.g. investment-grade); and/or the short-term nature of the instrument. Similarly the Company has determined that these other financial instruments are without SICR due to the credit quality and/or the short-term nature of the instrument.

For inter-company loans and receivables, the Company evaluates the counterparty based on tenor of the loan/receivable, and any collateral received. The Company has not experienced any losses on inter-company loans and receivables.

The Company continues to monitor its financial instruments to ensure the described framework is appropriate and its exposure to credit risk and ECLs on these instruments are adequately reflected in the allowance for credit losses.

2 Turnover

Turnover comprises a profit share (General Partner's Share) receivable from EOIII GRA Feeder LP and European Opportunistic Property Fund III Intermediate LP. The Company has only one class of business and operates mainly in the United Kingdom.

3 Administration Expenses

Auditors' remuneration was €9,200 (2018: €8,227), wholly for audit services. All expenses, including audit remuneration costs have been borne by Group undertakings.

4 Employee information

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

JPMAM RE GP 3 (Scots) Limited

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

5 Tax on profit

	2019	2018
	€	€
Current tax:		
Current tax on profits for the year	-	-
Total current tax	-	-

Factors affecting tax charge for the 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:

	2019	2018
	€	€
Profit before taxation	200	200
Profit multiplied by effective rate of corporation tax in the UK of 19.00% (2018: 19.00%)	38	38
Effects of:		
Effects of group relief/other reliefs	(38)	(38)
Total tax charge	-	-

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.

6 Investments

In 2004 the Company made a capital contribution to EO III GRA Feeder LP of €100 and to European Opportunistic Property Fund III Intermediate LP of €100. These investments are held at cost.

7 Investment in subsidiary undertakings

Subsidiary undertaking	Activity	Country of incorporation and registration	%
JPMAM RE GP Jersey 3 Limited	General partner	Jersey	100

8 Debtors

	2019	2018
	€	€
Amounts owed by parent undertakings	100,000	100,000
Amounts owed by Group undertakings	1,000	800
	101,000	100,800

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

JPMAM RE GP 3 (Scots) Limited

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

9 Creditors: Amounts falling due within one year

	2019 €	2018 €
Other creditors	<u>202</u>	<u>202</u>

10 Called up share capital

	2019 €	2018 €
Allotted and unpaid		
1,000 (2018: 1000) ordinary shares of €100 each	<u>100,000</u>	<u>100,000</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.

11 Directors' remuneration

The directors received no remuneration during the period in respect of their services to 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.

12 Ultimate parent undertaking

The immediate parent undertaking is JPMorgan Asset Management Holdings (UK) Limited.

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

13 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.

JPMAM RE GP 3 LP

Audited financial statements for the year ended December 31, 2019

THESE PARTNERSHIP
ACCOUNTS FORM
PART OF THE ACCOUNTS
OF COMPANY
No. SC455770

50 Lothian Road
Festival Square
Edinburgh EH3 9WJ
Scotland

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General information	2019
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Partnership Number:	SL17057
General Partner:	JPMAM RE GP 3 (Scots) Limited
Directors of the General Partner:	R.A. Crombie J.C. Ehlinger L.J. Fuchs (resigned December 21, 2019) S.M. Greenspan C.J. Whittington
Operator:	J.P. Morgan Investment Management Inc. 383 Madison Avenue, New York, NY 10179 USA
Accountants:	JPMorgan Chase Bank, N.A. 200 Capital Dock 79 Sir John Rogerson's Quay Dublin 2, D02 RK57 Ireland
Independent Auditors:	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London, SE1 2RT United Kingdom
Legal Advisers:	Stroock & Stroock & Lavan LLP 180 Maiden Lane New York N.Y. 10038 USA
Tax Advisers:	Deloitte LLP 2 New Street Square London EC4A 3BZ United Kingdom

General Partner's Report

2019

The Board of Directors of the General Partner presents its annual report and the audited financial statements for the year ended December 31, 2019 of JPMAM RE GP 3 LP (the "Partnership").

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

Principal activities

The Partnership has been established to invest in European Opportunistic Property Fund III Master LP (the "Fund") for the primary purpose of seeking capital appreciation.

As the activity of the Partnership is directly linked to the activity of the Fund, the General Partner's report reflects the activities of the underlying fund. Any change in the investment strategy taken by the general partner of the underlying Fund will not change the investment strategy for this entity. These financial statements should be read in conjunction with the financial statements of the Fund.

Business review and future developments

Under the terms of the Limited Partnership Agreement the investment period ended on August 22, 2017. The Fund has completed all its acquisitions as of December 31, 2019. During the investment period the Fund committed to 19 investments located in France, Germany, Italy and the United Kingdom in office and retail properties.

As at December 31, 2019, the Fund has sold 13 assets held in 10 investments.

Investment period

Under the terms of the Limited Partnership Agreement the investment period ended on August 22, 2017. The Fund has completed all its acquisitions as of December 31, 2019.

Disposal

During the year the Fund completed the disposal of the following assets:

Asset	Investment	Geography	Fund ownership percentage
Albstraße	Albstraße	Stuttgart, Germany	100%
Brookfield	Brookfield	Cheshunt, UK	100%
Le Village I	Trinity Portfolio	Paris, France	97.33%
Grand Ecran	Grand Ecran	Paris, France	100%

The Fund holds 10 assets in 10 investments at the year end, through its subsidiaries, 5 of which are in Germany, 3 in the UK, 1 in France and 1 in Italy

The Fund intends to complete its leasing, development and repositioning strategies and realising its remaining investments in advance of the Fund maturity date of August 22, 2023.

Capital Calls and Distributions

As of December 31, 2019, the Fund had called capital of €727.91 million and had made distributions to investors of €573.70 million. During the year the Fund had called capital of €58 million and had made distributions to investors of €334 million.

Business review and future developments (continued)*Economy*

The UK exited the European Union on January 31, 2020 and has entered into a transition period during which the UK and EU will negotiate trade and other relationships. The UK's exit from the European Union has increased economic uncertainty in both the UK economy and the wider European and global economy.

This uncertainty presents risks to property values, finance and tenants. The General Partners do not believe that the outcomes of the Brexit negotiations are expected to have a material impact on the performance of the Fund. Historically, the Fund has mitigated the risk of economic uncertainty by making investments in the three most liquid markets in the EU, both inside and outside the Eurozone and in a variety of sectors: office and retail. The General Partner does not believe there is a need to alter its existing investment strategy as a result of these economic uncertainties and given the Fund is now outside of its investment period, intends to execute its original strategy and remaining asset specific development plans.

Recently, 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 global economic slowdown. 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 funds' 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 of the financial statements for details on risk management objectives and policies.

Events after the date of the statement of financial position

Refer to Note 13 in the notes of the financial statements for details on the subsequent events.

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 audited 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 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 Partnership and of the profit or loss of the 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 Partnership will continue in business.

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

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

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

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

In accordance with Section 418 Companies Act 2006, the General Partner's 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's is aware, there is no relevant audit information of which the 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 Partnership's auditors are aware of that information.

Going Concern

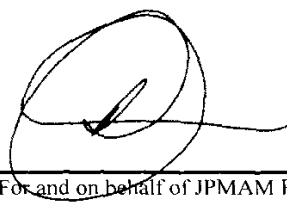
As a result of the funding activities undertaken, the Partnership should be able to operate within the level of its current financing. The Partnership has net current liabilities as at the date of the Statement of Financial Position. After making enquiries, The General Partner has a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future, as disclosed in the LPA, clause 4.8 (c), all the Partnership's expenses incurred are paid for by the Fund. The Partnership therefore adopts the going concern basis in preparing its financial statements.

Independent Auditors

The General Partner confirms that so far as it is aware, there is no relevant audit information of which the 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 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 JPMAM RE GP 3 (Scots) Limited
Director

Date: April 17, 2020

Independent auditors' report to the partners of JPMAM RE GP 3 LP

Report on the audit of the financial statements

Opinion

In our opinion, JPMAM RE GP 3 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 profit 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, the statement of changes in net asset attributable to partners for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

Reporting on other information

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

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

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

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

General Partner's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the General Partner's Report for the year ended 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.

Responsibilities for the financial statements and the audit

Responsibilities of the general partner for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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. This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the qualifying partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of 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.

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.

A handwritten signature in black ink, appearing to read 'Sandra Dowling'.

Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
17 April 2020

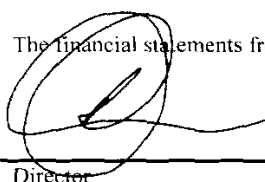
Financial Statements for the Partnership

2019

JPMAM RE GP 3 LP Statement of Financial Position As at December 31, 2019

	Notes	2019 €	2018 €
ASSETS			
Non-current assets			
Financial asset:			
Investment at fair value through profit or loss	4	345,807	399,913
Due from affiliates	8	92,621,475	47,318,099
<i>Total non-current assets</i>		<u>92,967,282</u>	<u>47,718,012</u>
Current assets			
Cash and cash equivalents	7	456,622	208,787
Due from affiliates	8	1,300,920	1,553,921
<i>Total current assets</i>		<u>1,757,542</u>	<u>1,762,708</u>
Total assets		<u>94,724,824</u>	<u>49,480,720</u>
LIABILITIES			
Current liabilities			
Due to affiliates	8	6,788,762	1,473,482
Due to Limited Partners	8	29,129	21,553
<i>Total current liabilities</i>		<u>6,817,891</u>	<u>1,495,035</u>
Net current assets/(liabilities)		<u>(5,060,349)</u>	<u>267,673</u>
Total liabilities (excluding net assets attributable to Limited Partners)		<u>6,817,891</u>	<u>1,495,035</u>
Net assets attributable to Limited Partners		<u>87,906,933</u>	<u>47,985,685</u>
Total equity and liabilities		<u>94,724,824</u>	<u>49,480,720</u>

The financial statements from pages 9 to 24 were approved by the General Partner on April 17, 2020 and signed on its behalf by



Director

April 17, 2020

Date

The accompanying notes form an integral part of these financial statements

Financial Statements for the Partnership

2019

JPMAM RE GP 3 LP

Statement of Comprehensive Income

For the year ended December 31, 2019

	Notes	2019 €	2018 €
Income			
General Partner's Share	9	5,093,751	5,990,002
Carried interest	6	45,303,376	25,563,283
Unrealised profit on fair value of investments at fair value through profit or loss	4	127,364	82,495
Expenses	10	(5,093,751)	(5,990,002)
Net gain for the year		45,430,740	25,645,778
Net increase in net assets attributable to Limited Partners		45,430,740	25,645,778

The accompanying notes form an integral part of these financial statements

Financial Statements for the Partnership

2019

JPMAM RE GP 3 LP

Statement of Changes in Net Assets Attributable to Partners

For the year ended December 31, 2019

	Contributions	Distributions	Retained earnings	Other reserves	Total
	€		€	€	€
Balance at January 1, 2019	512,828		-	47,472,857	47,985,685
Contributions	87,002		-	-	87,002
Distributions		(5,596,494)			(5,596,494)
Net change in fair value of investment at fair value through profit or loss	-		-	127,364	127,364
Net gain for the year	-		-	45,303,376	45,303,376
Balance as at December 31, 2019	599,830	(5,596,494)	-	92,903,597	87,906,933

	Contributions	Distributions	Retained earnings	Other reserves	Total
	€		€	€	€
Balance at January 1, 2018	390,795	-	-	21,827,079	22,217,874
Contributions	122,033	-	-	-	122,033
Distributions	-	-	-	-	-
Net change in fair value of investment at fair value through profit or loss	-	-	-	82,495	82,495
Net gain for the year	-	-	-	25,563,283	25,563,283
Balance as at December 31, 2018	512,828	-	-	47,472,857	47,985,685

The accompanying notes form an integral part of these financial statements

Financial Statements for the Partnership	2019
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JPMAM RE GP 3 LP
Statement of Cash Flows
For the year ended December 31, 2019

	Notes	2019 €	2018 €
Cash flows from operating activities			
Net gain for the year		45,430,740	25,645,778
<i>Adjustments in relation to:</i>			
Unrealised loss on fair value of investments at fair value through profit or loss	4	(127,364)	(82,495)
Changes in due to affiliates and Limited Partners		5,322,856	206,647
Changes in due from affiliates and Limited Partners		(45,050,375)	(25,761,648)
<i>Cash generated by operating activities before finance costs</i>		<u>5,575,857</u>	<u>8,282</u>
Finance costs paid		-	-
<i>Net cash generated by operating activities</i>		<u>5,575,857</u>	<u>8,282</u>
Cash flows from investing activities			
Distribution received from investment at fair value through profit or loss	4	181,470	70,690
<i>Net cash generated by investing activities</i>		<u>181,470</u>	<u>70,690</u>
Cash flows from financing activities			
Capital contribution from Limited Partners	5	87,002	122,033
Tax Distribution to Investor	5	(5,596,494)	-
<i>Net cash (used in)/generated by financing activities</i>		<u>(5,509,492)</u>	<u>122,033</u>
Net increase in cash and cash equivalents		<u>247,835</u>	<u>201,005</u>
Cash and cash equivalents at the beginning of the year		208,787	7,782
Cash and cash equivalents as at the end of the year		<u>456,622</u>	<u>208,787</u>

The accompanying notes form an integral part of these financial statements

1. General information

JPMAM RE GP 3 LP (the "Partnership") was established on June 24, 2014 as a Scottish Limited Partnership under the Limited Partnerships Act 1907 with number SL17057. European Opportunistic Property Fund III Master LP (the "Fund") was established by a limited partnership agreement (the "Fund's LPA") on September 11, 2013. The Fund was registered as an English limited partnership under the Limited Partnerships Act 1907 with number LP15720. The Partnership's registered address is 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, Scotland. The Partnership has appointed JP Morgan Investment Management Inc. as the operator of the Partnership (the "Operator"). The Partnership is a qualifying limited partnership in accordance with the Partnerships (Accounts) Regulation 2008.

The Partnership was established to carry on the business of investing, as the Carried Interest Partner and a Limited Partner, in European Opportunistic Property Fund III Master L.P. (the "Fund").

The Partnership commenced its investment activity on August 22, 2014. The term of the Partnership shall continue until the Fund has been dissolved in accordance with the Partnership's LPA. The term of the Fund is 9 years, plus an additional 2 years at the discretion of JPMorgan Funds Limited (the Operator of the Fund) and with an investor's special consent. The Partnership is a closed-end fund.

Limited Partners participate in the Partnership by purchasing either Class A voting interests or Class B non-voting interests directly into the Partnership. A number of J.P. Morgan Employees own interests in the Partnership.

The Partnership had an initial closing on August 22, 2014. As at December 31, 2019, the Partnership had total Capital Commitments of €599,830 (December 31, 2018: €512,828), consisting of Class A Limited Partner committed capital of €148,000 (December 31, 2018: €148,000), Class B Limited Partner committed capital of €222,000 (December 31, 2018: €222,000) and Class B Limited Partner premium commitment of €229,830 (December 31, 2018: €142,828). Refer to note 5 for further details.

2. Summary of significant accounting policies**A. Basis of preparation**

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.

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

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

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 affects primarily the accounting by lessees and results 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 is also 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 General Partner does not believe the adoption of the standard, amendment and interpretation to have material impact on the Fund'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 General Partner does not believe the adoption of the standard, amendment and interpretation to have material impact on the Partnership financial statements.

Interpretation 23 Uncertainty over income tax treatments clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in IAS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this Interpretation.

When there is uncertainty over income tax treatments, this Interpretation addresses:

- a. whether an entity considers uncertain tax treatments separately;
- b. the assumptions an entity makes about the examination of tax treatments by taxation authorities;
- c. how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
- d. how an entity considers changes in facts and circumstances.

The General Partner does not believe the adoption of the standard, amendment and interpretation to have material impact on the Fund's financial statements.

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.

2. Summary of significant accounting policies (Continued)**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

The General Partner considered the impact of IFRS 3, IAS 1 and IAS 8 and expects the new standard will have no material impact on the Fund's financial statements.

The General Partner will consider the impact of these new standards and amendments in the next financial year.

C. Investment Entity

The Partnership, which is closed-end, has multiple investors and holds multiple investments through the Fund. 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 Partner's capital are carried at amortised cost and are classified as debt in accordance with IAS 32. The Limited Partner's interests are exposed to variable returns from changes in the fair value of the Fund's net assets.

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

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

D. Foreign currency translation*Functional and presentational currency*

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

The financial statements are presented in Euro, which is the General Partner 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.

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

When gains or losses on a non-monetary item are recognised directly in the statement of other comprehensive income, the foreign 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.

E. Receivables

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

F. Cash and cash equivalents

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

G. Critical accounting estimates and judgements

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

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

The Partnership makes estimates and assumptions concerning:

- i) the fair value through profit or loss, (see Note 2H below)
- ii) the treatment of the investment in the Partnership as fair value through profit or loss and (see Note 4 below)
- iii) the going concern status of the Partnership (see Note 2M below).

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

H. Investment held at fair value through profit or loss

All investments are initially recognised at fair value being the consideration given and including acquisition charges associated with the investment. Given the nature of the investment into the Fund it is classified as fair value through profit or loss.

After initial recognition, investments which are classified as fair value through profit or loss are continued to be measured at fair value. Changes in the fair value are recognised within the statement of comprehensive income and allocated to net assets attributable to Limited Partners until the investment is derecognised. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Refer to Note 3 (B) in the Fund financial statements for further details on the fair valuation policy of the investments.

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

2. Summary of significant accounting policies (continued)**I. Limited Partners' capital**

The contributions to the Partnership consist of capital contribution.

Each Limited Partner contributes the full amount of its Contributions on the closing date on which it is admitted to the Partnership. The Contributions are not returned to the Limited Partners until the end of the life of the Partnership. No interest will be paid or payable by the Partnership upon any Contribution.

On termination of the Partnership, the Limited Partners will be subordinate to all other creditors as regards repayment of any contributions outstanding.

Distributions are made to Partners as follows:

- *Capital Investments*
Distributable cash received as a return of, or income or gain on a Partner's Contribution to the Partnership in respect of investments shall be initially apportioned to the Partners' pro-rata on their Commitments.
- *Carried Interest*
Forty percent (40%) of the distributable cash received from the Fund in respect of carried interest shall be apportioned to the Class A Limited Partners and sixty percent (60%) shall be apportioned to the Class B Limited Partners.

J. Revenue recognition*General Partner Profit Share*

General Partner Profit is payable by the Fund annually and therefore income receivable from the Fund is recognised on an accrual basis from the point of the final close of the Fund, and included in the statement of comprehensive income.

Carried Interest

Revenue from carried interest is recognised on an accrual basis when the Partnership is entitled to receive a share of the realised profits of the Fund. This is calculated and recorded as if the Fund had realised all its assets and settled all liabilities at their reported fair value, allocated all gains and losses, and had distributed the resulting net assets to the Carried Interest Partner at year end.

The carried interest receivable is included in the statement of comprehensive income for each period where carried interest is payable on an unrealised or realised basis.

K. Going concern

As a result of the funding activities undertaken, the Partnership should be able to operate within the level of its current financing. The Partnership has net current liabilities as at the date of the Statement of Financial Position. After making enquiries, The General Partner has a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future, as disclosed in the LPA, clause 4.8 (c), all the Partnership's expenses incurred are paid for by the Fund. The Partnership therefore adopts the going concern basis in preparing its financial statements.

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

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

The Partnership only invests in the Fund. An investment in the Fund involves certain risks relating to the Fund's structure and to the investment policies which it applies. Refer to Note 3 in the Fund's financial statements for further detail on the Fund's financial risk management. Where possible the General Partner of the Partnership and its advisers will take the necessary actions to mitigate these risks.

3.1 Market risk*Price risk*

The Partnership is exposed to market risk with respect to the value of the investment held at fair value through profit or loss. The future cash flows related to the the investment held at fair value through profit or loss in the Partnership are mainly linked to the Fund's investments in real estate properties which are exposed to property price and property rental risk.

Cash flow and fair value interest rate risk

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

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

Currency risk

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

As at December 31, 2019 and also in the prior year the Partnership did not have any hedging policy with respect to foreign exchange and interest rate risks as exposure to such risks was not considered to be significant by the General Partner.

3.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Partnership's exposure to credit risk is indicated by the carrying amount of its assets which consist principally of the investment held at fair value through profit or loss in the Fund and any amounts due from its Limited Partner.

The credit risk on investment held at fair value through profit or loss financial asset is mainly related to the underlying investments held by the Partnership through the Fund. The Partnership has no significant concentration of credit risk. As at December 31, 2019 (and December 31, 2018), excess cash is held in short term cash accounts with creditworthy financial institutions (held with JPMorgan Chase which has a credit rating of "A+" for long term debt from the credit rating agency Standard and Poor's). Refer to Note 3 in the Fund's financial statements for further detail on the Fund's financial risk management. The accounts receivable balances of the Partnership are neither past due nor impaired. The Partnership is not deemed to have any significant credit risk.

3.3 Liquidity risk

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

Notes to the Financial Statements of the Partnership

2019

3. Financial risk management (continued)

3.3 Liquidity risk (continued)

The commitment of the Partnership into the Fund is equal to the commitment of the Limited Partner's into the Partnership.

The table below summarises the Partnership's financial liabilities (excluding net assets attributable to Limited Partner) 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.

As at December 31, 2019	Less than 3 months €	3 months - 1 year €	1 to 2 years €	2 to 5 years €	Over 5 years €	Total €
Current liabilities						
Amounts due to affiliates	6,788,762	-	-	-	-	6,788,762
Amounts due to Limited Partners	29,129	-	-	-	-	29,129
Total current liabilities	6,817,891	-	-	-	-	6,817,891

As at December 31, 2018	Less than 3 months €	3 months - 1 year €	1 to 2 years €	2 to 5 years €	Over 5 years €	Total €
Current liabilities						
Amounts due to affiliates	1,473,482	-	-	-	-	1,473,482
Amounts due to Limited Partners	21,553	-	-	-	-	21,553
Total current liabilities	1,495,035	-	-	-	-	1,495,035

B. Fair value estimation

The Partnership has adopted IFRS 13 in respect of disclosures about the degree of reliability of fair value measurements. 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 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 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 level 1 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 assets or liabilities that are not based on observable market data (that is, unobservable inputs).

Financial Assets held by the Partnership are valued at €345,807 at year end (December 31, 2018: €399,913)

3. Financial risk management (continued)**B. Fair value estimation (continued)**

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

	Level 1	Level 2	Level 3	Total
	€	€	€	€
As at December 31, 2019				
Assets				
Due from affiliates	-	-	93,922,395	93,922,395
Cash and cash equivalents	456,622	-	-	456,622
Investment at fair value through profit or loss	-	-	345,807	345,807
Total	456,622	-	94,268,202	94,724,824
Liabilities				
Due to affiliates	-	-	6,788,762	6,788,762
Due to Limited Partners	-	-	29,129	29,129
Net assets attributable to Limited Partners	-	-	87,906,933	87,906,933
Total	-	-	94,724,824	94,724,824
As at December 31, 2018				
	€	€	€	€
Assets				
Due from affiliates	-	-	48,872,020	48,872,020
Cash and cash equivalents	208,787	-	-	208,787
Investment at fair value through profit or loss	-	-	399,913	399,913
Total	208,787	-	49,271,933	49,480,720
Liabilities				
Due to affiliates	-	-	1,473,482	1,473,482
Due to Limited Partners	-	-	21,553	21,553
Net assets attributable to Limited Partners	-	-	47,985,685	47,985,685
Total	-	-	49,480,720	49,480,720

C. Capital risk management

For the purpose of this section, capital means Capital Contribution.

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

Since inception the Partnership has been financed by contributions from the Limited Partners and by cash advances from the Fund.

Notes to the Financial Statements of the Partnership

2019

4. Investment at fair value through profit or loss

	2019 €
Cost:	
As at January 1, 2019	245,154
Acquisitions	-
Disposals	(181,470)
As at December 31, 2019	63,684
Fair value movement:	
As at January 1, 2019	154,759
Net change in investment at fair value through profit or loss	127,364
As at December 31, 2019	282,123
Fair Value:	
As at January 1, 2019	399,913
As at December 31, 2019	345,807
	2018 €
Cost:	
As at January 1, 2018	315,844
Acquisitions	-
Disposals	(70,690)
As at December 31, 2018	245,154
Fair value movement:	
As at January 1, 2018	72,264
Net change in investment at fair value through profit or loss	82,495
As at December 31, 2018	154,759
Fair Value:	
As at January 1, 2018	388,108
As at December 31, 2018	399,913

Investment at fair value through profit or loss include the following:

	2019 €	2018 €
Unlisted securities:		
European Opportunistic Property Fund III Master L.P.	345,807	399,913
As at the end of the year	345,807	399,913

At the statement of financial position date, the Partnership had a 0.05% (December 31, 2017: 0.05%) interest in the Fund, based on the percentage of it's holding into the Fund.

Notes to the Financial Statements of the Partnership

2019

5. Partners' contributions and commitments

At the statement of financial position date, the outstanding uncalled capital was as follows:

	Limited Partners		Total
	Class A	Class B	
	€	€	€
Committed capital	148,000	222,000	370,000
Premium commitment	-	229,830	229,830
Contributions	(148,000)	(451,830)	(599,830)
Uncalled committed capital	-	-	-

On July 16, 2018 and on October 11, 2019, additional points were awarded, resulting in total Partnership commitments of €599,830 (December 31, 2018: €512,828). The additional commitment was calculated with reference to the underlying NAV of JPMAM RE GP 3 LP as at the date of issuance, and of this commitment, €229,830 has been classified as premium commitment (December 31, 2018: €142,828). Premium commitment is included within the total commitment drawn as at the end of the period.

6. Carried Interest

In accordance with the Fund's LPA, the Partnership is entitled to receive a share of the realised profits of the Fund, otherwise referred to as the Carried Interest.

Hypothetical carried interest of €92,621,475 has been recognised in the Partnership as of December 31, 2019 (December 31, 2018: €47,318,099). This is calculated and recorded as if the Fund was to realise its portfolio as of the current year end and is included as a balance due from affiliate. Refer to Note 6 in the Fund's financial statements for more detail on carried interest.

7. Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise the following balances with original maturity of less than 90 days:

	2019	2018
	€	€
Cash at bank	456,622	208,787
	456,622	208,787

8. Related party transactions

The General Partner, the Operator, JPMorgan Asset Management (UK) Limited (the "Portfolio Manager" to the Fund); J.P. Morgan Investment Management Inc. (the "Operator" of the Partnership); J.P. Morgan AG (the "Bank") and JPMorgan Chase Bank, N.A. (the "Accountant"), are related parties as they are subsidiaries or affiliates of JPMorgan Chase & Co.

Investments in / transactions with affiliates

The Partnership invests in the Fund, and as at December 31, 2019 the value of the investment was €345,807 (31 December 2018: €399,913), see Note 4.

Cash at bank is held with JP Morgan AG and balance at year end was €456,622 (December 31, 2018: €208,787).

Notes to the Financial Statements of the Partnership	2019
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8. Related party transactions (continued)

The balances due from affiliates are detailed below.

	2019	2018
	€	€
Cash advance	526	526
Overpayment	11	11
Expenses	105,791	81,227
General Partner Share	1,178,598	1,459,812
Carried Interest	92,621,475	47,318,099
Amount due from Class A Limited Partner	15,994	12,345
Total	93,922,395	48,872,020

As disclosed in the LPA, clause 4.8 (c), all the Partnership's expenses incurred are paid for by the Fund. As at December 31, 2019 this amounts to €105,791 (December 31, 2018: €81,227). The cash advance relates to a €526 (December 31, 2018: €526) advanced to the general partner. The overpayment relates to €11 (December 31, 2018: €11) overpaid to the Fund. The amount due from the Class A Limited Partner of €15,994 relates to a rebalance relating to a redemption from a Class B Limited Partner (December 31, 2018: €12,345).

The balances due to affiliates are detailed below.

	2019	2018
	€	€
Cash advance	5,610,150	13,656
Contribution overpayment	14	14
General Partner Share	1,178,598	1,459,812
Amounts due to Limited Partners	29,129	21,553
Total	6,817,891	1,495,035

The cash advance related to an intercompany cash transfer from the Fund to cover an overdraft. Of the Amount due to Limited Partners of €29,129, an amount of €524 (December 31, 2018 €524) was due to the Limited Partners who had overpaid their contributions. As at December 31, 2019, €8,694 is due to Class B Limited Partners (December 31, 2018 €5,674).

9. Income

The Partnership is due to receive, quarterly in advance on the first day of the succeeding fiscal quarter, a General Partner Share ("GPS") per annum based on the Commitments into the Fund in accordance with the Fund's LPA. The GPS is calculated separately, in respect of each Limited Partner in the Fund, as the relevant percentage 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 (including Contributions used to pay Fund Expenses allocated to such investment) until such investment 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. No GPS is paid in respect of Commitments made to the Fund by any JPMorgan Limited Partners (the Partnership, EO III GRA Feeder LP; and JPMorgan Asset Management Holdings UK Limited) and JPMorgan employees. As at December 31, 2018, the percentage of JPMorgan Limited Partners and JPMorgan employees that are exempt from paying GPS is 3% of the Fund's commitments.

The total GPS income for the year, including the outstanding accrued fees due at the end of the year, are detailed below:

	2019	2018
	€	€
Accrued GPS income for the year	5,093,751	5,990,002
Accrued GPS income at the end of the year	5,093,751	5,990,002

10. Expenses

The Partnership is due to pay a fee to JPMorgan Funds Limited, the Operator of the Fund (the "Operator"), for the provision of Operator and Alternative Investment Fund Management services to the Fund. Under the terms of the agreement in place with the Operator, the quantum, terms and conditions of such fee is to be as agreed from time to time. The total fee due for the year, including the outstanding accrued fees due at the end of the year, are as detailed below:

Amounts payable to the Operator	2019	2018
	€	€
Accrued Operator fee at the beginning of the year	1,459,812	1,253,409
Operator fee for the year	5,093,751	5,990,002
Operator fee paid during the year	(5,374,965)	(5,783,599)
Accrued Operator fee at the end of the year	1,178,598	1,459,812

11. Income tax

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

12. Ultimate controlling party

In the opinion of the directors of the General Partner, the ultimate controlling party of the Partnership is JPMorgan Asset Management International Limited.

13. 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. The full extent of the economic impacts on the financial performance of the Fund, 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; the General Partner is in dialogue with the Portfolio Manager and will continue to monitor the situation.

As the Partnership only invests in the Fund, the sensitivity analysis has been performed at the Fund level. Management have evaluated the sensitivity of discount and capitalisation rates and the most significant principal assumptions underlying the General Partner's estimations in determining the impact to the Level 3 fair value of its investment properties. For the year ended 31 December 2019, an increase in capitalisation rate by 50 basis points would result in a decrease in gross value of the investments of €98 million, leading to a reduction in Fund net asset value of €80 million. For the year ended 31 December 2019, an increase in discount rate by 50 basis points would result in a decrease in gross value of the investments of €54 million, leading to a reduction in Fund net asset value of €44 million. These amounts are not an estimate or a forecast of the impact of COVID19 on the Fund net asset value. The analysis is designed solely to provide an indication of the impact of certain changes to the Fund's net asset value.

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 and its financial performance, and the General Partner will continue to monitor the COVID-19 situation closely.

14. Approval for financial statements

The financial statements were authorised for issue by the General Partner on April 17, 2020.

EUROPEAN OPPORTUNISTIC PROPERTY FUND III MASTER LP

Audited financial statements for the year ended December 31, 2019

60 Victoria Embankment
London EC4Y 0JP
United Kingdom

THESE PARTNERSHIP
ACCOUNTS FORM
PART OF THE ACCOUNTS
OF COMPANY
No. SC455770

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General information

2019

Partnership Number	LP15720
General Partner:	JPMAM RE GP 3 LP acting through its General Partner, JPMAM RE GP3 (Scots) Limited
Directors of the General Partner	R.A. Crombie J.C. Ehlinger L.J. Fuchs (resigned December 21, 2019) S.M. Greenspan C.J. Whittington
Operator and Alternative Investment Fund Manager:	JPMorgan Funds Limited 3 Lochside View Edinburgh, EH12 9DH Scotland
Promoter and Portfolio Manager:	JPMorgan Asset Management (UK) Limited 25 Bank Street Canary Wharf London E14 5JP United Kingdom
Accountants:	JPMorgan Chase Bank, N.A. 200 Capital Dock 79 Sir John Rogerson's Quay Dublin 2, D02 RK57 Ireland
Independent Auditors:	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London, SE1 2RT United Kingdom
Legal Advisers:	Allen & Overy LLP One Bishops Square London, E1 6AD United Kingdom Stroock & Stroock & Lavan LLP 180 Maiden Lane New York NY 10038-4982 USA
Tax Advisers:	Deloitte LLP 2 New Street Square London EC4A 3BZ United Kingdom
Depository:	J.P. Morgan Europe Limited 25 Bank Street London, E14 5JP United Kingdom

Strategic Report

2019

The Board of Directors of the General Partner presents its strategic report for the year ended December 31, 2019 for the European Opportunistic Property Fund III Master LP (the "Fund").

Review of the Fund's Business

The Fund's business is to invest in real estate and real estate-related assets across target markets in Europe. The investment period ended on August 22, 2017. During the investment period, the Fund committed to 19 investments. These 19 investments constituted 23 assets located in France, Germany, Italy and the United Kingdom in office and retail properties.

As at December 31, 2019, the Fund has sold 13 assets held in 10 investments.

The Fund seeks as its target return an IRR of at least 15% (net to Investors) over the life of the Fund.

In seeking to achieve the target return the Fund continues to implement a number of strategies, including:

- Stabilising properties acquired with significant vacancies or near-term lease expirations and by leasing up the vacant space and/or extending lease duration with existing tenants.
- Developing, redeveloping and/or refurbishing properties.
- Changing the financial or business model on which the assets are run.
- Managing properties acquired at valuations below their true investment value from distressed sellers in less liquid or less transparent markets.
- Prudently deploying debt to increase returns.

Under the terms of the Limited Partnership Agreement the investment period ended on August 22, 2017. The Fund has completed all its acquisitions as of December 31, 2019.

During the year the Fund completed the disposal of the following assets:

Asset	Investment	Geography	Fund ownership percentage
Albstraße	Albstraße	Stuttgart, Germany	100%
Brookfield	Brookfield	Cheshunt, UK	100%
Le Village 1	Trinity Portfolio	Paris, France	97.33%
Grand Ecran	Grand Ecran	Paris, France	100%

The Fund holds 10 assets in 10 investments at the year end, through its subsidiaries, 5 of which are in Germany, 3 in the UK, 1 in France and 1 in Italy.

The Fund intends to complete its leasing, development and repositioning strategies and realising its remaining investments in advance of the Fund maturity date of 22 August, 2023.

Capital Calls and Distributions

As of December 31, 2019, the Fund had called capital of €727.91 million and had made distributions to investors of €573.70 million. During the year the Fund had called capital of €58 million and had made distributions to investors of €334 million.

Strategic Report (continued)

2019

Key Performance Indicators

Below we show the key performance measures for the business.

<i>Realised Deal performance²</i>	Equity Invested/€m	Proceeds/€m	Equity Multiple	IRR
Rocket Tower, Berlin	34.5	67.4	2.0	47.8%
DB Campus, Cologne	15.9	42.9	2.7	48.0%
DIC Portfolio	30.6	79.8	2.6	67.7%
Delorme, Paris	49.0	117.0	2.4	34.4%
Telecity, Berlin	30.6	82.6	2.7	63.2%
Radtkoferstraße, Munich	16.7	47.0	2.8	71.0%
Albstraße, Stuttgart	15.9	54.0	3.4	79.4%
Brookfield, Cheshunt	48.3	8.7	0.2	(80.0)%
Trinity Portfolio	72.8	106.6	1.5	15.7%
Grand Ecran, Paris	39.9	61.0	1.5	17.2%

Loan to Value ratio

Years	Property Value/€m	Property Loans/€m	Loan To Value ³
2014	60.0	45.0	75%
2015	489.9	319.2	65%
2016	1,143.4	700.4	61%
2017	1,600.3	910.3	57%
2018	1,211.9	730.5	60%
2019	1,236.0	563.7	46%

Unrealised Deal Performance⁴

	2018		2019	
	Cost/€m	Fair Value/€m	Cost/€m	Fair Value/€m
Delorme, Paris	(53.6)	3.9	-	3.1
Foundation, Maidenhead ¹	39.0	40.6	47.7	52.2
Nauheimer, Stuttgart	20.8	31.6	20.8	106.0
Moscova, Milan	43.1	50.5	46.1	112.3
Perisud, Paris	49.4	55.6	54.9	62.7
The Precinct, Coventry ¹	15.1	15.4	14.3	10.3
Wallgraben, Stuttgart	13.5	22.7	13.5	44.0
Toronto Square, Leeds ¹	13.2	12.9	11.3	17.3
Alfred Herrhausen, Eschborn	34.0	28.8	37.8	31.8
E.ON Platz, Düsseldorf	28.5	24.9	29.1	47.8
Lauchstädter, Munich	21.5	20.8	21.5	40.9

¹ For UK deals, cost is converted from GBP to EUR at the Spot rate and the Fair Value is converted at the balance sheet rate.

² Deal level performance does not take into account general fund expenses, carried interest & the General Partner's Profit Share that will dilute the overall fund IRR.

³ Debt Secured by property only.

⁴ Cost and Fair value of the asset only.

Principal Risks and Uncertainties

As outlined in the Fund's private placement memorandum, an investment in the Fund is subject to certain risks associated with the ownership of real estate and the real estate industry in general, including: local, national and international economic conditions, the supply and demand for properties, the financial condition of tenants, buyers and sellers of properties, changes in interest rates and the availability of mortgage funds, changes in environmental laws and regulations, planning laws and other governmental rules, fiscal and monetary policies, and other factors which are beyond the reasonable control of the Fund and the Fund Manager. In addition, real estate assets are subject to long-term cyclical trends that give rise to significant volatility in values.

Many of these factors could cause fluctuations in occupancy rates, rent schedules or operating expenses, causing the value of the investments to decline and negatively affect the Fund's returns. The returns available from investments depend on the amount of income earned and capital appreciation generated by the relevant underlying properties, as well as expenses incurred in connection therewith. Certain significant fixed expenditures associated with purchasing properties (such as third-party borrowings, taxes and maintenance costs) may stay the same or increase even when circumstances cause a reduction in returns from properties.

A summary of the key risks and their management are set out below:

Economy

The UK exited the European Union on January 31, 2020 and has entered into a transition period during which the UK and EU will negotiate trade and other relationships. The UK's exit from the European Union has increased economic uncertainty in both the UK economy and the wider European and global economy.

This uncertainty presents risks to property values, finance and tenants. The General Partner does not believe that the outcomes of the Brexit negotiations are expected to have a material impact on the performance of the Fund. Historically, the Fund has mitigated the risk of economic uncertainty by making investments in the three most liquid markets in the EU, both inside and outside the Eurozone and in a variety of sectors: office and retail. The General Partner does not believe there is a need to alter its existing investment strategy as a result of these economic uncertainties and given the Fund is now outside of its investment period, intends to execute its original strategy and remaining asset specific development plans

Recently, 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 global economic slowdown. 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 funds' 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.

Finance & Liquidity

Adverse finance terms could raise costs and affect performance. A lack of bank finance availability could also prevent the completion of asset strategies, such as refurbishment, development and granting tenant incentives on leasing.

The General Partner has strong relationships with a significant number of financing partners. Acquisitions are funded with debt aligned to business plans, reducing refinancing risk. A hedging strategy reduces the risk of adverse interest rate movements. In the unlikely event finance becomes practically unavailable and costs also cannot be met out of free and clear rental income or planned divestments, uncalled capital commitments would be sufficient to meet the Fund's cash requirements.

Foreign Exchange

As a Euro denominated fund, movements in non-Euro currencies or a break up of the Eurozone could adversely impact returns.

The Fund invests in the UK and therefore is exposed to movement in the GBP/Euro exchange rate. This risk is not hedged at the fund level. Given both the cost of foreign exchange hedging and the timeframe of some strategies the risk associated with foreign exchange has been reduced but not eliminated.

Tenant Risk

A reduction in occupier demand and tenant defaults would impact both property values and ongoing rental returns.

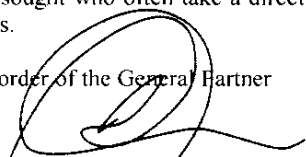
The Fund maintains a diverse tenant base within and between property classes and countries. Buildings' attractiveness to tenants is constantly assessed, such as service charge costs, environmental performance, plant and fittings and tenant mix. Additionally negotiations are actively entered into to extend lease durations to secure long term income.

Development

Development can bring high returns, but carries with it additional construction risk and no immediate income.

The Fund has a balanced portfolio with limited speculative development. Where development is undertaken, expert local partners are sought who often take a direct equity interest to ensure alignment of interest on both the positive and negative development risks.

By order of the General Partner



For and on behalf of JPMAM RE GP 3 LP acting through
its General Partner, JPMAM RE GP3 (Scots) Limited
Director

Date: April 3, 2020

The Board of Directors of the General Partner presents the annual report and the audited financial statements for the year ended December 31, 2019.

Principal activities

European Opportunistic Property Fund III Master LP (the "Fund") has been established with the objective of investing in real estate and real estate related investments for the primary purpose of seeking capital appreciation.

Business Review and Future Developments

Refer to the Strategic Report for a review of the Fund's activities and business developments.

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.

Subsequent Events

Refer to Note 17 in the notes to the financial statements for details on subsequent events.

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 audited 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 company law, the General Partner must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the Fund and of the profit or loss of the Fund for that year. In preparing these financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS's 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 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 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 and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Fund has applied the Investment Entities amendment to IFRS 10 'Consolidated financial statements'. Since the Fund 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 2B, 2C and 4.

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

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

Statement of General Partner's responsibilities in respect of the annual report and the audited financial statements (continued)

In accordance with Section 418 Companies Act 2006, the General Partner's report shall include a statement, in the case of each director in office at the date the General Partner's 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's auditor is unaware; and
- b. each director of the General Partner has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Fund's auditor is aware of that information.

Going Concern

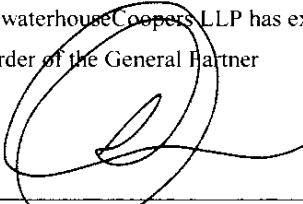
The General Partner has made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future.

Independent Auditors

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

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

By order of the General Partner



For and on behalf of JPMAM RE GP 3 LP acting
through its General Partner, JPMAM RE GP3 (Scots)
Limited
Director

Date : April 3, 2020

Independent auditors' report to the partners of European Opportunistic Property Fund III Master LP

Report on the audit of the financial statements

Opinion

In our opinion, European Opportunistic Property Fund III Master 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 profit 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, the statement of changes in net assets attributable to limited partners for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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.

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 Strategic Report and 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.

Strategic Report and General Partner's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and 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 Strategic Report and General Partner's Report.

Responsibilities for the financial statements and the audit

Responsibilities of the general partner for the financial statements

As explained more fully in the Statement of General Partner's responsibilities set out on page 7, 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. This description forms part of our auditors' report.

Use of this report

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

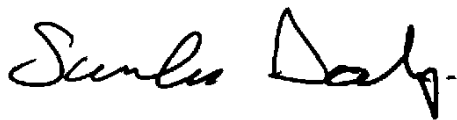
Other required reporting

Companies Act 2006 exception reporting

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the qualifying partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of 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.



Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
3 April 2020

European Opportunistic Property Fund III Master LP
Statement of Financial Position
As at December 31, 2019

	Note	December 31, 2019 € 000s	December 31, 2018 € 000s
ASSETS			
Non-current assets			
Investment at fair value through profit or loss	4	629,180	662,679
<i>Total non-current assets</i>		<u>629,180</u>	<u>662,679</u>
Current assets			
Other assets		1,734	1,703
Due from affiliates	5	162	252
Due from Limited Partner	5	6,954	1,309
Cash and cash equivalents	8	25,093	35,140
<i>Total current assets</i>		<u>33,943</u>	<u>38,404</u>
Total assets		<u>663,123</u>	<u>701,083</u>
LIABILITIES			
Non-current liabilities			
Carried interest payable to the Carried Interest Partner	6	92,621	47,318
<i>Total non-current liabilities</i>		<u>92,261</u>	<u>47,318</u>
Current liabilities			
Due to affiliates	5	212	994
Trade and other payables	9	2,178	2,578
<i>Total current liabilities</i>		<u>2,390</u>	<u>3,572</u>
Net current assets		<u>31,553</u>	<u>34,832</u>
Total liabilities (excluding net assets attributable to Limited Partners)		<u>95,011</u>	<u>50,890</u>
Attributable to Limited Partners		567,766	649,793
Attributable to Carried Interest Partner		346	400
Net assets attributable to Partners		<u>568,112</u>	<u>650,193</u>
Total liabilities		<u>663,123</u>	<u>701,083</u>

The financial statements from pages 12 to 42 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

2019

European Opportunistic Property Fund III Master LP Statement of Comprehensive Income For the year ended December 31, 2019

	Notes	2019 € 000s	2018 € 000s
Unrealised gain on fair value of investments at fair value through profit or loss	4	63,428	145,059
Realised income on investments	10	182,437	8,063
Net investment gain		245,865	153,122
General and administrative expenses			
General Partner's share	6	(5,094)	(5,990)
Carried interest expense	6	(45,303)	(25,563)
Other expenses	12	(1,481)	(1,714)
Total general and administrative expenses		(51,878)	(33,267)
Net operating gain		193,987	119,855
Realised gain on foreign currency		19	2
Unrealised gain on foreign currency		-	7
Finance costs	11	(87)	(1,798)
Net increase in net assets attributable to Limited Partners		193,919	118,066

The accompanying notes form an integral part of these financial statements

Financial Statements for the Fund

2019

European Opportunistic Property Fund III Master LP Statement of Changes in Net Assets attributable to Limited Partners For the year ended December 31, 2019 All amounts in € 000s

	Capital contributions	Advance contributions/ (distributions)	Retained earnings	Fund total
Balance as at January 1, 2019	445	429,770	219,978	650,193
Contributions	-	58,000	-	58,000
Distributions	-	(334,000)	-	(334,000)
Profit attributable to Limited Partners	-	-	193,919	193,919
Balance as at December 31, 2019	445	153,770	413,897	568,112

	Capital contributions	Advance contributions/ (distributions)	Retained earnings	Fund total
Balance as at January 1, 2018	445	399,770	101,912	502,127
Contributions	-	169,000	-	169,000
Distributions	-	(139,000)	-	(139,000)
Profit attributable to Limited Partners	-	-	118,066	118,066
Balance as at December 31, 2018	445	429,770	219,978	650,193

The accompanying notes form an integral part of these financial statements

Financial Statements for the Fund

2019

European Opportunistic Property Fund III Master LP Statement of Cash Flows For the year ended December 31, 2019

	Notes	2019 € 000s	2018 € 000s
Cash flows from operating activities			
Profit for the year		193,919	118,066
<i>Adjustments in relation to:</i>			
Unrealised gain on fair value of investments at fair value through profit or loss	4	(63,428)	(145,059)
Unrealised foreign exchange gain	7	-	(7)
Realised income on investments	10	(182,437)	(8,063)
Realised gain on foreign exchange		(19)	(2)
Finance costs	11	87	1,798
Carried interest payable to the Carried Interest Partner	6	45,303	25,563
Changes in working capital	13	(6,768)	(1,521)
<i>Cash used in operations</i>		<u>(13,343)</u>	<u>(9,225)</u>
Finance costs paid		(87)	(1,798)
<i>Net cash used in operating activities</i>		<u>(13,430)</u>	<u>(11,023)</u>
Cash flows from investing activities			
Investment in subsidiaries	4	(153,098)	(132,313)
Sale proceeds from subsidiaries	4	250,025	208,122
Realised income on investments	10	182,437	8,063
Realised gain on foreign exchange		19	2
<i>Net cash generated by investing activities</i>		<u>279,383</u>	<u>83,874</u>
Cash flows from financing activities			
Capital Contributions received from Limited Partners		58,000	169,000
Distribution paid to Limited Partners		(334,000)	(139,000)
Repayment of credit facility	7	-	(73,862)
<i>Net cash used in financing activities</i>		<u>(276,000)</u>	<u>(43,862)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(10,047)</u>	<u>28,989</u>
Cash and cash equivalents at the beginning of the year		35,140	6,151
Cash and cash equivalents as at the end of the year		<u>25,093</u>	<u>35,140</u>

The accompanying notes form an integral part of these financial statements

1. General information

European Opportunistic Property Fund III Master LP (the “Fund”) was established by a limited partnership agreement (the “LPA”) on September 25, 2013. The Fund was registered as an English Limited Partnership under the Limited Partnerships Act 1907, with number LP15720, and was initially registered as J.P. Morgan European Opportunistic Property Fund III Master LP, but subsequently the Fund was renamed as European Opportunistic Property Fund III Master LP on July 17, 2015. The General Partner of the Fund is JPMAM RE GP 3 LP (the “General Partner”). The address of the Fund’s registered office is 60 Victoria Embankment, London, EC4Y 0JP, England. The Fund is a qualifying partnership in accordance with the Partnerships (Accounts) Regulation 2008.

The Fund is closed-end and investors (“Limited Partners”) may participate in the Fund by purchasing (i) interests directly in the Fund; or (ii) interests in a Feeder vehicle.

There are five feeder vehicles in total, four of which own interests directly in the Fund. Three of these four feeder vehicles are registered as Scottish Limited Partnerships and each own 61.84%, 0.68% and 0.05 % interests in the Fund. The fourth Feeder Vehicle that owns interests directly in the Fund is registered as a Separate Limited Partnership in Jersey, and owns a 20.09% interest in the Fund. There is a fifth Feeder Vehicle which is a Delaware entity and this entity owns a 20.41% interest in the Scottish Limited Partnership (European Opportunistic Property Fund III Intermediate LP) which owns a 61.84% interest in the Fund.

The investment strategy of the Fund is to invest in real estate and real estate-related assets through a variety of different investment methods, including directly, or indirectly through a Holding Company or Holding Companies by: (a) acquiring interests, shares or other ownership units in real estate and/or real estate-related assets located in the EU; (b) making, refinancing or acquiring a loan (including a non-performing loan) secured by one or more real estate and/or real estate-related assets; (c) participating within a mezzanine investment structure; or (d) investing in listed and unlisted equity or debt securities (including shares, bonds and other securities) of an entity that owns or operates one or more real estate and/or real estate-related assets (all types of investment in real estate and real estate-related assets being referred to herein collectively as “Real Estate Investments”).

The General Partner is also the carried interest partner in the Fund (the “Carried Interest Partner”). The General Partner has delegated the operation and administration of the affairs of the Fund to JPMorgan Funds Limited (the “Operator” and “Alternative Investment Fund Manager”). The Operator has delegated the provision of portfolio management services and certain ancillary services to JPMorgan Asset Management (UK) Limited (the “Portfolio Manager”). The General Partner made a €378,000 capital contribution to the Fund (December 31, 2018: €378,000).

The Fund’s founder partner JPMorgan Asset Management Holdings (UK) Limited (the “Founder Partner”) made a €100 capital contribution to the Fund.

The Fund commenced its investment activity on August 22, 2014. The term of the Fund is nine years from the Initial Closing Date on August 22, 2014, or such earlier date upon which all of its investments shall have been realized or written off. The Carried Interest Partner does not pay any part of the General Partner’s share or carried interest. Based upon the fair value of the investment as at December 31, 2019, there is €92.62 million carried interest due to the Carried Interest Partner (December 31, 2018: €47.32 million).

EOIII GRA Feeder LP is a Feeder Vehicle solely for JP Morgan employees to invest in. A number of JP Morgan employees also own interests in the General Partner. EOIII GRA Feeder does not pay any part of the General Partner’s Share or carried interest.

The Fund’s final closing date was November 30, 2015. The total Commitments on the final closing date amounted to €746.61 million (December 31, 2018: €746.61 million). JPMorgan related entities have a Commitment of €22.40 million (December 31, 2018: €22.40 million) made up of a Commitment by JPMAM RE GP 3 LP (the “Carried Interest Partner”) of €0.37 million (December 31, 2018: €0.37 million), a Commitment of €5.11 million (December 31, 2018: €5.11 million) by EO III GRA Feeder LP, and a Commitment of €16.92 million (December 31, 2018: €16.92 million) by JP.Morgan Asset Management Holdings (UK) Ltd (“JPMAMHUK”).

As of December 31, 2019, the Aggregate Net Contributions to the Fund were €154.21 million (December 31, 2018: €430.21 million). This included €573.70 million (December 31, 2018: €239.70 million) of capital returned to investors to date. Total distributions to date have been €573.70 million (December 31, 2018: €239.70 million).

2. Summary of significant accounting policies

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

A. Basis of preparation

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

The Fund 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.

The presentation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires the Portfolio Manager to exercise its judgment in the process of applying the Fund'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 2O below.

B. Changes in accounting policy and disclosures

i) Standards and amendments to existing standards for the financial year beginning January 1, 2019

IFRS 16 affects primarily the accounting by lessees and results 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 is also 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 Portfolio Manager does not believe the adoption of the standard, amendment and interpretation to have material impact on the Fund'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 Portfolio Manager does not believe the adoption of the standard, amendment and interpretation to have material impact on the Fund's financial statements.

Interpretation 23 Uncertainty over income tax treatments clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in IAS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this Interpretation.

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

When there is uncertainty over income tax treatments, this Interpretation addresses:

- a. whether an entity considers uncertain tax treatments separately;
- b. the assumptions an entity makes about the examination of tax treatments by taxation authorities;
- c. how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
- d. how an entity considers changes in facts and circumstances.

The Portfolio Manager does not believe the adoption of the standard, amendment and interpretation to have material impact on the Fund's financial statements.

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.

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 Portfolio Manager considered the impact of IFRS 3, IAS 1 and IAS 8 and expects the new standard will have no material impact on the Fund's financial statements.

The Portfolio Manager will consider the impact of these new standards and amendments in the next financial year.

2. Summary of significant accounting policies (continued)**C. Investment entity**

The Fund, which is closed-end, 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 fair value 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's net assets.

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

- (a) The Fund, which is closed-end, has obtained funds for the purpose of providing investors with investment management services.
- (b) The Fund'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 holds more than one investment through a holding company.
- (e) The majority of its investors are not related parties to the Fund.
- (f) The investors' ownership interests in the Fund are in the form of capital and advance contributions. They are exposed to variable returns from changes in the fair value of the Fund's net assets.

D. Subsidiaries

Name of entity	Country	Ownership interest held	Nature of business	Address
EO III Master Holding S.à r.l.	Luxembourg	100%	Holding company	6, route de Trèves, L-2633, Senningerberg, Luxembourg
Delorme Holding B.V	Netherlands	95%	Holding company	Claude Debussylaan 10, 1082, MD Amsterdam
DBC Skinner S.à r.l.	Luxembourg	85%	Property Holding entity	6, route de Trèves, L-2633, Senningerberg, Luxembourg
DBC Milhouse S.à r.l.	Luxembourg	85%	Property Holding entity	6, route de Trèves, L-2633, Senningerberg, Luxembourg
DBC Chalmers S.à r.l.	Luxembourg	85%	Property Holding entity	6, route de Trèves, L-2633, Senningerberg, Luxembourg
EO III Holding 2 S.à r.l.	Luxembourg	100%	Holding Company	6, route de Trèves, L-2633, Senningerberg, Luxembourg
EO III UK Investment S.à r.l.	Luxembourg	100%	Holding company	6, route de Trèves, L-2633, Senningerberg, Luxembourg
FPM Investments S.à r.l.	Luxembourg	100%	Property Holding company	6, route de Trèves, L-2633, Senningerberg, Luxembourg
Flanders Stuttgart S.à r.l.	Luxembourg	85%	Property Holding company	6, route de Trèves, L-2633, Senningerberg, Luxembourg
Coventry Investment S.à r.l.	Luxembourg	100%	Property Holding company	6, route de Trèves, L-2633, Senningerberg, Luxembourg
EO III Italy Investments S.à r.l.	Luxembourg	100%	Holding company	6, route de Trèves, L-2633, Senningerberg, Luxembourg
STU Munich S.à r.l.	Luxembourg	100%	Property Holding company	6, route de Trèves, L-2633, Senningerberg, Luxembourg
Toronto Square Investment S.à r.l.	Luxembourg	100%	Property Holding company	6, route de Trèves, L-2633, Senningerberg, Luxembourg
McClure Stuttgart S.à r.l.	Luxembourg	100%	Holding company	6, route de Trèves, L-2633, Senningerberg, Luxembourg
Troy Stuttgart S.à r.l.	Luxembourg	100%	Property Holding company	6, route de Trèves, L-2633, Senningerberg, Luxembourg

2. Summary of significant accounting policies (continued)**D. Subsidiaries (continued)**

Name of entity	Country	Ownership interest held	Nature of business	Address
Perisud Holding B.V.	Netherlands	50%	Holding company	Claude Debussylaan 10, 1082 MD Amsterdam
Perisud SAS	France	50%	Holding company	112 avenue Kléber, 75784 Paris CEDEX 16, France
Perisud SCI	France	50%	Property Holding company	112 avenue Kléber, 75784 Paris CEDEX 16, France
Nelson Düsseldorf S.à r.l.	Luxembourg	80%	Property Holding company	6, route de Trèves, L-2633, Senningerberg, Luxembourg
Shelby Eschborn S.à r.l.	Luxembourg	100%	Holding company	6, route de Trèves, L-2633, Senningerberg, Luxembourg
Grand Ecran SICAV	France	100%	Property Investment Fund	14 Place Vendôme, 75001 Paris
Shelby V Eschborn S.à r.l.	Luxembourg	90%	Property Holding company	6, route de Trèves, L-2633, Senningerberg, Luxembourg
Sericon Investment Fund	Italy	100%	Property Investment Fund	Via San Paolo 7, 20121 Milano
Fog City Munich S.à r.l.	Luxembourg	90%	Property Holding company	6, route de Trèves, L-2633, Senningerberg, Luxembourg
Trinity Investment S.à r.l.	Luxembourg	97.33%	Holding company	6, route de Trèves, L-2633, Senningerberg, Luxembourg
Les Villages SICAV	France	97.33%	Property Investment Fund	14 Place Vendôme, 75001 Paris
SCI Village 1	France	97.33%	Property Holding company	95 rue La Boétie, 75008 Paris

E. Financial assets**Classification**

The Fund classifies its financial assets in the following categories: 'investments at fair value through profit or loss' and 'loans and receivables'. The classification depends on the purpose for which the financial assets were acquired. The Portfolio Manager determines the classification of its financial assets at initial recognition.

i) Investments at fair value through profit or loss

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

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. Financial assets 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. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within 'net change in fair value of investments at fair value through profit or loss' in the year in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of investment income when the Fund's right to receive payments is established. Refer to Note 3 (B) for further details on the fair valuation policy of the investments.

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.

F. Foreign currency translation

The financial statements of the Fund are presented in Euro (EUR or €).

(i) Functional and presentational currency

Items included in the financial statements of each of the Fund's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The financial statements are presented in Euro, which is the Fund's functional and presentational currency.

(ii) 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 foreign 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 Spot: 1 € = 0.84733 British Pound (GBP)
2019 Average: 1 € = 0.87715 British Pound (GBP)
2018 Spot: 1 € = 0.89757 British Pound (GBP)
2018 Average: 1 € = 0.88469 British Pound (GBP)

G. Treatment of organisational expenses

Organisational expenses are all costs and expenses incurred in relation to the formation and establishment of the Fund and its subsidiaries, which includes costs such as professional fees; i.e. taxation consultation fees, legal fees and structuring fees, and all costs relating to the negotiation of credit facilities. These costs are fully expensed in the year in which they are incurred and included under 'general and administrative expenses' in the statement of comprehensive income.

H. Treatment of dead deal costs

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

I. 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 capitalised as part of the cost of the respective assets.

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

All other borrowing costs are expensed in the year they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

J. Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at fair value.

K. Cash and cash equivalents

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

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 related expenses related to the borrowings are reported as finance cost in the statement of comprehensive income based on the effective interest rate.

M. Allocation of profits and losses

Net investment income, net realised gains, and changes in unrealised gains are allocated to each partner in accordance with the Limited Partnership Agreement.

The Fund accounts for carried interest as an allocation of profit through the capital accounts based on the Limited Partnership Agreement (see Note 2 Q). Where an unrealised revaluation gain is recognised, the gain is allocated between the partners as if the unrealised amount had been realised as at year end. Accordingly, the partners' capital balances will equal the proceeds that each partner would receive if the Fund was to realise its portfolio as of the year end. Amounts ultimately distributed to the partners may be different given the inherent uncertainties of the fair valuation of the investment portfolio.

As of December 31, 2019, the Portfolio Manager has allocated €92.62 million (December 31, 2018: €47.32 million) of carried interest to the Carried Interest Partner. This is calculated and recorded as if the Fund had realised all assets and settled all liabilities at their reported fair value €602.24 million (December 31, 2018: €678.21 million) allocated all gains and losses and distributed the resulting net assets to the Limited Partner and the Carried Interest Partner at year end.

N. 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.

2. Summary of significant accounting policies (continued)**O. 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 unrealized 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 Fund makes estimates and assumptions concerning:

- i) its classification as an investment entity as defined in IFRS 10 (see Note 2C above);
- ii) fair value of investments through profit or loss (see Note 4 below); and
- iii) the going concern of the Fund (see Note 2T below).

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

P. Limited Partners' capital

The contributions to the Fund consist of Capital Contributions and Advance Contributions.

The Capital Commitment of each Limited Partner amounts to 0.01% of each Limited Partner's Commitment. Each Limited Partner, other than the Carried Interest Partner and the General Partner, contributes the full amount of its Capital Contribution on the closing date on which it is admitted to the Fund. The Capital Contributions are not returned to the Limited Partners until the end of the life of the Fund. No interest is paid or payable by the Fund on any Capital Contribution.

The Fund draws down from the Limited Partners' Commitments as drawdowns of Advance Contributions. The advances are drawn down pro rata to the Aggregate Undrawn Commitments to the Fund, until the Commitments from the Limited Partners are fully paid up. No interest is paid or payable by the Fund upon any Advance Contribution. On termination of the Fund, the Limited Partners will be subordinated to all other creditors as regards repayment of any advances outstanding.

Q. Distributions to Partners

The Fund's LPA allows for the distributions to be made by the Fund to the Fund's Limited Partners as follows:

- (a) First, 100% to the General Partner until the General Partner has received the General Partner's Share;
- (b) Second, 100% to the Limited Partners until they have received cumulative distributions equal to the aggregate of such Limited Partner's aggregate unreturned Advance Contributions to the Fund;
- (c) Third, 100% to the Limited Partners until the cumulative distributions to the Limited Partners under this paragraph (c) and paragraphs (d) and (e) equal the 8% preferred return;
- (d) Fourth, 50% to the Carried Interest Partner and 50% 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) Fifth, thereafter 80% to the Limited Partners and 20% to the Carried Interest Partner.

R. Provisions

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

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

The Fund 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. Going Concern

As a result of the funding activities undertaken, the General Partner believes it will be able to operate within the level of its current financing. The General Partner has a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future. The Fund therefore adopts the going concern basis in preparing its financial statements.

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

An investment in the Fund involves certain risks relating to the Fund's structure and to its investment policy. Where possible the Fund and its advisers will take the necessary actions to mitigate these risks.

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

The Fund's objective is to seek income return and capital appreciation by investing in real estate and real estate-related assets in the target markets.

3.1 Market risk***(a) Price risk***

The Fund is exposed to price risk in connection with the selling prices that it will be able to secure for its investment in subsidiaries which are linked to the properties the subsidiaries hold, should it chose to sell them in future. The Fund uses local knowledge and experience plus local property managers to minimise these risks. This allows the Fund to seek the best possible value in the market.

(b) Cash flow and fair value interest rate risk

The majority of the Fund's non-current assets are non-interest bearing and therefore the Fund was not exposed to interest rate risk

At the underlying SPV level, the financial assets are funded by interest bearing borrowings which have been contracted with third party credit institutions at prevailing market interest rates. The interest bearing borrowings are at floating rates. These financing arrangements for each acquisition are reviewed and recommended on acquisition by the Portfolio Manager, who determines the strategy for managing the interest rate risk which may include entering into interest rate hedging agreements. Such agreements will typically comprise of interest rate swap agreements, which fix a proportion or all of the borrowings at a pre-determined interest rate, or interest rate cap agreements which restrict the maximum interest rate payable thus protecting the Fund against future interest rate rises.

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

3. Financial risk management (continued)

A. Financial risk factors (continued)

3.1 Market risk (continued)

(b) Cash flow and fair value interest rate risk (continued)

The following table summarises the Fund's exposure to interest rate risks. It includes the Fund's assets and liabilities at fair value, categorised by the earlier of contractual re-pricing or maturity dates. Sensitivity analysis not performed as the Fund does not hold a material balance of interest bearing assets or liabilities.

At December 31, 2019	Less than 3 months € 000s	3 months to 1 year € 000s	1 to 5 years € 000s	Non-interest bearing € 000s	Total € 000s
ASSETS					
Investment at fair value through profit or loss	-	-	-	629,180	629,180
Other assets	-	-	-	1,734	1,734
Due from affiliates	-	-	-	162	162
Due from Limited Partners	-	-	-	6,954	6,954
Cash and cash equivalents	25,093	-	-	-	25,093
Total assets	25,093	-	-	638,030	663,123
LIABILITIES					
Due to affiliates	-	-	-	212	212
Carried interest payable	-	-	-	92,621	92,621
Trade and other payables	-	-	-	2,178	2,178
Total liabilities (excluding net asset attributable to Partners)	-	-	-	95,011	95,011
Net assets attributable to Partners	-	-	-	568,112	568,112
Total liabilities	-	-	-	663,123	663,123
At December 31, 2018	Less than 3 months € 000s	3 months to 1 year € 000s	1 to 5 years € 000s	Non-interest bearing € 000s	Total € 000s
ASSETS					
Investment at fair value through profit or loss	-	-	-	662,679	662,679
Other assets	-	-	-	1,703	1,703
Due from affiliates	-	-	-	252	252
Due from Limited Partners	-	-	-	1,309	1,309
Cash and cash equivalents	35,140	-	-	-	35,140
Total assets	35,140	-	-	665,943	701,083
LIABILITIES					
Due to affiliates	-	-	-	994	994
Carried interest payable	-	-	-	47,318	47,318
Trade and other payables	-	-	-	2,578	2,578
Total liabilities (excluding net asset attributable to Partners)	-	-	-	50,890	50,890
Net assets attributable to Partners	-	-	-	650,193	650,193
Total liabilities	-	-	-	701,083	701,083

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

The Fund may invest in target markets in which the Euro is not the local currency. Where it is appropriate to do so the Portfolio Manager may cause the Fund to enter into transactions to hedge currency risk in connection with the Fund's investments. These transactions will not be entered into for speculative purposes.

Where hedging is deemed appropriate to reduce currency risk for the Fund, the Portfolio Manager will evaluate and seek 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 holding period for an investment may be relatively short, in which case the currency risk arising from such investment will remain unhedged.

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

On acquisition, the exchange rate risk of each acquisition is reviewed and approved by the Portfolio Manager. Any change in the exposure is discussed with the Portfolio Manager and the necessary action considered. There is no hedging of the exposure to movements in the GBP and Euro exchange rate at the Fund level.

On December 31, 2019 the Fund held three investments in non-Euro denominated countries (Foundation Park, The Precinct and Toronto Square). These properties are located in the United Kingdom, representing 14.07% (December 31, 2018: 10.29%) of the total assets of the Fund. These properties have partly been financed by bank loans in GBP.

The sensitivity analysis below is based on a change in one assumption while holding other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated, for example, change in interest rate and change in foreign currency rates.

The Fund manages foreign currency risk on an overall basis. The sensitivity analysis prepared by management for foreign currency risk illustrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

If the Euro weakened/strengthened by 5% against the GBP with all other variables held constant, NAV and profit for the year would have resulted in a higher/(lower) by €4.05/(4.05) million (December 31, 2018: €3.30/(3.30) million).

3.2 Credit risk

Credit risk arises from cash and cash equivalents as well as credit exposures with respect to rental customers and outstanding receivables of underlying subsidiaries.

The Fund has no significant concentrations of credit risk. The Portfolio Manager together with its property advisers (including property managers) ensures that rental contracts are made with customers with an appropriate credit history.

As at December 31, 2019 and December 31, 2018, excess cash was held in short term cash accounts with credit worthy financial institutions (held with J.P. Morgan AG which has a credit rating of "A+" for long term debt from the credit rating agency Standard and Poor's).

The trade and other receivables outstanding as of the statement of financial position date have been incurred in the normal course of the Fund activities. The recoverability of the loans to affiliates recognised in the Fund statement of financial position is dependent on the performance of the affiliate's underlying property investment.

3. Financial risk management (continued)**A. Financial risk factors (continued)****3.3 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market conditions. The Fund aims to maintain flexibility in funding by keeping committed credit lines available.

Given the illiquid nature of the investments held by the Fund, the Fund aims to maintain flexibility required to meet ongoing liquidity requirements by keeping committed credit lines available. In addition the Fund can call outstanding capital commitments made by its investors by giving ten business days' notice.

The Portfolio Manager is responsible for managing and reviewing all cash flows arising from the real estate investments through a detailed budgeting process. These reviews are performed based on the annual budget and reviewed throughout the year on a regular basis.

The table below summarises the Fund's financial liabilities (excluding net assets attributable to Limited Partners) into relevant maturity dates based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts 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.

At December 31, 2019	Less than 3 months € 000s	3 months - 1 year € 000s	1 to 2 years € 000s	2 to 5 years € 000s	Over 5 years € 000s	Total € 000s
Current & non-current liabilities						
Due to affiliates	212	-	-	-	-	212
Carried interest payable	-	-	-	92,621	-	92,621
Trade and other payables	2,178	-	-	-	-	2,178
Total financial liabilities	2,390	-	-	92,621	-	95,011
At December 31, 2018	Less than 3 months € 000s	3 months - 1 year € 000s	1 to 2 years € 000s	2 to 5 years € 000s	Over 5 years € 000s	Total € 000s
Current & non-current liabilities						
Due to affiliates	994	-	-	-	-	994
Carried interest payable	-	-	-	47,318	-	47,318
Trade and other payables	2,578	-	-	-	-	2,578
Total financial liabilities	3,572	-	-	47,318	-	50,890

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 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 and does not require retrospective application.

The following table provides an analysis of financial instruments that are recognised subsequent to initial recognition at fair value, classified into Levels 1 to 3 based on the degree to which the fair value is observable:

3. Financial risk management (continued)**B. Fair value estimation (continued)**

Level 1

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

Level 2

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

Level 3

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

The following table analyses within the fair value hierarchy, the Fund's financial assets (by class) measured at fair value.

At December 31, 2019

	Level 1	Level 2	Level 3
	2019	2019	2019
	€ 000s	€ 000s	€ 000s
Assets			
Investments held at fair value through profit or loss	-	-	629,180
Financial assets measured at fair value	-	-	629,180

At December 31, 2018

	Level 1	Level 2	Level 3
	2018	2018	2018
	€ 000s	€ 000s	€ 000s
Assets			
Investments held at fair value through profit or loss	-	-	662,679
Financial assets measured at fair value	-	-	662,679

The Fund classifies all its financial asset investments within Level 3. The table of the movement in Level 3 instruments for the year ended December 31, 2019 is presented in Note 4. There were no transfers between Level 1, 2 and 3 during the year.

The Fund's investment strategy is that of investing in real estate and real estate related assets indirectly through holding companies included as investments held at Fair Value through the Profit and Loss Account. Determining the fair value of investment property is therefore the significant area of judgement for investments held at Fair Value through the Profit and Loss Account, and further described in detail below.

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

Investment Property valuation process

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 investment held by the Fund. 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.

3. Financial risk management (continued)**B. Fair value estimation (continued)*****Investment Property valuation process (continued)***

In order to assess Level 3 valuations per the Fund's Policy, the Portfolio Manager reviews the performance of the investment companies on a quarterly basis and is regularly in contact with the management of the investment companies, in order to make assessments of business and operational matters which are considered in the valuation process.

The Portfolio Manager 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.

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Fund or its subsidiaries is classified as investment property.

Investment property comprises freehold land, freehold buildings and leasehold buildings. Investment property is measured initially at cost, including related transaction costs and where applicable borrowing costs, which approximates fair value.

Borrowing costs incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised. Such costs cease to be capitalised once the asset is substantially complete, or are suspended if the development of the asset is suspended.

Subsequent to initial recognition, investment property is carried at fair value. Valuations are performed on a quarterly basis.

Fair value is determined by management, who consider information from a variety of sources to form their judgement, including:

- (i) Discounted cash flow projections based on estimates of future cash flows;
- (ii) External valuation reports; and
- (iii) External purchase offers received.

For investment properties under construction management considers the following factors, among others, to determine the fair value:

- The provisions of the construction contract;
- The stage of completion;
- Whether the project/property is standard (typical for the market) or non-standard;
- The level of reliability of cash inflows after completion;
- The development risk specific to the property;
- Past experience with similar constructions; and
- Status of construction permits.

The fair value of investment property reflects, amongst other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

Subsequent expenditure is capitalised to the asset's carrying amount when it is probable that future economic benefits associated with the expenditure will flow to the Fund and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Changes in fair values are recognised in the income statement. Investment properties are derecognised when they have been disposed.

3. Financial risk management (continued)**B. Fair value estimation (continued)**

When the Fund disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the income statement within realised gain/loss on sale of investment in subsidiaries.

Based on the inputs to the valuation technique used, the fair value measurement of investment properties has been categorised as level 3 fair value, with no change to the valuation technique since last year (see Note 2E) and Note 4 for movement during the year.

Management has assessed the sensitivity of discount and capitalisation rate and, the most significant principal assumptions underlying management's estimations in determining the impact to the Level 3 fair value of its investment properties; should these alter by +/- 25 basis points ("bps"), considering all other variables constant.

The following table analyses the sensitivity of the investment to a movement in the discount rate for the year ended December 31, 2019. For our analysis we are using a movement of +/- 25 bps.

	Discount Rate (Less 25bps)		Discount Rate		Discount Rate (Add 25bps)	
	Rate %	Value EUR	Rate %	Value EUR	Rate %	Value EUR
Germany						
Nauheimer, Stuttgart	4.95%	207,800,000	5.20%	202,900,000	5.45%	198,200,000
Albstraße & Wallgraben, Stuttgart	4.75%	69,700,000	5.00%	68,100,000	5.25%	66,400,000
Alfred Herrhausen, Eschborn	6.05%	93,700,000	6.30%	91,500,000	6.55%	89,300,000
E.ON Platz, Düsseldorf	4.75%	130,800,000	5.00%	127,800,000	5.25%	124,800,000
Lauchstädter, Munich	6.50%	120,300,000	6.75%	118,000,000	7.00%	115,800,000
Italy						
Moscova, Milan	5.75%	184,100,000	6.00%	180,000,000	6.25%	176,000,000
United Kingdom						
Foundation, Maidenhead	7.50%	92,999,760	7.75%	91,111,440	8.00%	89,223,120
The Precinct, Coventry	8.75%	33,635,700	9.00%	33,045,600	9.25%	32,455,500
Toronto Square, Leeds	5.75%	37,530,360	6.00%	36,822,240	6.25%	36,114,120
France						
Perisud, Paris	4.75%	293,000,000	5.00%	286,700,000	5.25%	280,500,000
Total		1,263,565,820		1,235,979,280		1,208,792,740

For the year ended December 31, 2019 a decrease /increase in discount rates by 25 bps would have resulted in an increase / (decrease) in the value of the investments of €27,586,540/(€27,186,540)

Notes to the Financial Statements for the Fund

2019

3. Financial risk management (continued)

B. Fair value estimation (continued)

The following table analyses the sensitivity of the investment to any movement in the cap rate for the year ended December 31, 2019. For our analysis we are using a movement of +/- 25 bps.

	Cap Rate (Less 25bps)		Cap Rate		Cap Rate (Add 25bps)	
	Rate %	Value EUR	Rate %	Value EUR	Rate %	Value EUR
Germany						
Nauheimer, Stuttgart	3.75%	214,200,000	4.00%	202,900,000	4.25%	193,000,000
Albstraße & Wallgraben, Stuttgart	4.00%	71,800,000	4.25%	68,100,000	4.50%	64,700,000
Alfred Herrhausen, Eschborn	4.75%	95,600,000	5.00%	91,500,000	5.25%	87,800,000
E.O.N Platz, Düsseldorf	3.75%	134,600,000	4.00%	127,800,000	4.25%	121,800,000
Lauchstädter, Munich	4.00%	122,800,000	4.25%	118,000,000	4.50%	113,800,000
Italy						
Moscova, Milan	4.00%	188,600,000	4.25%	180,000,000	4.50%	172,300,000
United Kingdom						
Foundation, Maidenhead	5.75%	93,943,920	6.00%	91,111,440	6.25%	88,396,980
The Precinct, Coventry	6.50%	33,753,720	6.75%	33,045,600	7.00%	32,455,500
Toronto Square, Leeds	5.25%	38,120,460	5.50%	36,822,240	5.75%	35,760,060
France						
Perisud, Paris	4.00%	300,800,000	4.25%	286,700,000	4.50%	274,100,000
Total		1,294,218,100		1,235,979,280		1,184,112,540

For the year ended December 31, 2019 a decrease /increase in cap rates by 25 bps would have resulted in an increase / (decrease) in the value of the investments of €58,238,820/(€51,866,740).

3. Financial risk management (continued)

B. Fair value estimation (continued)

The following table analyses the sensitivity of the investment to a movement in the discount rate. For the year ended December 31, 2018. For our analysis we are using a movement of +/- 25 bps.

	Discount Rate (Less 25bps)		Discount Rate		Discount Rate (Add 25bps)	
	Rate %	Value EUR	Rate %	Value EUR	Rate %	Value EUR
Germany						
Nauheimer, Stuttgart	5.75%	103,220,000	6.00%	101,200,000	6.25%	99,230,000
Albstraße & Wallgraben, Stuttgart	5.75%	45,900,000	6.00%	44,900,000	6.25%	44,000,000
Alfred Herrhausen, Eschborn	6.05%	87,100,000	6.30%	84,900,000	6.55%	82,800,000
E.ON Platz, Düsseldorf	5.45%	94,100,000	5.70%	92,000,000	5.95%	89,900,000
Lauchstädter, Munich	7.85%	91,800,000	8.10%	90,100,000	8.35%	88,400,000
Italy						
Moscova, Milan	9.25%	105,500,000	9.50%	103,000,000	9.75%	100,600,000
United Kingdom						
Foundation, Maidenhead	8.00%	70,745,350	8.25%	69,074,200	8.50%	67,403,050
Brookfield, Cheshunt	5.45%	67,514,460	5.70%	66,010,425	5.95%	64,550,954
The Precinct, Coventry	7.75%	35,762,610	8.00%	35,094,150	8.25%	34,425,690
Toronto Square, Leeds	5.85%	28,855,190	6.10%	28,298,140	6.35%	27,741,090
France						
Perisud, Paris	5.25%	266,200,000	5.50%	260,400,000	5.75%	254,700,000
Trinity - Village 1, Paris	6.95%	52,300,000	7.20%	51,100,000	7.45%	49,800,000
Grand Ecran, Paris	5.95%	97,900,000	6.20%	95,400,000	6.45%	93,000,000
Total		1,146,897,610		1,121,476,915		1,096,550,784

For the year ended December 31, 2018 a decrease /increase in discount rates by 25 bps would have resulted in an increase / (decrease) in the value of the investments of €25,420,695/ (24,926,131).

3. Financial risk management (continued)**B. Fair value estimation (continued)**

The following table analyses the sensitivity of the investment to any movement in the cap rate for the year ended December 31, 2018. For our analysis we are using a movement of +/- 25 bps.

	Cap Rate (Less 25bps)		Cap Rate		Cap Rate (Add 25bps)	
	Rate %	Value EUR	Rate %	Value EUR	Rate %	Value EUR
Germany						
Nauheimer, Stuttgart	4.75%	104,690,000	5.00%	101,200,000	5.25%	98,050,000
Albstraße & Wallgraben, Stuttgart	4.75%	46,900,000	5.00%	44,900,000	5.25%	43,200,000
Alfred Herrhausen, Eschborn	4.75%	89,000,000	5.00%	84,900,000	5.25%	81,300,000
E.O.N Platz	4.05%	96,400,000	4.30%	92,000,000	4.55%	88,000,000
Lauchstädter, Munich	4.65%	93,100,000	4.90%	90,100,000	5.15%	87,300,000
Italy						
Moscova, Milan	4.50%	107,800,000	4.75%	103,000,000	5.00%	98,700,000
United Kingdom						
Foundation, Maidenhead	5.75%	71,636,630	6.00%	69,074,200	6.25%	66,623,180
Brookfield, Cheshunt	4.75%	68,739,970	5.00%	66,010,425	5.25%	63,537,123
The Precinct, Coventry	6.25%	35,874,020	6.50%	35,094,150	6.75%	34,314,280
Toronto Square, Leeds	5.50%	29,189,420	5.75%	28,298,140	6.00%	27,518,270
France						
Perisud, Paris	4.15%	272,800,000	4.40%	260,400,000	4.65%	249,300,000
Trinity - Village 1, Paris	4.25%	53,800,000	4.50%	51,100,000	4.75%	48,600,000
Grand Ecran, Paris	3.75%	101,600,000	4.00%	95,400,000	4.25%	89,900,000
Total		1,171,530,040		1,121,476,915		1,076,342,853

For the year ended December 31, 2018 a decrease /increase in cap rates by 25 bps would have resulted in an increase / (decrease) in the value of the investments of €50,053,125/ (45,134,062).

3. Financial risk management (continued)**B. Fair value estimation (continued)**

The following table analyses within the fair value hierarchy the Fund's assets and liabilities (by class) not measured at fair value at December 31, 2019 but for which fair value is disclosed.

	Level 1	Level 2	Level 3	Total
	2019	2019	2019	2019
	€ 000s	€ 000s	€ 000s	€ 000s
Assets				
Other receivables	-	-	8,850	8,850
Cash and cash equivalents	25,093	-	-	25,093
Total	25,093	-	8,850	33,943
Liabilities				
Other payables and accrued expenses	-	-	2,390	2,390
Carried interest payable to the CIP	-	-	92,621	92,621
Net assets attributable to Limited Partners	-	-	568,112	568,112
Total	-	-	663,123	663,123

The current assets and liabilities are carried at values that reflect a reasonable approximation of their fair value.

The following table analyses within the fair value hierarchy the Fund's assets and liabilities (by class) not measured at fair value at December 31, 2018 but for which fair value is disclosed.

	Level 1	Level 2	Level 3	Total
	2018	2018	2018	2018
	€ 000s	€ 000s	€ 000s	€ 000s
Assets				
Other receivables	-	-	3,264	3,264
Cash and cash equivalents	35,140	-	-	35,140
Total	35,140	-	3,264	38,404
Liabilities				
Other payables and accrued expenses	-	-	3,572	3,572
Carried interest payable to the CIP	-	-	47,318	47,318
Net assets attributable to Limited Partners	-	-	650,193	650,193
Total	-	-	701,083	701,083

C. Capital risk management

For the purpose of this section, capital means Capital Contributions and Advance Contributions.

The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns to Limited Partners and to maintain an optimal capital structure in order to reduce the cost of capital.

The Fund's investment and operating cash needs will be funded from capital from Limited Partners. On a portfolio basis, the Fund monitors its gearing levels on an ongoing basis. For each asset acquired by the Fund, gearing on acquisition is measured as a percentage of permanent third party leverage obtained, compared to the initial cost of the asset, including acquisition cost. Post acquisition, it is based on fair value of the asset.

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

The Fund adopts a strategy of obtaining permanent third party leverage of up to 75% of the total cost of each asset acquired. Once 50% of the Fund commitments have been called, at the point of each acquisition, the Fund is required to measure the total leverage across the Portfolio, and should this exceed 75%, then a strategy of obtaining permanent third party leverage of up to 60% is employed. As at December 31, 2019 over 97% of Fund commitments had been called. As at December 31, 2019 the gearing on a portfolio basis is 46% (December 31, 2018: 60%).

4. Investments at fair value through profit or loss

2019
€ 000s

Cost:

As at January 1, 2019	442,891
Acquisitions	153,098
Disposals	(250,025)
As at December 31, 2019	<u>345,964</u>

Fair value movement:

As at January 1, 2019	219,788
Unrealised gain on fair value of investments at fair value through profit or loss	63,428
As at December 31, 2019	<u>283,216</u>

Fair value:

As at January 1, 2019	662,679
As at December 31, 2019	<u>629,180</u>

2018
€ 000s

Cost:

As at January 1, 2018	518,700
Acquisitions	70,280
Disposals	(146,089)
As at December 31, 2018	<u>442,891</u>

Fair value movement:

As at January 1, 2018	74,729
Unrealised gain on fair value of investments at fair value through profit or loss	145,059
As at December 31, 2018	<u>219,788</u>

Fair value:

As at January 1, 2018	593,429
As at December 31, 2018	<u>662,679</u>

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

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

Fund subsidiary	Country	Equity ownership %	Investment Cost	Investment Fair Value	Fair value as a % of total assets
			€ 000s	€ 000s	%
EO III Master Holding S.à r.l.	Luxembourg	100%	345,865	629,192	94.88
EO III Holding 2 S.à r.l.*	Luxembourg	100%	99	(12)	-
Total Investments			345,964	629,180	94.88

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

Fund subsidiary	Country	Equity ownership %	Investment Cost	Investment Fair Value	Fair value as a % of total assets
			€ 000s	€ 000s	%
EO III Master Holding S.à r.l.	Luxembourg	100%	442,848	662,692	94.52
EO III Holding 2 S.à r.l.*	Luxembourg	100%	43	(13)	-
Total Investments			442,891	662,679	94.52

*On January 19, 2017 EO III Holding transferred 100% ownership of EO III Holding 2 S.à r.l. to the Fund.

The Fund owns 100% of the equity and loans of EO III Master Holding S.à r.l. ("EO III Holding"). EO III Holding is a holding company which invests in a number of subsidiaries, which are detailed below. As at December 31, 2019 the Fund has invested a net amount of €345.96 million (December 31, 2018: €442.9 million) in EO III Holding which has been used to finance equity investments and loans to the underlying subsidiaries.

Warrants

The Fund holds a number of warrants ("Warrants") which each entitle the Fund to subscribe in cash, for a consideration equal to par value, for additional shares in EO III Holdings on the occurrence of one or more Triggering Events. A Triggering Event will occur if EO III Holdings receives a cash remittance relating to a liquidation event, partial sale, or complete sale of the underlying investment to which the Warrants relates.

The Fund currently holds 12 classes of warrants (2018: 14) for a consideration of €1,057,439 (2018: €1,150,167). The fair value of the Warrants is included in the valuation of the investments in underlying subsidiaries and is not separately calculated.

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

EO III Holding holds direct interests in the following entities:

Entity	Ownership Percentage	As at December 31, 2019	As at December 31, 2019	As at December 31, 2018	As at December 31, 2018
		Cost € 000s	Fair Value € 000s	Cost € 000s	Fair Value € 000s
Delorme Holding B.V.	95%	-	3,147	(53,565)	3,909
DB Campus, Cologne Holding entities	85%	64	133	(27,968)	249
EO III UK Investments S.à r.l.	100%	49,179	51,876	88,759	38,138
Brookfield Property Unit Trust	0.01%	-	-	-	-
EO III Italy Investment S.à r.l.	100%	46,409	111,510	43,133	50,505
Flanders Stuttgart S.à r.l.	85%	20,803	106,028	20,798	31,605
Perisud Holding B.V.	50%	54,900	62,702	49,368	55,575
STU Munich S.à r.l.	100%	13	152	13	(228)
Coventry Investment S.à r.l.	100%	14,284	11,460	15,116	15,381
Toronto Square Investment S.à r.l.	100%	11,375	17,286	13,217	12,988
McClure & Troy Holding entities	100%	13,516	44,024	29,445	78,015
Trinity Investment S.à r.l.	97.33%	8,473	27,590	72,881	99,254
Nelson Düsseldorf S.à r.l.	80%	29,066	47,751	28,465	24,958
Shelby Eschborn S.à r.l.	100%	40,052	62,170	39,417	34,279
Shelby V Eschborn S.à r.l.	90%	37,808	31,772	34,050	28,845
Fog City Munich S.à r.l.	90%	21,504	40,936	21,456	20,850
Total Investments		347,446	618,537	374,585	494,323

The above table details the investments held by EO III Holding, and does not include EO III Holding's net current assets of €10,655,000 (December 31, 2018: €168,368,000).

EO III UK Investment S.à r.l., which is held directly by EO III Holding, and so included in the table above, holds direct interests in the following entities:

Entity	Ownership Percentage	As at December 31, 2019	As at December 31, 2019	As at December 31, 2018	As at December 31, 2018
		Cost € 000s	Fair Value € 000s	Cost € 000s	Fair Value € 000s
Brookfield Property Unit Trust	99.9%	-	-	48,602	(2,106)
FPM Investments S.à r.l.	100%	47,689	52,216	39,029	40,612
Total Investments		47,689	52,216	87,631	38,506

The above table details the investments held by EO III UK Investment S.à r.l., and does not include EO III UK Investments S.à r.l.'s net current liabilities of €340,000 (December 31, 2018: net current liabilities €325,000).

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

EO III Italy Investment S.à r.l., which is held directly by EO III Holding, and so included in the table above, holds direct interests in the following entities:

Entity	Ownership Percentage	As at December 31, 2019	As at December 31, 2019	As at December 31, 2018	As at December 31, 2018
		Cost € 000s	Fair Value € 000s	Cost € 000s	Fair Value € 000s
Sericon Investment Fund	100%	46,128	112,318	42,897	50,493
Total Investments		46,128	112,318	42,897	50,493

The above table details the investments held by EO III Italy Investment S.à r.l., and does not include EO III Italy Investment S.à r.l., net current liabilities of €808,000 (December 31, 2018: net current asset €12,000).

The Fund has provided guarantees to the third party lenders of the following entities:

	Guarantee As at December 31, 2019 € 000s	Guarantee As at December 31, 2018 € 000s
Perisud SCI	2,470	1,700
Grand Ecran Investments SNC	-	9,300
Total guarantees	2,470	11,000

There has been no provision booked this year in relation to the above guarantee.

5. Limited Partners' contributions and Commitments

At the statement of financial position date, contributions amounting to €727.91 million (December 31, 2018: €669.91 million) were received from the Limited Partners. The outstanding uncalled Commitments were as follows:

	2019 € 000s	2018 € 000s
Aggregate Fund Commitments	746,613	746,613
Capital Contributions	(445)	(445)
Advance Contributions	(727,470)	(669,470)
Return of Advance Contributions (recallable)	52,287	52,287
Aggregate Undrawn Fund Commitments	70,985	128,985

Contributions

During the year, the Fund received Advance Contributions of €58.00 million (December 31, 2018: €169.00 million). As at December 31, 2019, the Carried Interest Partnership had committed and contributed €370,000 (December 31, 2018: €370,000) and the Founder Limited Partner had committed and contributed €100 (December 31, 2018: €100).

Distributions

During the year, the Fund made Aggregate Distributions of €334.00 million (December 31, 2018: €139.00 million). This included €0.07 million to the Carried Interest Partner which remains in JPMAM RE GP 3 LP.

5. Limited Partners' contributions and Commitments (continued)

The balances due from Limited Partners and affiliates are detailed below.

	2019 € 000s	2018 € 000s
Amounts due from Limited Partners and affiliates:		
Due from Limited Partners and affiliates	7,116	1,561
	7,116	1,561
	2019 € 000s	2018 € 000s
Amounts due to Limited Partners and affiliates:		
Due to Limited Partners and affiliates	212	994
	212	994

6. Related party transactions

The General Partner, Carried Interest Partner, the Operator, the Portfolio Manager, JPMorgan Chase Bank, N.A. (the "Accountant") and J.P. Morgan Europe Limited (the "Depository"), are related parties as they are subsidiaries or affiliates of JPMorgan Chase & Co.

General Partner's Share / Priority Profit Share / Management Fees ("GPS")

The Fund is due to pay the General Partner, quarterly in advance on the first day of the succeeding fiscal quarter, a GPS per annum in accordance with the LPA. In respect of each Limited Partner, the relevant percentage per annum of: (A) during the Investment Period, is 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 (including Contributions used to pay Fund Expenses allocated to such investment) until such investment 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. No GPS is paid in respect of Commitments made by any JPMorgan Limited Partners (EO III GRA Feeder LP, JPMAM RE GP 3 LP and JPMAMHUK) and JPMorgan employees. As at December 31, 2019, the percentage of JPMorgan Limited Partners and JPMorgan employees that are exempt from paying GPS is 3% of the Fund's Commitments.

Total management fees for the year, including the outstanding accrued fees due to the General Partner at the end of the year, are detailed below.

Amounts due to the General Partner	2019 € 000s	2018 € 000s
Accrued management fees at the beginning of the year	1,383	1,113
Accrued management fees for the year	5,094	5,990
Management fees paid during the year	(5,442)	(5,720)
Accrued management fees at the end of the year	1,035	1,383

Accounting fees

The Fund has contracted JPMorgan Chase Bank, N.A. to provide accounting services. The Fund incurred €300,190 (December 31, 2018: €323,785) relating to these accounting services. The amounts payable at the statement of financial position date were €75,273 (December 31, 2018: €79,729).

Depository Fees

The Fund has contracted J.P. Morgan Europe Limited to provide depository services. The Fund incurred €99,327 (December 31, 2018: €105,939) relating to these services. The amounts payable at the statement of financial position date were €46,000 (December 31, 2018: €50,655).

6. Related party transactions (continued)*Carried interest*

The Carried Interest Partner is entitled to carried interest on net distributable cash attributable to any particular property investment as determined per Note 2. This carried interest amount is contractually agreed in the LPA; in substance, it represents compensation for portfolio management services provided to the Fund. It is therefore deemed an expense to the Fund, charged through 'Carried interest expense' in the statement of comprehensive income.

Carried interest is the Carried Interest Partner's share of the realised profits of the Fund. As at December 31, 2019, the Portfolio Manager allocated €92.62 million (December 31, 2018: €47.32 million) of carried interest to the Carried Interest Partner. This consists of hypothetical carried interest calculated and recorded as if the Fund were to realise its remaining portfolio as of period end.

Cash at bank is held with J.P. Morgan AG and the balance at year end was €25.09 million (December 31, 2018: €35.14 million).

7. Borrowings

	2019			2018		
	Current	Non-Current	Total	Current	Non-Current	Total
	€ 000s	€ 000s	€ 000s	€ 000s	€ 000s	€ 000s
Short-term credit facility						
At the beginning of the year	-	-	-	73,869	-	73,869
Proceeds from borrowings	-	-	-	63,900	-	63,900
Repayment of borrowings	-	-	-	(137,762)	-	(137,762)
Non cash changes – foreign exchange movements	-	-	-	(7)	-	(7)
At the end of the year	-	-	-	-	-	-

8. Cash and cash equivalents

	2019	2018
	€ 000s	€ 000s
Cash at bank	25,093	35,140
	25,093	35,140

9. Trade and other payables

	2019	2018
	€ 000s	€ 000s
Accruals and other payables	2,178	2,578
	2,178	2,578

10. Realised income on investments

	2019	2018
	€ 000s	€ 000s
Interest income received	10,588	8,063
Realised income from investment*	171,849	-
	182,437	8,063

*Realised income from investments relates to income received from Master Holding in the current year relating to the disposal of assets in the current and prior year.

Notes to the Financial Statements for the Fund

2019

11. Finance costs

	2019 € 000s	2018 € 000s
Bank charges	12	10
Non-utilization fees	75	954
Interest on borrowings	-	834
	87	1,798

12. Other expenses

	2019 € 000s	2018 € 000s
Audit fees	155	144
Accounting fees	300	324
Tax preparation fees	507	375
Insurance fees	74	69
Other professional fees	183	312
Legal fees	-	35
Other administrative expenses	262	455
	1,481	1,714

13. Changes in working capital

	Balance as at December 31, 2019 € 000s	Balance as at December 31, 2018 € 000s	Changes in Working Capital € 000s
Other assets	1,734	1,703	(31)
Amounts due from Limited Partners	6,954	1,309	(5,645)
Amounts due from affiliates	162	252	90
Amounts due to affiliates	(212)	(994)	(782)
Accruals and other payables	(2,178)	(2,578)	(400)
	6,460	(308)	(6,768)

14. Income tax

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

15. Ultimate controlling party

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

16. Approval for financial statements

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

17. 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. The full extent of the economic impacts on the financial performance of the Fund, 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; the General Partner is in dialogue with the Portfolio Manager and will continue to monitor the situation.

Management have evaluated the sensitivity of discount and capitalisation rates and the most significant principal assumptions underlying the General Partner's estimations in determining the impact to the Level 3 fair value of its investment properties. For the year ended 31 December 2019, an increase in capitalisation rate by 50 basis points would result in a decrease in gross value of the investments of €98 million, leading to a reduction in Fund net asset value of €80 million. For the year ended 31 December 2019, an increase in discount rate by 50 basis points would result in a decrease in gross value of the investments of €54 million, leading to a reduction in Fund net asset value of €44 million. These amounts are not an estimate or a forecast of the impact of COVID19 on the Fund net asset value. The analysis is designed solely to provide an indication of the impact of certain changes to the Fund's net asset value.

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 and its financial performance, and the General Partner will continue to monitor the COVID-19 situation closely.

Unaudited Supplemental information to the Financial Statements

2019

Statement of investments held as at December 31, 2019 - Unaudited For the quarter ended December 31, 2019

The Fund had the following investments as at December 31, 2019

Investment	Cost	Opening fair value	Quarter-to-date Movement				Closing fair value
			Additions/ (disposals)	Net operating income/(loss)	Distributions	Realised and unrealised fair value movement	
	€ 000s	€ 000s	€ 000s	€ 000s	€ 000s	€ 000s	€ 000s
Holding Companies ^{1,2}	289	78,170	(15,605)	(39,665)	(12,621)	47,818	9,495
Delorme, Paris	-	3,722	53,565	-	(53,565)	(575)	3,147
DB Campus, Cologne	64	128	28,032	5	(28,032)	-	133
Brookfield, Cheshunt ³	-	-	(48,602)	-	-	-	-
DIC, Berlin & Hannover	-	-	-	-	-	-	-
Foundation, Maidenhead	47,689	49,217	-	528	-	2,471	52,216
Telecity, Berlin	-	-	-	-	-	-	-
Nauheimer, Stuttgart	20,803	86,393	-	(18)	-	19,653	106,028
Moscova, Milan	46,128	61,515	2,096	(313)	-	49,020	112,318
Perisud, Paris	54,900	63,826	4,650	(416)	-	(5,358)	62,702
The Precinct, Coventry	14,284	10,941	-	926	-	(407)	11,460
Radlkofersstraße, Munich	13	164	-	(12)	-	-	152
Albstraße & Wallgraben, Stuttgart	13,516	40,866	37,238	261	(37,265)	2,924	44,024
Toronto Square, Leeds	11,375	15,411	-	118	-	1,757	17,286
Trinity, Paris	8,473	27,429	-	761	(1)	(599)	27,590
E.ON Platz, Düsseldorf	29,066	27,585	601	(2,670)	-	22,235	47,751
Grand Ecran, Paris	40,052	58,359	301	(234)	-	3,744	62,170
Alfred-Herrhausen, Eschborn	37,808	29,980	-	(466)	-	2,258	31,772
Lauchstädter, Munich	21,504	31,347	-	964	(4,790)	13,415	40,936
Total Investments	345,964	585,053	62,276	(40,231)	(136,274)	158,356	629,180

1. The value assigned to the Holding Companies represents the balance of Funds retained at the level of EO III Master Holding S.à r.l., EO III UK Investments S.à r.l., EO III Italy Investment S.à r.l. and EO III Holding 2 S.à r.l. which have not been onward advanced to either the underlying investee entities or to the Fund.
2. The realised loss on the disposal of Brookfield has been recognised in the fair value movement at EOIII Holding in the current period.
3. The realised loss on the fair value movement of Brookfield was recognised in the prior period and therefore is recognised as part of the fair value movement within EOIII Holding and not at the Brookfield investment level

Unaudited Supplementals information to the Financial Statements	2019
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**Statement of investments held as at December 31, 2019 - Unaudited
For the year ended December 31, 2019**

The Fund had the following investments as at December 31, 2019

Investment	Cost	Opening fair value	Year-to-date Movement				Closing fair value
			Additions/ (disposals)	Net operating income/(loss)	Distributions	Realised and unrealised fair value movement	
	€ 000s	€ 000s	€ 000s	€ 000s	€ 000s	€ 000s	€ 000s
Holding Companies ^{1,2}	289	168,000	(99,553)	(35,553)	(22,894)	48,097	9,495
Delorme, Paris	-	3,909	53,565	(187)	(53,565)	(575)	3,147
DB Campus, Cologne	64	249	28,032	(116)	(28,032)	-	133
Brookfield, Cheshunt ³	-	(2,106)	(48,602)	732	-	1,374	-
DIC, Berlin & Hannover Foundation, Maidenhead	-	-	-	0	-	-	-
Telecity, Berlin	47,689	40,612	8,660	1,454	-	1,490	52,216
Nauheimer, Stuttgart	-	-	-	0	-	-	-
Moscova, Milan	20,803	31,605	5	3,050	-	71,368	106,028
Perisud, Paris	46,128	50,493	3,231	(1,312)	-	59,906	112,318
The Precinct, Coventry	54,900	55,575	5,532	(1,406)	-	3,001	62,702
Radlkofersstraße, Munich	14,284	15,381	(832)	858	(306)	(3641)	11,460
Albstraße & Wallgraben, Stuttgart	13	(228)	-	(220)	600	-	152
Toronto Square, Leeds	13,516	78,015	(15,929)	1,596	(38,110)	18,452	44,024
Trinity, Paris	11,375	12,988	(1,842)	808	(993)	6,325	17,286
E.ON Platz, Düsseldorf	8,473	99,254	(64,408)	2,386	(13,742)	4,100	27,590
Grand Ecran, Paris	29,066	24,958	601	(2,684)	-	24,876	47,751
Alfred-Herrhausen, Eschborn	40,052	34,279	635	3,662	-	23,594	62,170
Lauchstädter, Munich	37,808	28,845	3,758	(1,124)	-	293	31,772
	21,504	20,850	48	3,961	(4,790)	20,867	40,936
Total Investments	345,964	662,679	(127,099)	(24,095)	(161,832)	279,527	629,180

1. The value assigned to the Holding Companies represents the balance of Funds retained at the level of EO III Master Holding S.à r.l., EO III UK Investments S.à r.l., EO III Italy Investment S.à r.l. and EO III Holding 2 S.à r.l., which have not been onward advanced to either the underlying investee entities or to the Fund.
2. The realised loss on the disposal of Brookfield has been recognised in the fair value movement at EOIII Holding in the current period.
3. The realised loss on the fair value movement of Brookfield was recognised in the prior period and therefore is recognised as part of the fair value movement within EOIII Holding and not at the Brookfield investment level.

EO III GRA FEEDER LP

Audited financial statements for the year ended December 31, 2019

50 Lothian Road
Festival Square
Edinburgh EH3 9WJ
Scotland

THESE PARTNERSHIP
ACCOUNTS FORM
PART OF THE ACCOUNTS
OF COMPANY

No. SC455770

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General Information

2019

Partnership Number:	SL 17577
General Partner:	JPMAM RE GP 3 (Scots) Limited
Directors of the General Partner:	R.A. Crombie J.C. Ehlinger L.J. Fuchs (resigned December 21, 2019) S.M. Greenspan C.J. Whittington
Accountants:	JPMorgan Chase Bank, N.A. 200 Capital Dock 79 Sir John Rogerson's Quay Dublin 2, D02 RK57 Ireland
Independent Auditors:	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London, SE1 2RT United Kingdom
Legal Advisers:	Allen & Overy LLP One Bishops Square London E1 6AD United Kingdom Stroock & Stroock & Lavan LLP 180 Maiden Lane New York NY 10038-4982 USA Burness LLP 50 Lothian Road Festival Square Edinburgh EH3 9WJ Scotland
Tax Advisers:	Deloitte LLP 2 New Street Square London EC4A 3BZ United Kingdom

General Partner's Report

2019

The Board of Directors of the General Partner of EO III GRA Feeder LP (the "GRA Feeder") presents its annual report and the audited financial statements for the year ended December 31, 2019.

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

Principal activities

The GRA Feeder has been established to invest in the European Opportunistic Property Fund III Master LP (the "Fund") for the primary purpose of seeking capital appreciation.

As the activity of the GRA Feeder is directly linked to the activity of the Fund, the General Partner's report reflects the activities of the underlying fund. Any change in the investment strategy taken by the general partner of the underlying Fund will not change the investment strategy for this entity. These financial statements should be read in conjunction with the financial statements of the Fund.

Business review and future developments

Under the terms of the Limited Partnership Agreement of the fund the investment period ended on August 22, 2017. The Fund has completed all its acquisitions as of December 31, 2019. During the investment period the Fund committed to 19 investments located in France, Germany, Italy and the United Kingdom in office and retail properties.

As at December 31, 2019, the Fund has sold 13 assets held in 10 investments.

Investment period

Under the terms of the Limited Partnership Agreement the investment period ended on August 22, 2017. The Fund has completed all its acquisitions as of December 31, 2019.

Disposal

During the year the Fund completed the disposal of the following assets:

Asset	Investment	Geography	Fund ownership percentage
Albstraße	Albstraße	Stuttgart, Germany	100%
Brookfield	Brookfield	Cheshunt, UK	100%
Le Village 1	Trinity Portfolio	Paris, France	97.33%
Grand Ecran	Grand Ecran	Paris, France	100%

The Fund holds 10 assets in 10 investments at the year end, through its subsidiaries, 5 of which are in Germany, 3 in the UK, 1 in France and 1 in Italy.

The Fund intends to complete its leasing, development and repositioning strategies and realising its remaining investments in advance of the Fund maturity date of August 22, 2023.

Capital Calls and Distributions

As of December 31, 2019, the Fund had called capital of €727.91 million and had made distributions to investors of €573.70 million. During the year the Fund had called capital of €58 million and had made distributions to investors of €334 million, the GRA Feeder had called capital of €0.37 million and had made distributions of €2.25 million.

Economy

The UK exited the European Union on January 31, 2020 and has entered into a transition period during which the UK and EU will negotiate trade and other relationships. The UK's exit from the European Union has increased economic uncertainty in both the UK economy and the wider European and global economy.

Business review and future developments (continued)

This uncertainty presents risks to property values, finance and tenants. The General Partners do not believe that the outcomes of the Brexit negotiations are expected to have a material impact on the performance of the Fund. Historically, the Fund has mitigated the risk of economic uncertainty by making investments in the three most liquid markets in the EU, both inside and outside the Eurozone and in a variety of sectors: office and retail. The General Partner does not believe there is a need to alter its existing investment strategy as a result of these economic uncertainties and given the Fund is now outside of its investment period, intends to execute its original strategy and remaining asset specific development plans.

Recently, 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 global economic slowdown. 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 funds' 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 of the financial statements for details on risk management objectives and policies.

Events after the date of the statement of financial position

Refer to Note 13 in the notes of the financial statements for details on the subsequent events.

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 audited 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 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 GRA Feeder and of the profit or loss of the GRA Feeder for that year. In preparing these financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS's 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 GRA Feeder 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 GRA Feeder 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 GRA Feeder and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The GRA Feeder has applied the Investment Entities amendment to IFRS 10 'Consolidated financial statements'. Since the GRA Feeder 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.

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

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

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

- so far as each director of the General Partner is aware, there is no relevant audit information of which the GRA Feeder's auditor is unaware; and
- 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 GRA Feeder's auditor is aware of that information.

Going Concern

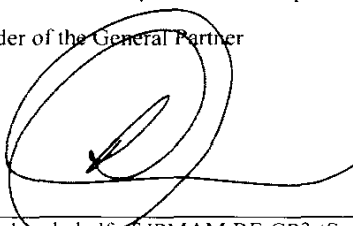
The GRA Feeder has net current liabilities as at the date of the Statement of Financial Position. The financial statements have been prepared on a going concern basis as there are sufficient undrawn capital commitments from the GRA Feeder's investors to cover this short term liability.

Independent Auditors

The General Partner confirms that so far as it is aware, there is no relevant audit information of which the GRA Feeder'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 GRA Feeder'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 JPMAM RE GP3 (Scots) Limited
Director

Date: April 3, 2020

Independent auditors' report to the partners of EO III GRA Feeder LP

Report on the audit of the financial statements

Opinion

In our opinion, EO III GRA Feeder 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 profit 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, the statement of changes in net assets attributable to limited partners for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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.

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.

Responsibilities for the financial statements and the audit

Responsibilities of the general partner for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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. This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the qualifying partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of 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.

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.

A handwritten signature in black ink, appearing to read 'Sandra Dowling'.

Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
3 April 2020

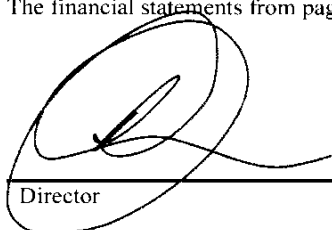
Financial Statements for the GRA Feeder

2019

EO III GRA Feeder LP Statement of Financial Position As at December 31, 2019 All amounts in € 000s

	Notes	2019 € 000s	2018 € 000s
ASSETS			
Non-current assets			
Financial asset:			
Investment at fair value through profit or loss	4	4,496	4,725
<i>Total non-current assets</i>		<u>4,496</u>	<u>4,725</u>
Current assets			
Cash and cash equivalents	6	77	156
Due from Limited Partners		-	(51)
<i>Total current assets</i>		<u>77</u>	<u>105</u>
Total assets		<u>4,573</u>	<u>4,830</u>
LIABILITIES			
Current liabilities			
Amounts due to Fund	7	217	194
Accrued expenses	8	61	34
<i>Total current liabilities</i>		<u>278</u>	<u>228</u>
Total liabilities (excluding net assets attributable to the Limited Partners)		<u>278</u>	<u>228</u>
Net current assets\liabilities)		<u>(201)</u>	<u>(123)</u>
Net assets attributable to Limited Partners		<u>4,295</u>	<u>4,602</u>
Total liabilities		<u>4,573</u>	<u>4,830</u>

The financial statements from pages 9 to 24 were approved by the General Partner on April 3, 2020 and signed on its behalf by



Director

Date: April 3, 2020

The accompanying notes form an integral part of these financial statements

Financial Statements for the GRA Feeder	2019
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EO III GRA Feeder LP
Statement of Comprehensive Income
For the year ended December 31, 2019
All amounts in € 000s

	Notes	2019 € 000s	2018 € 000s
Income			
Unrealised profit on fair value of investments at fair value through profit or loss	4	1,642	1,013
Expenses			
Other operating expenses	9	(73)	(36)
Operating profit for the year		1,569	977
Finance costs		(5)	(1)
Net gain for the year		1,564	976
Net increase in net assets attributable to Limited Partners		1,564	976

The accompanying notes form an integral part of these financial statements

Financial Statements for the GRA Feeder

2019

EO III GRA Feeder LP

Statement of Changes in Net Assets Attributable to the Limited Partners

For the year ended December 31, 2019

All amounts in € 000s

	Capital contribution	Advance contributions/(distributions)	Accumulated Losses	Other reserves	Total
Balance as at January 1, 2019	1	2,715	(123)	2,009	4,602
Contributions	-	377	-	-	377
Distributions	-	(2,248)	-	-	(2,248)
Net loss for the year	-	-	(78)	-	(78)
Net change in fair value of investment at fair value through profit or loss	-	-	-	1,642	1,642
Balance as at December 31, 2019	1	844	(201)	3,651	4,295

	Capital contribution	Advance contributions/(distributions)	Accumulated Losses	Other reserves	Total
Balance as at January 1, 2018	1	2,594	(86)	996	3,505
Contributions	-	1,097	-	-	1,097
Distributions	-	(976)	-	-	(976)
Net loss for the year	-	-	(37)	-	(37)
Net change in fair value of investment at fair value through profit or loss	-	-	-	1,013	1,013
Balance as at December 31, 2018	1	2,715	(123)	2,009	4,602

The accompanying notes form an integral part of these financial statements

Financial Statements for the GRA Feeder

2019

EO III GRA Feeder LP

Statement of Cash Flows

For the year ended December 31, 2019

All amounts in € 000s

		2019	2018
	Notes	€ 000s	€ 000s
Cash flows from operating activities			
Net gain for the year		1,564	976
<i>Adjustments in relation to:</i>			
Unrealised profit on fair value of investments at fair value through profit or loss	4	(1,642)	(1,013)
Finance costs		5	1
Changes in working capital	10	(1)	143
<i>Cash (used in)/generated by operating activities before finance costs</i>		<u>(74)</u>	<u>107</u>
Finance costs paid		(5)	(1)
<i>Net cash (used in)/generated by operating activities</i>		<u>(79)</u>	<u>106</u>
Cash flows from investing activities			
Purchase of investment at fair value through profit or loss	4	(377)	(1,097)
Distribution received from investment at fair value through profit or loss	4	2,248	976
<i>Net cash generated by/(used in) investing activities</i>		<u>1,871</u>	<u>(121)</u>
Cash flows from financing activities			
Capital contributions received from Limited Partners		377	1,097
Distributions made to Limited Partners		(2,248)	(976)
<i>Net cash (used in)/generated by financing activities</i>		<u>(1,871)</u>	<u>121</u>
Net (decrease)/increase in cash and cash equivalents		<u>(79)</u>	<u>106</u>
Cash and cash equivalents at the beginning of the year		156	50
Cash and cash equivalents as at the end of the year		<u>77</u>	<u>156</u>

The accompanying notes form an integral part of these financial statements

1. General information

EO III GRA Feeder LP (the “GRA Feeder”) was established by a limited partnership agreement on August 12, 2014 and registered as a Scottish limited partnership under the Limited Partnership Act 1970 with registration number SL 17577. GRA Feeder’s registered office address is 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, Scotland. The GRA Feeder is a Feeder Fund set up for the sole purpose of JPMorgan employees investing in the Fund. JPMAM RE GP 3 (Scots) Limited is a General Partner of the GRA Feeder (the “GRA Feeder General Partner”). The GRA Feeder is a qualifying partnership in accordance with the Partnerships (Accounts) Regulation 2008.

The GRA Feeder is a closed ended Scottish Limited Partnership and owns a 0.68% (December 31, 2018: 0.68%) interest in the European Opportunistic Property Fund III Master LP (formerly J.P. Morgan European Opportunistic Property Fund III Master LP) (the “Fund”) was established by a limited partnership agreement (the “Fund’s LPA”) on September 11, 2013. The Fund was registered as an English Limited partnership under the Limited Partnerships Act 1907 with number LP15720.

The Fund is closed-ended. Investors (“Limited Partners”) participate in the Fund by purchasing interests directly into the Fund, or through a Fund Vehicle established to invest in the Fund.

The investment strategy of this GRA Feeder is to acquire interests in the Fund. As at December 31, 2019 the Fund had raised capital commitments totalling €746.61 million (December 31, 2018: €746.61 million), of which €5.11 million (December 31, 2018: €5.11 million), related to the GRA Feeder.

The GRA Feeder’s founder partner, JPMorgan Asset Management Holdings (UK) Limited (the “Founder Partner”) made a €100 capital contribution to the GRA Feeder (December 31, 2018: €100) and is entitled to receive a profit share of €100 (December 31, 2018: €100) for each calendar year it has been a Limited partner, from the initial closing date to the termination of the Fund. The General Partner made a €100 capital contribution to the GRA Feeder (December 31, 2018: €100) and is entitled to receive a profit share of €100 (December 31, 2018: €100) for each calendar year it has been a Limited partner, from the initial closing date to the termination of the Fund.

The GRA Feeder’s profits and losses are allocated to the Limited Partners pro rata to their indirect commitments in the Fund. The Fund’s profits and losses are allocated to the Limited Partners, pro-rata on their commitments.

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

2. Summary of significant accounting policies**A. Basis of preparation**

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.

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

2. Summary of significant accounting policies (continued)

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

B. Changes in accounting policy and disclosures**i) Standards and amendments to existing standards for the financial year beginning January 1, 2019**

IFRS 16 affects primarily the accounting by lessees and results 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 is also 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 General Partner does not believe the adoption of the standard, amendment and interpretation to have material impact on the Fund'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 General Partner does not believe the adoption of the standard, amendment and interpretation to have material impact on the Fund's financial statements.

Interpretation 23 Uncertainty over income tax treatments clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in IAS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this Interpretation.

When there is uncertainty over income tax treatments, this Interpretation addresses:

- a. whether an entity considers uncertain tax treatments separately;
- b. the assumptions an entity makes about the examination of tax treatments by taxation authorities;
- c. how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
- d. how an entity considers changes in facts and circumstances.

The General Partner does not believe the adoption of the standard, amendment and interpretation to have material impact on the Fund's financial statements.

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.

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

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 General Partner considered the impact of IFRS 3, IAS 1 and IAS 8 and expects the new standard will have no material impact on the Fund's financial statements.

The General Partner will consider the impact of these new standards and amendments in the next financial year.

C. Investment Entity

The GRA Feeder, which is closed-end, and has multiple investments through the Fund. 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 Partner's capital are carried at fair value and are classified as debt in accordance with IAS 32. The Limited Partner's interests are exposed to variable returns from changes in the fair value of the Fund's net assets.

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

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

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

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

The financial statements are presented in Euro, which is the GRA Feeder’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 foreign 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.

E. Receivables

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

F. Cash and cash equivalents

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

G. Critical accounting estimates and judgements

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

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

The GRA Feeder makes estimates and assumptions concerning:

- i) the fair value through profit or loss,(see Note 2H below)
- ii) the treatment of the investment in the Fund as fair value through profit or loss and(see Note 4 below)
- iii) the going concern status of the GRA Feeder(see Note 2M below).

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

H. Investment held at fair value through profit or loss

All investments are initially fair value being the consideration given and including acquisition charges associated with the investment. Given the nature of the investment into the Fund it is classified as fair value through profit or loss.

After initial recognition, investments which are classified as fair value through profit or loss are continued to be measured at fair value. Changes in the fair value are recognised directly in the statement of comprehensive income and allocated to net assets attributable to limited as until the investment is derecognised. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Refer to Note 3 (B) in the Fund financial statements for further details on the fair valuation policy of the investments.

2. Summary of significant accounting policies (continued)**H. Investment held at fair value through profit or loss (continued)**

The investment in the Fund consists of non-marketable, Limited Partnership interests. The cost basis of the investment held by the GRA Feeder includes all amounts contributed to the Fund.

The fair value of investments represents the cost of the investment adjusted for the GRA Feeder's allocated share of investment income, expenses, realised and unrealised gains or losses, based on its percentage interest in the Fund. Distributions received from the Fund are recorded as a reduction in its investment in the Fund.

I. Limited Partners' capital

The contributions to the GRA Feeder consists of Capital Contributions and Advance Contributions.

The Capital Commitment of Limited Partner amounts to 0.01% of the Limited Partner's commitment. The Limited Partner contributes the full amount of Capital Contribution on the closing date on which it is admitted to the GRA Feeder. The Capital Contributions are not returned to the Limited Partner until the end of the life of the Fund. No interest will be paid or payable by the GRA Feeder upon any capital contribution. In order to fund the capital calls from the Fund, the GRA Feeder draws down from the Limited Partners' Advance Contributions. The advances are drawn down until the commitments from the Limited Partners are fully paid up. No interest will be paid or payable by the GRA Feeder upon any Advance Contributions.

On termination of the GRA Feeder, the Limited Partners will be subordinated to all other creditors as regards repayment of any Advance Contributions outstanding together with the committed capital.

J. Distributions to Limited Partners

Future distributions will be made by the GRA Feeder in accordance with its LPA, see note 1.

K. Revenue recognition*Interest income*

Interest income is recognised upon receipt. Interest income is included in finance income in the statement of comprehensive income.

L. Provisions

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

M. Going concern

The GRA Feeder has net current liabilities as at the date of the Statement of Financial Position. As a result of the funding activities undertaken, the GRA Feeder should be able to operate within the level of its current financing. After making enquiries, the General Partner has a reasonable expectation that the GRA Feeder has adequate resources based on its Uncalled Committed Capital (see Note 5) to continue in operational existence for the foreseeable future. The GRA Feeder therefore adopts the going concern basis in preparing its financial statements.

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

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

The GRA Feeder only invests in the Fund. An investment in the Fund involves certain risks relating to the Fund's structure and to the investment policies which it applies. Refer to Note 3 in the Fund's financial statements for further detail on the Fund's financial risk management. Where possible the General Partner of the GRA Feeder and its advisers will take the necessary actions to mitigate these risks.

3.1 Market risk*Price risk*

The GRA Feeder is exposed to market risk with respect to the value of the investment held at fair value through profit or loss. The future cash flows related to the fair value through profit or loss in the GRA Feeder are mainly linked to the Fund's investments in real estate properties which are exposed to property price and property rental risk.

Cash flow and fair value interest rate risk

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

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

Currency risk

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

As at December 31, 2019 and also in the prior year the GRA Feeder did not have any hedging policy with respect to foreign exchange and interest rate risks as exposure to such risks was not considered to be significant by the General Partner.

3.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The GRA Feeder's exposure to credit risk is indicated by the carrying amount of its assets which consist principally of the fair value through profit or loss in the Fund and any amounts due from its Limited partners.

The credit risk on fair value through profit or loss is mainly related to the underlying investments held by the GRA Feeder through the Fund. The GRA Feeder has no significant concentration of credit risk. As at December 31, 2019 and December 31, 2018, excess cash is held in short term cash accounts with creditworthy financial institutions (held with JPMorgan Chase which has a credit rating of "A+" for long term debt from the credit rating agency Standard and Poor's). Refer to Note 3 in the Fund's financial statements for further detail on the Fund's financial risk management. The accounts receivable balances of the GRA Feeder are neither past due nor impaired. GRA Feeder is not deemed to have any significant credit risk.

3.3 Liquidity risk

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

The commitment of GRA Feeder into the Fund is equal to the commitment of the Limited partner's into the GRA Feeder. The Limited partner's commitment to GRA Feeder is available for drawdown for any working capital or investment purposes.

3. Financial risk management (continued)**3.3 Liquidity risk (continued)**

The table below summarises the GRA Feeder'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.

At December 31, 2019	Less than 3 months € 000s	3 months - 1 year € 000s	1 to 2 years € 000s	2 to 5 years € 000s	Over 5 years € 000s	Total € 000s
Current liabilities						
Amounts due to Fund	217	-	-	-	-	217
Accrued expenses	61	-	-	-	-	61
Total current liabilities	278	-	-	-	-	278
At December 31, 2018	Less than 3 months € 000s	3 months - 1 year € 000s	1 to 2 Years € 000s	2 to 5 years € 000s	Over 5 years € 000s	Total € 000s
Current liabilities						
Amounts due to Fund	194	-	-	-	-	194
Accrued expenses	34	-	-	-	-	34
Total current liabilities	228	-	-	-	-	228

R Fair value estimation

The GRA Feeder has adopted IFRS 13 in respect of disclosures about the degree of reliability of fair value measurements. 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 GRA Feeder 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 GRA Feeder 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 assets or liabilities that are not based on observable market data (that is, unobservable inputs).

Financial Assets held by the GRA Feeder are valued at €4.50 million at year end (December 31, 2018: €4.73 million).

3. Financial risk management (continued)**B. Fair value estimation (continued)**

The following table analyses within the fair value hierarchy of the GRA Feeder's assets and liabilities (by class) measured at fair value at December 31, 2019.

At December 31, 2019	Level 1 € 000s	Level 2 € 000s	Level 3 € 000s	Total € 000s
Assets				
Investment at fair value through profit or loss	-	-	4,496	4,496
Cash and cash equivalents	77	-	-	77
Total	77	-	4,496	4,573

At December 31, 2018	Level 1 € 000s	Level 2 € 000s	Level 3 € 000s	Total € 000s
Assets				
Investment at fair value through profit or loss	-	-	4,725	4,725
Cash and cash equivalents	156	-	-	156
Total	156	-	4,725	4,881

C. Capital risk management

For the purpose of this section, capital means Capital Contributions and Advance Contributions.

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

Since inception, the GRA Feeder has been financed by contributions from the Limited Partners and by cash advances from the Fund.

4. Investment at fair value through profit or loss

	2019 € 000s
Cost	
As at January 1, 2019	2,716
Acquisitions	377
Disposals	(2,248)
As at December 31, 2019	845
Fair value movement	
As at January 1, 2019	2,009
Net change in investment at fair value through profit or loss	1,642
As at December 31, 2019	3,651
Fair Value	
As at January 1, 2019	4,725
As at December 31, 2019	4,496

Notes to the Financial Statements for the GRA Feeder

2019

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

	2018 € 000s
Cost	
As at January 1, 2018	2,595
Acquisitions	1,097
Disposals	(976)
As at December 31, 2018	2,716
Fair value movement	
As at January 1, 2018	996
Net change in investment at fair value through profit or loss	1,013
As at December 31, 2018	2,009
Fair Value	
As at January 1, 2018	3,591
As at December 31, 2018	4,725

Investment at fair value through profit or loss include the following:

	2019 € 000s	2018 € 000s
Unlisted securities:		
European Opportunistic Property Fund III Master LP	4,496	4,725
As at the end of the year	4,496	4,725

At the statement of financial position date, the GRA Feeder had a 0.68% (December 31, 2018: a 0.68%) interest in the Fund, based on the percentage of its commitments into the Fund.

As at December 31, 2019, the Fund had net assets attributable to Limited Partners of €568.11 million (December 31, 2018: €650.19 million) and the GRA Feeder's share of the Fund's net asset amounted to €4.50 million (December 31, 2018: net assets of €4.73 million). Under the LPA the GRA Feeder is liable to pay the debts, liabilities or obligations of the Fund limited to the amount of its committed capital.

5. Limited Partners' contributions and commitments

At the statement of financial position date, Contributions amounting to €4.81 million (December 31, 2018: €4.44 million) were contributed by the Limited Partner to the GRA Feeder. The outstanding uncalled committed capital was as follows:

	2019 € 000s	2018 € 000s
Committed capital	5,108	5,108
Capital contributions	(1)	(1)
Advance contributions	(4,815)	(4,439)
Return of advance contributions	358	358
Uncalled committed capital	650	1,026

The Founder Limited Partner has a €100 (December 31, 2018: €100) commitment in the GRA Feeder. The General Partner has a €100 (December 31, 2018: €100) commitment in the GRA Feeder.

Notes to the Financial Statements for the GRA Feeder

2019

6. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise of:

	2019 € 000s	2018 € 000s
Cash at bank	77	156
	77	156

7. Related-party transactions

The General Partner, Carried Interest Partner, the Operator, JPMorgan Chase Bank, N.A. (the "Accountant") and J.P. Morgan Europe Limited (the "Depository"), are related parties as they are subsidiaries or affiliates of JPMorgan Chase & Co.

General Partner's Profit Share ("GPPS")

A GPPS is payable to the General Partner, JPMAM RE GP 3 (Scots) Limited on termination of the GRA Feeder and is accrued at the rate of €100 for each calendar year. As at December 31, 2019, €500 (December 31, 2018: €400) of GPPS was outstanding.

At Fund level, a GPPS is payable to the Fund's General Partner and is payable directly by the Fund and not via the GRA Feeder.

Founder Limited Partner Profit Share

A Founder Limited Partner Profit Share is payable to the Founder Limited Partner, on termination of the GRA Feeder and is accrued at the rate of €100 for each calendar year the Founder Limited Partner remains a Limited Partner. As at December 31, 2019, the Founder Limited Partner Profit Share payable of €500 (December 31, 2018: €400).

Investments in / transactions with affiliates

The GRA Feeder invests in the Fund, and as at December 31, 2019 the value of the investment was €4.50 million (31 December 31 2018: €4.73 million), see Note 4.

Cash at bank is held with JP Morgan AG. The balance at year end was €77,243 (December 31, 2018: €156,180).

The balances due to Fund are detailed below.

	2019 € 000s	2018 € 000s
Amounts due to Fund:		
Cash advances	161	161
Amounts due to Fund	56	33
	217	194

Cash advance as at December 31, 2019 relate to a cash advance received from the Fund to cover expenses. Amount of €56,000 (December 31, 2018: €33,000) was due to the Fund for payment of expenses on behalf of GRA Feeder.

8. Accrued expenses

	2019 € 000s	2018 € 000s
Accrued audit fees	11	11
Other payables	50	23
	61	34

Notes to the Financial Statements for the GRA Feeder

2019

9. Other operating expenses

	2019 € 000s	2018 € 000s
Audit fees	11	11
Other operating expenses	61	25
	<u>72</u>	<u>36</u>

10. Changes in working capital

	Balance as at December 31, 2019 € 000s	Balance as at December 31, 2018 € 000s	Change in Working Capital € 000s
Accrued audit fees	11	11	-
Other payables	50	23	27
Amounts due to Fund	217	194	23
Due from Limited Partners	-	51	(51)
	<u>278</u>	<u>279</u>	<u>(1)</u>

11. Ultimate controlling party

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

12. Income tax

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

13. 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. The full extent of the economic impacts on the financial performance of the Fund, 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; the General Partner is in dialogue with the Portfolio Manager and will continue to monitor the situation.

As the Partnership only invests in the Fund, the sensitivity analysis has been performed at the Fund level. Management have evaluated the sensitivity of discount and capitalisation rates and the most significant principal assumptions underlying the General Partner's estimations in determining the impact to the Level 3 fair value of its investment properties. For the year ended 31 December 2019, an increase in capitalisation rate by 50 basis points would result in a decrease in gross value of the investments of €98 million, leading to a reduction in Fund net asset value of €80 million. For the year ended 31 December 2019, an increase in discount rate of 50 basis points would result in a decrease in gross value of the investments of €54 million, leading to a reduction in Fund net asset value by €44 million. These amounts are not an estimate or a forecast of the impact of COVID19 on the Fund net asset value. The analysis is designed solely to provide an indication of the impact of certain changes to the Fund's net asset value.

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 and its financial performance, and the General Partner will continue to monitor the COVID-19 situation closely.

Notes to the Financial Statements for the GRA Feeder	2019
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14 Approval for financial statements

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

EUROPEAN OPPORTUNISTIC PROPERTY FUND III INTERMEDIATE LP

Audited financial statements for the year ended December 31, 2019

THESE PARTNERSHIP
ACCOUNTS FORM
PART OF THE ACCOUNTS
OF COMPANY
No. SC455770

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

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General information	2019
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Partnership Number:	SL15682	
General Partner:	JPMAM RE GP 3 (Scots) Limited	
Directors of the General Partner:	R.A. Crombie J.C. Ehlinger L.J. Fuchs (resigned December 21, 2019) S.M. Greenspan C.J. Whittington	
Operator and Alternative Investment Fund Manager:	JPMorgan Funds Limited 3 Lochside View Edinburgh EH12 9DH Scotland	
Promoter and Portfolio Manager:	JPMorgan Asset Management (UK) Limited 25 Bank Street Canary Wharf London E14 5JP United Kingdom	
Accountants:	JPMorgan Chase Bank, N.A. 200 Capital Dock 79 Sir John Rogerson's Quay Dublin 2, D02 RK57 Ireland	
Independent Auditors:	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside, London, SE1 2RT United Kingdom	
Legal Advisers:	Allen & Overy LLP One Bishops Square London E1 6AD United Kingdom Stroock & Stroock & Lavan LLP 180 Maiden Lane New York NY 10038-4982 USA	Burness LLP 50 Lothian Road Festive Square Edinburgh EH3 9WJ Scotland
Tax Advisers:	Deloitte LLP 2 New Street Square London EC4A 3BZ United Kingdom	
Depository:	J. P. Morgan Europe Limited 25 Bank Street London E14 5JP United Kingdom	

General Partner's Report

2019

The Board of Directors of the General Partner of European Opportunistic Property Fund III Intermediate LP (the "Intermediate Partnership") presents its annual report and the audited financial statements for the year ended December 31, 2019.

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

Principal activities

The Intermediate Partnership has been established to invest in European Opportunistic Property Fund III Master LP (the "Fund") for the primary purpose of seeking capital appreciation.

As the activity of the Intermediate Partnership is directly linked to the activity of the Fund, the General Partner's report reflects the activities of the underlying fund. Any change in the investment strategy taken by the general partner of the underlying Fund will not change the investment strategy for this entity. These financial statements should be read in conjunction with the financial statements of the Fund.

Business review and future developments

Under the terms of the Limited Partnership Agreement of the Fund, the investment period ended on August 22, 2017. The Fund has completed all its acquisitions as of December 31, 2019. During the investment period the Fund committed to 19 investments located in France, Germany, Italy and the United Kingdom in office and retail properties.

As at December 31, 2019, the Fund has sold 13 assets held in 10 investments.

Investment period

Under the terms of the Limited Partnership Agreement the investment period ended on August 22, 2017. The Fund has completed all its acquisitions as of December 31, 2019.

Disposal

During the year the Fund completed the disposal of the following assets:

Asset	Investment	Geography	Fund ownership percentage
Albstraße	Albstraße	Stuttgart, Germany	100%
Brookfield	Brookfield	Cheshunt, UK	100%
Le Village 1	Trinity Portfolio	Paris, France	97.33%
Grand Ecran	Grand Ecran	Paris, France	100%

The Fund holds 10 assets in 10 investments at the year end, through its subsidiaries, 5 of which are in Germany, 3 in the UK, 1 in France and 1 in Italy.

The Fund intends to complete its leasing, development and repositioning strategies and realising its remaining investments in advance of the Fund maturity date of August 22, 2023.

Capital Calls and Distributions

As of December 31, 2019, the Fund had called capital of €727.91 million and had made distributions to investors of €573.70 million. During the year the Fund had called capital of €58 million and had made distributions to investors of €334 million. The Intermediate Partnership made a distribution of €206.56 million and called €35.90 million capital from investors.

Business review and future developments (continued)*Economy*

The UK exited the European Union on January 31, 2020 and has entered into a transition period during which the UK and EU will negotiate trade and other relationships. The UK's exit from the European Union has increased economic uncertainty in both the UK economy and the wider European and global economy.

This uncertainty presents risks to property values, finance and tenants. The General Partner does not believe that the outcomes of the Brexit negotiations are expected to have a material impact on the performance of the Fund. Historically, the Fund has mitigated the risk of economic uncertainty by making investments in the three most liquid markets in the EU, both inside and outside the Eurozone and in a variety of sectors: office and retail. The General Partner does not believe there is a need to alter its existing investment strategy as a result of these economic uncertainties and given the Fund is now outside of its investment period, intends to execute its original strategy and remaining asset specific development plans

Recently, 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 global economic slowdown. 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 funds' 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 of the financial statements for details on risk management objectives and policies.

Events after the date of the statement of financial position

Refer to Note 13 in the notes of the financial statements for details on the subsequent events.

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 audited financial statements in accordance with the applicable law and regulations. The Fund has taken advantage of the small companies exemption and has not presented a strategic report

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

Under company law, the General Partner must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Intermediate Partnership and of the profit or loss of the Intermediate Partnership for that year. In preparing these audited 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 as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Intermediate Partnership will continue in business.

General Partner's Report (continued)

2019

Statement of General Partner's responsibilities in respect of the annual report and the audited financial statements (continued)

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Intermediate Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Intermediate Partnership and enable it to ensure that the financial statements comply with the Intermediate Partnership's Limited Partnership Agreement (the "Intermediate Partnership's LPA"). The General Partner is also responsible for safeguarding the assets of the Intermediate Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

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

- a. so far as each director of the General Partner is aware, there is no relevant audit information of which the Intermediate Partnership's 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 Intermediate Partnership's auditors are aware of that information.

Going Concern

The Partnership has net current liabilities as at the date of the Statement of Financial Position. The financial statements have been prepared on a going concern basis as there are sufficient undrawn capital commitments from the Funds investors to cover this short term liability.

Independent Auditors

The General Partner confirms that so far as it is aware, there is no relevant audit information of which the Intermediate Partnership's auditors are unaware, and it has taken all the steps that it ought to have taken as a General Partner in order to make itself aware of any relevant audit information and to establish that the Intermediate Partnership's 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 JPMAM RE GP 3 (Scots) Limited
Director

Date: April 3, 2020

Independent auditors' report to the partners of European Opportunistic Property Fund III Intermediate LP

Report on the audit of the financial statements

Opinion

In our opinion, European Opportunistic Property Fund III Intermediate 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 profit 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, the statement of changes in net assets attributable to limited partners for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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.

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.

Responsibilities for the financial statements and the audit

Responsibilities of the general partner for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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. This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the qualifying partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of 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.

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.

A handwritten signature in black ink, appearing to read 'Sandra Dowling'.

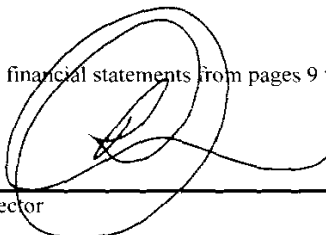
Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
3 April 2020

Financial Statements for the Intermediate Partnership	2019
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European Opportunistic Property Fund III Intermediate LP
Statement of Financial Position
As at December 31, 2019
All amounts in € 000s

	Notes	2019 € 000s	2018 € 000s
ASSETS			
Non-current assets			
<i>Financial asset:</i>			
Investment at fair value through profit or loss	4	348,059	400,018
<i>Total non-current assets</i>		<u>348,059</u>	<u>400,018</u>
Current assets			
Cash and cash equivalents	6	13	2
<i>Total current assets</i>		<u>13</u>	<u>2</u>
Total assets		<u>348,072</u>	<u>400,020</u>
LIABILITIES			
Current liabilities			
Amounts due to Fund	7	79	64
Accrued expenses	8	21	10
<i>Total current liabilities</i>		<u>100</u>	<u>74</u>
Total liabilities (excluding net assets attributable to Limited Partners)		<u>100</u>	<u>74</u>
Net current liabilities		<u>(87)</u>	<u>(72)</u>
Net assets attributable to Limited Partners		<u>347,972</u>	<u>399,946</u>
Total liabilities		<u>348,072</u>	<u>400,020</u>

The financial statements from pages 9 to 24 were approved by the General Partner on April 3, 2020 and signed on its behalf by



Director

Date: April 3, 2020

The accompanying notes form an integral part of these financial statements

European Opportunistic Property Fund Intermediate LP

Financial Statements for the Intermediate Partnership	2019
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European Opportunistic Property Fund III Intermediate LP
Statement of Comprehensive Income
For the year ended December 31, 2019
All amounts in € 000s

	Notes	2019 € 000s	2018 € 000s
Income			
Unrealised profit on fair value of investments at fair value through profit or loss	4	<u>118,705</u>	<u>71,878</u>
Expense			
Other operating expenses	9	<u>(11)</u>	<u>(10)</u>
Operating profit for the year		<u>118,694</u>	<u>71,868</u>
Finance costs		<u>(4)</u>	<u>(2)</u>
Net gain for the year		<u>118,690</u>	<u>71,866</u>
Net increase in net assets attributable to Limited Partners		<u>118,690</u>	<u>71,866</u>

The accompanying notes form an integral part of these financial statements

Financial Statements for the Intermediate Partnership	2019
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European Opportunistic Property Fund III Intermediate LP
Statement of Changes in Net Assets Attributable to the Limited Partners
For the year ended December 31, 2019
All amounts in € 000s

	Capital contribution	Advance contributions/ (distributions)	Accumulated losses	Other reserves	Total
Balance as at January 1, 2019	46	266,990	(72)	132,982	399,946
Contributions	-	35,898	-	-	35,898
Distributions	-	(206,562)	-	-	(206,562)
Net loss for the year	-	-	(15)	-	(15)
Net change in fair value of investment at fair value through profit or loss	-	-	-	118,705	118,705
Balance as at December 31, 2019	46	96,326	(87)	251,687	347,972

	Capital contribution	Advance contributions/ (distributions)	Accumulated losses	Other reserves	Total
Balance as at January 1, 2018	46	248,468	(60)	61,104	309,558
Contributions	-	104,601	-	-	104,601
Distributions	-	(86,079)	-	-	(86,079)
Net loss for the year	-	-	(12)	-	(12)
Net change in fair value of investment at fair value through profit or loss	-	-	-	71,878	71,878
Balance as at December 31, 2018	46	266,990	(72)	132,982	399,946

The accompanying notes form an integral part of these financial statements

Financial Statements for the Intermediate Partnership	2019
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European Opportunistic Property Fund III Intermediate LP
Statement of Cash Flows
For the year ended December 31, 2019
All amounts in € 000s

		2019	2018
	Notes	€ 000s	€ 000s
Cash flows from operating activities			
Net gain for the year		118,690	71,866
<i>Adjustments in relation to:</i>			
Unrealised profit on fair value of investments at fair value through profit or loss	4	(118,705)	(71,878)
Finance costs		4	2
Changes in working capital	10	26	10
<i>Cash generated by operating activities before finance costs</i>		<u>15</u>	<u>-</u>
Finance costs paid		(4)	(2)
<i>Net cash generated from/(used in) operating activities</i>		<u>11</u>	<u>(2)</u>
Cash flows from investing activities			
Purchase of investment at fair value through profit or loss	4	(35,898)	(104,601)
Distribution received from investment at fair value through profit or loss	4	206,562	86,079
<i>Net cash generated from/(used in) investing activities</i>		<u>170,664</u>	<u>(18,522)</u>
Cash flows from financing activities			
Capital contributions received from Limited Partners		35,898	104,601
Distributions made to Limited Partners		(206,562)	(86,079)
<i>Net cash (used in)/generated from financing activities</i>		<u>(170,664)</u>	<u>18,522</u>
Net increase/(decrease) in cash and cash equivalents		<u>11</u>	<u>(2)</u>
Cash and cash equivalents at the beginning of the year		2	4
Cash and cash equivalents as at the end of the year		<u>13</u>	<u>2</u>

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statements for the Intermediate Partnership

2019

1. General information

European Opportunistic Property Fund III Intermediate LP (the “Intermediate Partnership”) was established by a Limited Partnership Agreement (the “Intermediate Partnership LPA”) on February 7, 2014 with registration number SL15682. The Intermediate Partnership’s registered office address is 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, Scotland. JPMAM RE GP 3 (Scots) Limited is the General Partner of the Intermediate Partnership (the “Intermediate General Partner”).

The Intermediate Partnership is a closed ended Scottish Limited Partnership and owns a 61.84% (December 31, 2018: 61.84%) interest in European Opportunistic Property Fund III Master LP (the “Fund”). The Fund was established by a Limited Partnership Agreement (the Fund’s “LPA”) on September 11, 2013. The Fund was registered as an English Limited Partnership under the Limited Partnerships Act 1907 with number LP15720.

The Fund is closed-ended. Investors (“Limited Partners”) participate in the Fund by purchasing interests directly into the Fund or through a Fund Vehicle established to invest in the Fund.

The investment strategy of the Intermediate Partnership is to acquire interests in the Fund. As at December 31, 2019 the Fund had raised capital commitments totalling €746.61 million (December 31, 2018: €746.61 million), of which €461.71 million related to the Intermediate Partnership (December 31, 2018: €461.71million).

The Intermediate Partnership’s Founding Limited Partner, JPMorgan Asset Management Holdings (UK) Limited, has made a capital contribution to the Intermediate Partnership amounting to €100 (December 31, 2018: €100) and is entitled to receive a profit share of €100 (December 31, 2018: €100) for each calendar year it has been a Limited Partner, from the initial closing date to the termination of the Fund. The General Partner made a €100 capital contribution to the Intermediate Partnership (December 31, 2018: €100) and is entitled to receive a profit share of €100 (December 31, 2018: €100) for each calendar year it has been a Limited partner, from the initial closing date to the termination of the Fund.

The Intermediate Partnership’s profits and losses are allocated to the Limited Partners pro rata to their indirect contributed commitments in the Fund. The Fund’s profits and losses are allocated to the Limited Partners, pro-rata to their contributed commitments.

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

2. Summary of significant accounting policies

A. Basis of preparation

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.

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

2. Summary of significant accounting policies (continued)

A. Basis of preparation (continued)

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

B. Changes in accounting policy and disclosures

i) Standards and amendments to existing standards for the financial year beginning January 1, 2019

IFRS 16 effects primarily the accounting by lessees and results 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 is also affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense is replaced with interest and depreciation, so key metrics like EBITDA will change. Operating cash flows are 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 does 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 General Partner does not believe the adoption of the standard, amendment and interpretation to have material impact on the Fund'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 General Partner does not believe the adoption of the standard, amendment and interpretation to have material impact on the Fund's financial statements.

Interpretation 23 Uncertainty over income tax treatments clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in IAS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this Interpretation.

When there is uncertainty over income tax treatments, this Interpretation addresses:

- whether an entity considers uncertain tax treatments separately;
- the assumptions an entity makes about the examination of tax treatments by taxation authorities;
- how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
- how an entity considers changes in facts and circumstances.

The General Partner does not believe the adoption of the standard, amendment and interpretation to have material impact on the Fund's financial statements.

2. Summary of significant accounting policies (continued)

B. Changes in accounting policy and disclosures (continued)

ii) Standards, amendments and interpretations effective for the financial year beginning January 1, 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.

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 General Partner considered the impact of IFRS 3, IAS 1 and IAS 8 and expects the new standard will have no material impact on the Fund's financial statements.

The General Partner will consider the impact of these new standards and amendments in the next financial year.

C. Investment entity

The Intermediate Partnership, which is closed-end, has multiple investors and holds multiple investments through the Fund. 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 Partner's capital are carried at fair value and are classified as debt in accordance with IAS 32. The Limited Partner's interests are exposed to variable returns from changes in the fair value of the Fund's net assets.

2. Summary of significant accounting policies (continued)

C. Investment entity (continued)

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

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

D. Foreign currency translation

Functional and presentational currency

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

The financial statements are presented in Euro, which is the Intermediate Partnership's functional and presentational currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign 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 foreign 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.

E. Receivables

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

F. Cash and cash equivalents

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

G. Critical accounting estimates and judgements

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

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

Notes to the Financial Statements for the Intermediate Partnership

2019

2. Summary of significant accounting policies (continued)

G. Critical accounting estimates and judgements (continued)

The Intermediate Partnership makes estimates and assumptions concerning:

- i) the fair value of investments through profit or loss (see Note 2H below);
- ii) the treatment of the investment in the Fund at fair value through profit or loss (see Note 4 below); and
- iii) the going concern status of the Intermediate Partnership (see Note 2M below).

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

H. Investment held at fair value through profit or loss

All investments are initially recognised at fair value being the consideration given and including acquisition charges associated with the investment. Given the nature of the investment into the Fund it is classified as fair value through profit or loss.

After initial recognition, investments which are classified as fair value through profit or loss are continued to be measured at fair value. Changes in the fair value are recognised within the statement of comprehensive income and allocated to net assets attributable to Limited Partners until the investment is derecognised.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Refer to Note 3 (B) in the Fund financial statements for further details on the fair valuation policy of the investments.

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

I. Limited Partners' capital

The contributions to the Intermediate Partnership consists of Capital Contributions and Advance Contributions.

The Capital Commitment of the Limited Partner amounts to 0.01% of the Limited Partner's commitment. The Limited Partner contributes the full amount of Capital Contribution on the closing date on which it is admitted to the Intermediate Partnership. The Capital Contributions are not returned to the Limited Partner until the end of the life of the Fund. No interest will be paid or payable by the Intermediate Partnership upon any capital contribution. In order to fund the capital calls from the Fund, the Intermediate Partnership draws down from the Limited Partner's Advance Contributions. The advances are drawn down until the commitments from the Limited Partners are fully paid up. No interest will be paid or payable by the Intermediate Partnership upon any Advance Contributions.

On termination of the Fund, the Limited Partner will be subordinated to all other creditors as regards repayment of any advances outstanding together with the committed capital.

J. Distributions to Limited Partners

Future distributions will be made by the Intermediate Partnership in accordance with its LPA.

K. Revenue recognition

Interest income

Interest income is recognised upon receipt. Interest income is included in finance income in the statement of comprehensive income.

L. Provisions

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

European Opportunistic Property Fund Intermediate LP

Notes to the Financial Statements for the Intermediate Partnership

2019

2. Summary of significant accounting policies (continued)

M. Going concern

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

3. Financial risk management

A. Financial risk factors

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

The Intermediate Partnership only invests in the Fund. An investment in the Fund involves certain risks relating to the Fund's structure and to the investment policies which it applies. Refer to Note 3 in the Fund's financial statements for further detail on the Fund's financial risk management. Where possible the General Partner of the Intermediate Partnership and its advisers will take the necessary actions to mitigate these risks.

3.1 Market risk

Price risk

The Intermediate Partnership is exposed to market risk with respect to the value of the investment held at fair value through profit or loss. The future cash flows related to the investment held at fair value through profit or loss in the Intermediate Partnership are mainly linked to the Fund's investments in real estate properties which are exposed to property price and property rental risk.

Cash flow and fair value interest rate risk

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

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

Currency risk

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

As at December 31, 2019 and also in the prior year the Intermediate Partnership did not have any hedging policy with respect to foreign exchange and interest rate risks as exposure to such risks was not considered to be significant by the General Partner.

3.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Intermediate Partnership's exposure to credit risk is indicated by the carrying amount of its assets which consist principally of the investment held at fair value through profit or loss financial asset in the Fund and any amounts due from its Limited Partner.

The credit risk on the investment held at fair value through profit or loss financial asset is mainly related to the underlying investments held by the Intermediate Partnership through the Fund. The Intermediate Partnership has no significant concentration of credit risk. As at December 31, 2019 (and December 31, 2018), excess cash is held in short term cash accounts with creditworthy financial institutions (held with Bank of America which has a credit rating of "A" for long term debt from the credit rating agency Standard and Poor's). Refer to Note 3 in the Fund's financial statements for further detail on the Fund's financial risk management.

European Opportunistic Property Fund Intermediate LP

Notes to the Financial Statements for the Intermediate Partnership

2019

3. Financial risk management (continued)

3.2 Credit risk (continued)

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

3.3 Liquidity risk

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

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

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

As at December 31, 2019	Less than 3 months € 000s	3 months to 1 year € 000s	1 to 2 years € 000s	2 to 5 years € 000s	Over 5 years € 000s	Total € 000s
Current liabilities						
Amounts due to Fund	79	-	-	-	-	79
Accrued expenses	21	-	-	-	-	21
Total current liabilities	100	-	-	-	-	100
As at December 31, 2018	Less than 3 months € 000s	3 months to 1 year € 000s	1 to 2 years € 000s	2 to 5 years € 000s	Over 5 years € 000s	Total € 000s
Current liabilities						
Amounts due to Fund	64	-	-	-	-	64
Accrued expenses	10	-	-	-	-	10
Total current liabilities	74	-	-	-	-	74

B. Fair value estimations

The Intermediate Partnership has adopted IFRS 13 in respect of disclosures about the degree of reliability of fair value measurements. Fair value is the amount for which an asset can be exchanged or a liability settled, between knowledgeable and willing parties transacting at "arm's length". This requires the Intermediate Partnership's 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 Intermediate Partnership's and does not require retrospective application.

Notes to the Financial Statements for the Intermediate Partnership

2019

3. Financial risk management (continued)

B. Fair value estimations (continued)

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 assets or liabilities that are not based on observable market data (that is, unobservable inputs).

Financial Assets held by the Intermediate Partnership are valued at €348.06 million at year end (December 31, 2018: €400.02 million).

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

As at December 31, 2019	Level 1 € 000s	Level 2 € 000s	Level 3 € 000s	Total € 000s
Assets				
Cash and cash equivalents	13	-	-	13
Investment at fair value through profit or loss	-	-	348,059	348,059
Total	13	-	348,059	348,072
As at December 31, 2018	Level 1 € 000s	Level 2 € 000s	Level 3 € 000s	Total € 000s
Assets				
Cash and cash equivalents	2	-	-	2
Investment at fair value through profit or loss	-	-	400,018	400,018
Total	2	-	400,018	400,020

C. Capital risk management

For the purpose of this section, capital means Capital Contribution and Advance Contribution.

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

Since inception, the Intermediate Partnership has been financed by contributions from the Limited Partners and by cash advances from the Fund.

Notes to the Financial Statements for the Intermediate Partnership

2019

4. Investment at fair value through profit or loss

	2019 € 000s
Cost	
As at January 1, 2019	267,036
Acquisitions	35,898
Disposals	(206,562)
As at December 31, 2019	96,372
Fair value movement	
As at January 1, 2019	132,982
Net change in investment at fair value through profit or loss	118,705
As at December 31, 2019	251,687
Fair Value	
As at January 1, 2019	400,018
As at December 31, 2019	348,059
	2018 € 000s
Cost	
As at January 1, 2018	248,514
Acquisitions	104,601
Disposals	(86,079)
As at December 31, 2018	267,036
Fair value movement	
As at January 1, 2018	61,104
Net change in investment at fair value through profit or loss	71,878
As at December 31, 2018	132,982
Fair Value	
As at January 1, 2018	309,618
As at December 31, 2018	400,018

Investment at fair value through profit or loss financial asset include the following:

	2019 € 000s	2018 € 000s
Unlisted securities:		
European Opportunistic Property Fund III Master LP	348,059	400,018
As at the end of the year	348,059	400,018

At the statement of financial position date, the Intermediate Partnership had a 61.84% (December 31, 2018: 61.84%) interest in the Fund, based on the percentage of its commitments into the Fund. The Intermediate Partnership does not exercise significant influence over the Fund as under clause 9.4 of the LPA, the Operator has full power and authority in respect of the affairs of the Fund and the management and control of the Fund's business shall rest exclusively with the Operator. Therefore, the Fund Partnership is not accounted for as a subsidiary.

Notes to the Financial Statements for the Intermediate Partnership

2019

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

As at December 31, 2019, the Fund had net asset attributable to Limited Partners of €568.11 million (December 31, 2018: net assets of €650.19 million) and the Intermediate Partnership's share of the Fund's net asset amounted to €348.06 million (December 31, 2018: net assets €400.02 million). Under the LPA the Intermediate Partnership is liable to pay the debts, liabilities or obligations of the Fund limited to the amount of its committed capital.

5. Limited Partners' contributions and commitments

At the statement of financial position date, contributions amounting to €451.06 million (December 31, 2018: €415.17 million) were contributed by the solo Limited Partner and Founding Partner to the Intermediate Partnership. The outstanding uncalled committed capital was as follows:

	2019	2018
	€ 000s	€ 000s
Committed capital	461,715	461,715
Capital contributions	(46)	(46)
Advance contributions	(451,017)	(415,119)
Return of Advance Contributions (recallable)	32,335	32,335
Uncalled committed capital	42,987	78,885

The Founder Limited Partner, JPMorgan Asset Management Holdings (UK) Limited has a €100 (December 31, 2018: €100) commitment.

6. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise of:

	2019	2018
	€ 000s	€ 000s
Cash at bank	13	2
	13	2

7. Related-party transactions

The General Partner, Carried Interest Partner, the Operator, JPMorgan Chase Bank, N.A. (the "Accountant") and J.P. Morgan Europe Limited (the "Depositary"), are related parties as they are subsidiaries or affiliates of JPMorgan Chase & Co.

General Partner's Profit Share ("GPPS")

A GPPS is payable to the General Partner, on termination of the Intermediate Partnership and is accrued at the rate of €100 for each calendar year. As at December 31, 2019 €500 of GPPS was outstanding (December 31, 2018 €400).

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

Founder Limited Partner Profit Share

A Founder Limited Partner Profit Share is payable to the Founder Limited Partner, on termination of the Intermediate Partnership and is accrued at the rate of €100 for each calendar year the Founder Limited Partner remains a Limited Partner. As at December 31, 2019, the Founding Limited Partner Profit Share payable of €500 was outstanding (December 31, 2018: €400).

Notes to the Financial Statements for the Intermediate Partnership

2019

7. Related-party transactions (continued)

Investments in / transactions with affiliates

The Intermediate Partnership invests in the Fund, and as at December 31, 2019 the value of the investment was €348.06 million (December 31, 2018: €400.02 million). Refer to Note 4.

The balances due to affiliates are detailed below.

	2019 € 000s	2018 € 000s
Amounts due to affiliates:		
Cash advances	50	36
Due to Fund	29	28
	79	64

8. Accrued expenses

	2019 € 000s	2018 € 000s
Accrued audit fees	21	10
	21	10

9. Other Operating expenses

	2019 € 000s	2018 € 000s
Audit fees	11	10
	11	10

10. Changes in working capital

	Balance as at December 31, 2019 € 000s	Balance as at December 31, 2018 € 000s	Change in working capital € 000s
Accrued audit fees	21	10	11
Amounts due to affiliates	79	64	15
	100	74	26

11. Ultimate controlling party

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

12. Income tax

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

13. 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. The full extent of the economic impacts on the financial performance of the Fund, 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; the General Partner is in dialogue with the Portfolio Manager and will continue to monitor the situation.

As the Partnership only invests in the Fund, the sensitivity analysis has been performed at the Fund level. Management have evaluated the sensitivity of discount and capitalisation rates and the most significant principal assumptions underlying the General Partner's estimations in determining the impact to the Level 3 fair value of its investment properties. For the year ended 31 December 2019, *an increase in capitalisation rate by 50 basis points would result in a decrease in gross value of the investments of €98 million, leading to a reduction in Fund net asset value of €80 million. For the year ended 31 December 2019, an increase in discount rate by 50 basis points would result in a decrease in gross value of the investments of €54 million, leading to a reduction in Fund net asset value of €44 million.* These amounts are not an estimate or a forecast of the impact of COVID19 on the Fund net asset value. The analysis is designed solely to provide an indication of the impact of certain changes to the Fund's net asset value.

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 and its financial performance, and the General Partner will continue to monitor the COVID-19 situation closely.

14. Approval for financial statements

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