

SL Capital Partners

**SLCP
(GENERAL PARTNER SOF I) LIMITED**

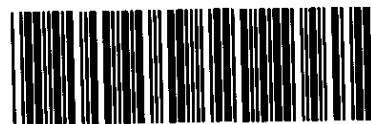
**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016**

**PARTNERSHIP
ACCOUNTS**



Registered in Scotland Number SC453038

THURSDAY



SCT 14/09/2017 #442
COMPANIES HOUSE

General Information

Directors

I Harris

S Hay

P McKellar

R Pim

Company Secretary

D R Thompson

Registered Office

1 George Street

Edinburgh

Lothian

EH2 2LL

United Kingdom

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Atria One

144 Morrison Street

Edinburgh

EH3 8EX

**Directors' annual report
for the year ended 31 December 2016**

The Directors present their report together with the audited financial statements of SLCP (SL Capital General Partner SOF I) Limited (the Company) for the year ended 31 December 2016.

Directors

The names of the current Directors of the Company are shown on page 1.

The Company's ultimate parent company, Standard Life plc, maintains Directors' and Officers' liability insurance on behalf of its Directors and Officers.

Result for the year

The result for the year ended 31 December 2016 is £nil (2015: £nil). The Directors consider this result to be satisfactory.

Future outlook

The Directors are confident that the Company will maintain its financial position in the future.

Dividends

The Directors did not recommend payment of a dividend in 2016 (2015: £nil).

Annual general meeting

There was no annual general meeting held in the period, as permitted by the Companies Act 2006.

Independent Auditors

PricewaterhouseCoopers LLP has been the Standard Life Group's auditors since 1994. In order to comply with regulations regarding mandatory auditor rotation and tendering, in last year's annual Standard Life plc accounts it was announced that the Standard Life Group were about to commence a tender process for the appointment of the external auditor. This tender resulted in the proposal, subject to shareholder approval at the 2017 AGM, to appoint KPMG as the external independent auditor for the 2017 financial year.

Disclosure of information to Auditors

So far as each Director is aware, there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware.

Each of the Directors has taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board of Directors



R Pim, Director

Edinburgh, 16 March 2017

**Strategic report
for the year ended 31 December 2016****Review of the Company's business**

The principal activity of the Company is to act as a General Partner of a Limited Partnership (SL Capital SOF I General Partner Limited Partnership), which is the General Partner, of a Limited Partnership (SL Capital LP SOF I) ('the Fund'), whose activity is to acquire secondary positions in fund of funds, secondary funds and mid-market buyout funds.

Key performance indicators (KPIs)

The Directors of Standard Life Investments (Holdings) Limited (SLIH) manage the operations of the Standard Life Investments (Holdings) Limited Group (the Group), in which the Company is a subsidiary, on a divisional basis. The Company's Directors therefore believe that an analysis using key performance indicators for the Company is not necessary or appropriate for gaining an understanding of the development, performance and position of the Company.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks.

The main business risks to which the Company is exposed, and its financial risk management objectives and policies, are considered in Note 7 to this report and financial statements. Other key business risks include competition from other providers of investment management services.

Environmental matters

The Group follows the environmental strategy of the Standard Life Group which is disclosed within the Standard Life plc accounts.

On behalf of the Board of Directors

R Pim, Director

Edinburgh, 16 March 2017

Statement of Directors' responsibilities for the year ended 31 December 2016

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. In preparing these financial statements, the Directors have also elected to comply with IFRSs, issued by the International Accounting Standards Board (IASB).

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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union, and IFRSs as issued by the International Accounting Standards Board (IASB), have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

**Income statement
for the year ended 31 December 2016**

	2016	2015
	£	£
Revenue		
Investment management income	347,013	309,647
Total revenue	347,013	309,647
Operating expenses		
Administrative expenses	(347,013)	(309,647)
Total operating expenses	(347,013)	(309,647)
Result for the year attributable to equity holders of the Company	-	-

The notes on pages 9 to 13 form part of these financial statements.

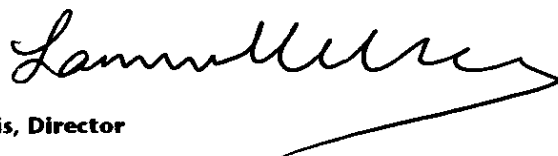
The Company has not recorded any other comprehensive income during the years to 31 December 2016 and 31 December 2015 and has therefore not disclosed a separate statement of comprehensive income.

**Statement of financial position
as at 31 December 2016**

	Note	2016 £	2015 £
Assets			
Current assets			
Trade and other receivables	4	10,466	22,013
Total current assets		10,466	22,013
Total assets		10,466	22,013
Equity			
Share capital	5	100	100
Total attributable to equity holders of the Company		100	100
Liabilities			
Current liabilities			
Trade and other payables	6	10,366	21,913
Total current liabilities		10,366	21,913
Total equity and liabilities		10,466	22,013

The notes on pages 9 to 13 form part of these financial statements.

The financial statements and accompanying notes on pages 5 to 13 were approved on behalf of the Board of Directors on 16 March 2017 and signed on its behalf on 16 March 2017 by the following Director:



I Harris, Director

**Statement of changes in equity
for the year ended 31 December 2016**

The Company has not recorded any changes in equity during the years ended 31 December 2016 and 31 December 2015.

The notes on pages 9 to 13 form part of these financial statements.

**Statement of cash flows
for the year ended 31 December 2016**

The company had no net cash flows during the years ended 31 December 2016 and 31 December 2015.

The notes on pages 9 to 13 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2016

1. Presentation of the financial statements

The Company's significant accounting policies are included at the beginning of the relevant note. This section outlines the basis of preparation, significant accounting policies which apply to the financial statements as a whole, and a summary of the Company's critical accounting estimates and judgements in applying accounting policies.

(a) Basis of preparation

(i) Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union (EU), with interpretations issued by the IFRS Interpretations Committee (IFRIC), and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared on a going concern basis and under the historical cost convention.

(ii) New interpretations and amendments to existing standards that have been adopted by the Company

There have been no new interpretations or amendments to existing standards that have impacted the Company.

(iii) Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Company

IFRS 15 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2018)

IFRS 15 will replace: IAS 11 *Construction contracts*, IAS 18 *Revenue* and related interpretations.

It provides a new five-step revenue recognition model for the recognition of and measurement of revenue from contracts with customers.

A detailed impact assessment commenced in 2015, reviewing contracts and analysing the revenue recognised by the Group. Further analysis of the revenues generated within the investment management business was completed in 2016 with no material impact expected.

(b) Revenue recognition

Investment management income

All fees and costs associated with the provision of investment management services are recognised, subject to recoverability, as the services are provided.

(c) Expense recognition

Administrative expenses are recognised on an accruals basis.

(d) Financial assets – designation

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date. These are classified as non-current assets. The Company's loans and receivables comprise 'Trade and other receivables' in the statement of financial position.

2. Key estimates and judgements

The preparation of financial statements, in conformity with IFRS, may require the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. In the process of applying the Company's accounting policies, management has made no key estimates or judgements.

3. Result before tax

The Company has no employees (2015: nil). Certain expenses, including auditors' remuneration for audit services amounting to £3,000 (2015: £2,500), are met by SL Capital Partners LLP. All other expenses are in relation to management fees charged by SL Capital Partners LLP.

Notes to the financial statements for the year ended 31 December 2016 (continued)**4. Trade and other receivables****Accounting Policy**

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

	2016	2015
	£	£
Amounts due from the parent undertaking	100	100
Accrued income	10,366	21,913
Total trade and other receivables	10,466	22,013

All 'Trade and other receivables' have no contractual maturity date. All of the financial assets above are non-interest bearing.

5. Share capital**Accounting Policy**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Shares are classified as equity instruments when there is no contractual obligation to deliver cash or other assets to another entity on terms that may be unfavourable.

	Allotted, Called Up and Fully Paid			
	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

6. Trade and other payables**Accounting Policy**

Trade and other payables are recognised at their initial fair value and subsequently measured at amortised cost.

	2016	2015
	£	£
Amounts owed to Standard Life Group undertakings	10,366	21,913
Total trade and other payables	10,366	21,913

All 'Trade and other payables' are non-interest bearing and have no contractual maturity date.

7. Financial risk management**(a) Standard Life Group approach to risk management**

Standard Life plc, the ultimate parent of the Company, has established an Enterprise Risk Management (ERM) Framework to provide the basis for ensuring that risks inherent in the design and execution of all Standard Life Group strategy are managed in line with its expectations.

(b) Standard Life Investments (Holdings) Limited and its subsidiaries (the Group) approach to risk and capital management

The Company operates within the governance structure of the Group. The Group has its own established governance framework, with clear terms of reference for the Group Board (the Board) and risk committees and a clear organisation structure, with documented, delegated authorities and responsibilities.

The Group takes and manages risks to achieve its corporate, financial and regulatory objectives. The types of risk inherent in the pursuit of these objectives and the extent of exposure to these risks form the Group's risk profile.

The Board has adopted Standard Life Group risk policies and has approved certain Group specific policies which determine the framework for identifying, assessing, monitoring and controlling risk.

Notes to the financial statements for the year ended 31 December 2016 (continued)**7. Financial risk management (continued)****(b) Standard Life Investments (Holdings) Limited and its subsidiaries (the Group) approach to risk and capital management (continued)**

Capital is managed within the regulatory framework in which the Group operates. This makes use of an Internal Capital Adequacy Assessment Process (ICAAP), approved by the Board, to identify the risks to which the business is exposed and to quantify their impact on capital, including changes thereto by way of stress and scenario tests. The ICAAP estimates how much capital is needed to cover the risks to which the Company is, or might be, exposed to. The Group is required at all times to maintain at least this level of capital. The Company does not have its own ICAAP but is a component of the Group ICAAP. The Group's calculation thereof is subject to review by the FCA who also monitors capital management by way of quarterly and annual submissions made by the Group and periodic visits.

The ICAAP is subject to high level quarterly review within the Group, with detailed annual review and approval by the Board. The potential impact of any significant risks identified out with these timescales would be subject to immediate review.

(c) The management of financial and non-financial risks**(i) Statement of financial position reconciliation**

All assets on the statement of financial position are categorised as loans and receivables and are financial assets. None of the assets are categorised as fair value through profit and loss (FVTPL) and therefore are not disclosed in fair value hierarchy levels. 'Trade and other payables' are classified as financial liabilities and are held at amortised cost.

(ii) Fair value of assets and liabilities

Due to the short term nature of current financial assets and current financial liabilities, the amortised cost is approximate to the fair value.

(iii) Credit risk

The Company is exposed to credit risk through trade and other receivables and intercompany balances. Intercompany balances with Standard Life Group entities have no past history of default. All trade and other receivable balances due, and the financial suitability of material counterparties, are assessed regularly.

The Company has no cash deposits and the Company current account held nil balances at the end of both 2016 and 2015.

The table below provides an analysis of total assets bearing credit risk:

	2016	2015
	£	£
Trade and other receivables	10,466	22,013
	10,466	22,013

At the statement of financial position date, none of the financial assets were impaired or past due.

(iv) Market risk

Market risk is the risk of adverse impact on the Company of changes in the fair values of financial instruments from fluctuations in foreign currency exchange rates, interest rates and market movements.

The Group uses sensitivity test-based analysis, including market movements, foreign exchange and interest rate movements, detailed in its ICAAP, to understand their impact on expected earnings for decision making and planning purposes.

The impact of a fall in asset values at a point in time would primarily impact revenue, which is accrued based on those values and is not hedged. The Group has limited exposure to market risk through direct investments made but through sensitivity analysis assesses the potential impact on revenues earned from investment management fees.

The Company is domiciled in and was incorporated in Scotland.

Although all revenues are in US dollars, all such revenue is paid to SL Capital Partners LLP by way of administrative expenses; therefore the Company has limited exposure to exchange rate risk.

The Company has no material exposure to interest rate risk in 2016 or 2015.

Notes to the financial statements for the year ended 31 December 2016 (continued)**7. Financial risk management (continued)****(v) Liquidity risk**

Liquidity risk is the risk of the Company being unable to maintain sufficient cash and marketable securities to enable it to meet cash flow obligations as they fall due.

The Group manages its liquidity risk by regular monitoring of its cash position, credit control including the credit risk assessment noted above, forward planning including cash flow analysis, and regular reporting thereon to the Board.

The Company has no surplus cash (2015: £nil).

The following table represents the Company's ability to meet its cash commitments as they fall due:

	Financial assets			
	2016		2015	
	Due within 1 month	No contractual maturity date	Due within 1 month	No contractual maturity date
	£		£	£
Trade and other receivables	10,366	100	21,913	100
	10,366	100	21,913	100

	Financial liabilities	
	2016	2015
	No contractual maturity date	No contractual maturity date
	£	£
Trade and other payables	10,366	21,913
	10,366	21,913

(vi) Operational risk

Operational risk is defined as the risk of loss, or adverse consequences for the business, resulting from inadequate or failed internal processes, people and systems or from external events.

The types of operational risk the Company is exposed to are identified using the following operational risk categories: fraud or irregularities; regulatory or legal; customer treatment; business interruption; supplier failure; planning; process execution and people. Activities undertaken to ensure the practical operation of the controls over financial risks (i.e. market, credit, liquidity and insurance risk) are defined within the operational risk framework.

The Group assesses its exposure to operational risk to enable efficient allocation of resources to manage such risks. The Group assesses its historical operational risk exposure using objective quantitative data. The Group also assesses the impact and likelihood of operational risks materialising in the future through a combination of qualitative data arising from management's judgement and historical data, as well as monitoring key risk indicators which can highlight changing risk profiles.

The Group's control environment is subject to quarterly self-assessment by management. Managers are responsible for correcting any control weaknesses identified through this process, taking into account the cost of implementing preventive or corrective action plans and the Group's acceptable level of operational risk. The Group sets an acceptable level of operational risk through defining and observing qualitative risk appetite statements and determining a quantitative operational risk limit.

The impact of a material change to the operational risk profile of the Group, such as through a one-off transaction, the launch of new products etc. is assessed and managed through the risk governance processes.

Notes to the financial statements for the year ended 31 December 2016 (continued)**8. Related party transactions****(a) Parent and ultimate controlling party**

The Company's parent undertaking is SLCP (Holdings) Limited, whilst its ultimate controlling party is Standard Life plc.

Copies of the Annual Report and Accounts of Standard Life plc are available to download from the website www.standardlife.com

(b) Transactions between and balances with related parties

In the normal course of business, the Company enters into transactions with related parties in respect of its investment management business. Such related party transactions are at arm's length and are unsecured.

The following are details of significant transactions with related parties during the year and year end balances arising from such transactions:

		2016	
		Amounts owed by related parties	Amounts owed to related parties
		£	£
Revenue	Expenses		
Parent	-	100	-
Standard Life Group undertakings	347,013	-	10,366
	347,013	100	10,366

		2015	
		Amounts owed by related parties	Amounts owed to related parties
		£	
Revenue	Expenses		
Parent	-	100	-
Standard Life Group undertakings	309,647	-	21,913
	309,647	100	21,913

(b) Transactions between and balances with related parties (continued)

Transactions with related parties were made at market rates. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received in the year or prior year. No expense for bad and doubtful debts has been recognised in the year, or in the prior year, in respect of the amounts owed by related parties.

(c) Compensation of key management personnel

No amounts are payable to the Directors in respect of their services to the Company as at 31 December 2016 (2015: £nil).

9. Related undertakings

The Companies Act 2006 requires disclosure of certain information about the Company's related undertakings. The Company has no subsidiaries, associates or other significant holdings and therefore has no disclosures in related undertakings.

10. Events after the statement of financial position date

There have been no significant events after the reporting period.

Independent Auditors' report to the Members of SLCP (General Partner SOF I) Limited

Report on the financial statements

Our opinion

In our opinion, SLCP (General Partner SOF I) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its result 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.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of financial position as at 31 December 2016;
- the Income statement for the year then ended;
- the Statement of cash flows for the year then ended;
- the Statements of changes in equity for the year then ended; and
- the Notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law.

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

**Independent Auditors' report to the Members of SLCP (General Partner SOF I) Limited
(continued)**

Report on the financial statements (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

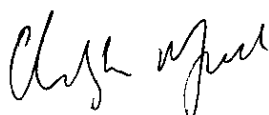
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' annual report, we consider whether those reports include the disclosures required by applicable legal requirements.



Christopher Meyrick (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Edinburgh

16 March 2017

SL Capital SOF I GP LP

Financial Statements for the year ended 31 December 2016

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Important Note

The contents of this report do not constitute advice and no person should make any investment decisions in reliance on the contents of this report. Any commentary, opinions, forecasts or estimates which are included within this report may not prove to be accurate and may be superseded by subsequent events. The information included in this report is based upon information which has been provided by underlying fund managers and other third parties.

Manager, General Partner and Advisors

Registered Address

1 George Street
Edinburgh, EH2 2LL
U.K.

**Manager and Principal
Place of Business**

SL Capital Partners LLP
1 George Street
Edinburgh, EH2 2LL
U.K.

General Partner

SLCP (General Partner SOF I) Limited
1 George Street
Edinburgh, EH2 2LL
U.K.

Legal Advisors

King & Wood Mallesons LLP
10 Queen Street Place
London, EC4R 1BE
U.K.

Goodwin Procter (UK) LLP
100 Cheapside
London, EC2V 6DY
U.K.

Independent Auditors

PricewaterhouseCoopers LLP
Avia One
144 Morrison Street
Edinburgh, EH3 8EX
U.K.

Administrator

Argentius (UK) Ltd
Two London Bridge
London, SE1 9RA
U.K.

Report of the General Partner

The General Partner, SLCP (General Partner SOF I) Limited, presents the audited financial statements for SL Capital SOF I GP LP ("the Partnership") for the year ended 31 December 2016.

Structure of the Partnership

The Partnership was formed on 3 July 2013 and is registered in Scotland, United Kingdom ("U.K").

Directors of the General Partner

There have been no changes to the Directors of the General Partner during the year. Please refer to the financial statements of SLCP (General Partner SOF I) Limited for the names of the Directors.

Distributions

Distributions of US\$501,310 (2015: US\$360,662) were made during the year.

Events after the reporting date

The General Partner has identified no significant events after the reporting date.

Results, activities and future developments

The results for the year are set out in the Statement of Comprehensive Income on page 6. A description of the principal activity of the Partnership is provided in note 1 to the financial statements.

The purpose of the Partnership is to act as General Partner to SL Capital SOF I LP ("SOF I"), SL Capital SOF I Feeder LP ("SOF I Feeder") and SOF I Executive Co Investment Limited Partnership ("SOF I Co Investment").

Going concern basis

Notwithstanding negative net equity of US\$18,219 at 31 December 2016, the Partnership, along with the ongoing financial support of the Manager, will continue to be in a position to meet its liabilities as they fall due and as such the General Partner deems it appropriate to prepare the financial statements of the Partnership on the going concern basis.

Disclosure of information to auditors

At the date of this report, the General Partner confirms that:

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

Independent auditors

PricewaterhouseCoopers LLP have been the Standard Life Group's auditors since 1994. In order to comply with regulations regarding mandatory auditor rotation and tendering, in last year's annual Standard Life plc accounts it was announced that the Standard Life Group were about to commence a tender process for the appointment of the external auditor. At the Standard Life AGM in May 2017, the shareholders approved the appointment of KPMG as the external independent auditor for the 2017 year and for the Group and its related entities.

Data protection

SL Capital Partners LLP has implemented measures that it believes are necessary in order to comply with the U.K. Data Protection Act 1998.

Strategic report

The Partnership is considered as 'small' under Section 414B of The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and is therefore exempt from preparing a strategic report.

Signed on behalf of SLCP (General Partner SOF I) Limited



Ian Harris
Director, SLCP (General Partner SOF I) Limited
8 June 2017

Statement of General Partner's Responsibilities

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

Company law as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2006 ("the Regulations") requires the General Partner to prepare financial statements for each financial year. Under that law the General Partner has prepared the Qualifying Partnership's financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 "The Financial Reporting Standards Applicable in the U.K. and the Republic of Ireland" Section 1A Small Entities ("FRS 102 Section 1A").

Under Company law as applied to qualifying partnerships, 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 Qualifying Partnership and of the profit or loss of the Qualifying Partnership for that period.

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 United Kingdom Accounting Standards, including FRS 102 Section 1A 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 Qualifying Partnership will continue in business.

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

Independent auditors' report to the partners of SL Capital SOF 1 GP LP ("the Qualifying Partnership")

Report on the financial statements

Our opinion

In our opinion, the Qualifying Partnership's financial statements ("the financial statements");

- give a true and fair view of the state of the Qualifying Partnership's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP"); 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.

What we have audited

The financial statements comprise:

- the Statement of Financial Position as at 31 December 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Partners for the year then ended;
- the Net Assets Attributable to Partners since inception to the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law (UK GAAP).

In applying the financial reporting framework, the General Partner has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, it has made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006 as applied to qualifying partnerships

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the General Partner for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the General Partner has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the Qualifying Partnership and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Report of the General Partner. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

General Partner's remuneration

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report to you if, in our opinion, certain disclosures of General Partner's remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the partners of SL Capital SOF I GP LP ("the Qualifying Partnership") (continued)

Other matters on which we are required to report by exception (continued)

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: prepare financial statements in accordance with the small companies regime; and to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the General Partner

As explained more fully in the Statement of General Partner's Responsibilities set out on page 3, the General Partner is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Qualifying Partnership's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the General Partner; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the General Partner's judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Report of the General Partner, we consider whether this report includes the disclosures required by applicable legal requirements.



Christopher Meyrick (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
8 June 2017

Statement of Comprehensive Income

	Year ended 31 December 2016			Year ended 31 December 2015		
	Carried Interest Partners US\$	General Partner US\$	Total US\$	Carried Interest Partners US\$	General Partner US\$	Total US\$
Turnover						
Income	-	501,310	501,310	-	360,662	360,662
Expenditure						
Administration and other expenses	(7,409)	-	(7,409)	(4,252)	-	(4,252)
Total (loss) / profit for the year attributable to Partners	(7,409)	501,310	493,901	(4,252)	360,662	356,410

All results shown in the Statement of Comprehensive Income are from continuing operations.

The Partnership has no components of other comprehensive income in the current and comparative year.

The notes 1 to 12 form an integral part of these financial statements.

SL Capital SOF I GP LP

Statement of Financial Position

At 31 December 2016

At 31 December 2015

	Notes	Carried Interest Partners US\$	General Partner US\$	Total US\$	Carried Interest Partners US\$	General Partner US\$	Total US\$
Fixed assets							
Financial assets at fair value through profit or loss	5	2,121	-	2,121	2,121	-	2,121
Current assets							
Debtors	6	-	12,231	12,231	-	3,535	3,535
Cash and cash equivalents		-	12,231	12,231	952	-	952
		-	12,231	12,231	952	3,535	4,487
Current liabilities							
Creditors due within one year	7	(20,340)	(12,231)	(32,571)	(13,883)	(3,535)	(17,418)
Net current liabilities		(20,340)	-	(20,340)	(12,931)	-	(12,931)
Net liabilities attributable to Partners		(18,219)	-	(18,219)	(10,810)	-	(10,810)

The General Partner acknowledges its responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of the financial statements.

These financial statements have been prepared in accordance with the provisions of FRS 102 Section 1A – small entities.

The notes 1 to 12 form an integral part of these financial statements.

The financial statements set out on pages 6 to 13 were authorised for issue by SLCP (General Partner SOF I) Limited on 8 June 2017 and were signed on its behalf by:



Ian Harris
Director, SLCP (General Partner SOF I) Limited

Statement of Changes in Net Assets Attributable to Partners

	Year ended 31 December 2016			Year ended 31 December 2015		
	Carried Interest Partners US\$	General Partner US\$	Total US\$	Carried Interest Partners US\$	General Partner US\$	Total US\$
Net liabilities attributable to Partners at the start of the year	(10,810)	-	(10,810)	(6,558)	-	(6,558)
Distributions to Partners	-	(501,310)	(501,310)	-	(360,662)	(360,662)
Total distributed	-	(501,310)	(501,310)	-	(360,662)	(360,662)
Total (loss) / profit for the year attributable to Partners	(7,409)	501,310	493,901	(4,252)	360,662	356,410
Net liabilities attributable to Partners at the end of the year	(18,219)	-	(18,219)	(10,810)	-	(10,810)

Net Assets Attributable to Partners since inception to 31 December 2016

	Inception to 31 December 2016			Inception to 31 December 2015		
	Carried Interest Partners US\$	General Partner US\$	Total US\$	Carried Interest Partners US\$	General Partner US\$	Total US\$
Partners' capital drawn	2,121	-	2,121	2,121	-	2,121
Distributions to Partners	-	(1,013,723)	(1,013,723)	-	(512,413)	(512,413)
Net drawn / (distributed)	2,121	(1,013,723)	(1,011,602)	2,121	(512,413)	(510,292)
Total (loss) / profit for the period attributable to Partners	(20,340)	1,013,723	993,383	(12,931)	512,413	499,482
Net liabilities attributable to Partners at the end of the period	(18,219)	-	(18,219)	(10,810)	-	(10,810)

The notes 1 to 12 form an integral part of these financial statements.

Notes to the Financial Statements

1. Partnership background

The Partnership was formed for the purpose of acting as the General Partner of SOF I, SOF I Feeder and SOF I Co Investment. The Partnership is registered in Scotland, U.K. and was established on 3 July 2013 with combined commitments of US\$2,000 from its Carried Interest Partners. The combined commitments of the Carried Interest Partners were adjusted to US\$2,121 following the final close of SOF I.

The Partnership shall continue until the expiry of 90 days after the termination of SOF I. The Partnership has no employees.

2. Statement of compliance

The financial statements of the Partnership have been prepared in compliance with United Kingdom Accounting Standards, including FRS 102 Section 1A, the Companies Act 2006 and the Regulations. The Statement of Cash Flows is not included as this is exempted from FRS 102 Section 1A.

3. Summary of significant accounting policies

The principal accounting policies applied 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.

3.1 Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value through profit or loss. The financial statements are presented in United States Dollar ("US\$"), which is also the Partnership's functional and presentational currency. The preparation of financial statements in conformity with FRS 102 Section 1A 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 and estimates are significant are disclosed in note 4.

3.2 Going concern

The General Partner has made an assessment of the Partnership's ability to continue as a going concern and is satisfied that the Partnership, along with the ongoing financial support of the Manager, has the resources to continue in business for the foreseeable future. Furthermore, the General Partner is not aware of any material uncertainties that may cast significant doubt upon the Partnership's ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

3.3 Income, expenses, gains and losses

All income and expenses, inclusive of realised gains and losses are accounted for on an accruals basis in the Statement of Comprehensive Income. This includes amounts arising in SOF I and SOF I Feeder which have been allocated to the Partnership's account in SOF I and SOF I Feeder.

Management profit share is received from SOF I as the first charge on net income and net realised gains in any accounting period whether or not there are sufficient net income and net realised gains in that accounting period. Where management profit share exceeds net income and net realised gains in any accounting period, the excess is deemed to be a non-recoverable loan. Management profit share is received from SOF I Feeder as the first charge on net income and net realised gains in any accounting period and equals US\$100 for each accounting period. The full management profit share received by the Partnership from SOF I and SOF I Feeder is included in the Statement of Comprehensive Income.

3.4 Financial instruments

a) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost, using the effective interest method.

Other financial assets, such as investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Statement of Comprehensive Income.

Notes to the Financial Statements (continued)

3. Summary of significant accounting policies (continued)

3.4 Financial instruments (continued)

a) Financial assets (continued)

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

b) Financial liabilities

Basic financial liabilities including trade and other payables are initially recognised at transaction price, unless the arrangement constitutes, in effect, a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

These financial liabilities are subsequently carried at amortised cost, using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

3.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value. At 31 December 2016 and 31 December 2015, there were no cash equivalents.

3.6 Foreign currency

The General Partner considers the US\$ as the Partnership's functional and presentational currency as it most faithfully represents the economic effects of the underlying transactions, events and conditions.

Non-US\$ denominated assets and liabilities are translated at the exchange rate at the date of the Statement of Financial Position. Non-US\$ income and expense transactions are translated at the exchange rate prevailing on the date of the transaction.

Exchange rates at 31 December 2016:

Exchange rates at 31 December 2015:

US\$1=		US\$1=	
Sterling	£0.8093	Sterling	£0.6785

3.7 Taxation

No provision has been made in the financial statements for taxation of the Partners. All Partners are individually responsible for reporting their share of the Partnership's income, gains and losses for taxation purposes.

4. Critical accounting estimates and judgements

There are key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Partnership based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Partnership. Such changes are reflected in the assumptions when they occur.

4.1 Fair value of investments not quoted in an active market

When the fair value of financial assets cannot be derived from an active market, their fair value is determined by using a variety of valuation techniques such as comparable recent arm's length transactions, capital asset pricing model and discounted cash flow.

The investments in SOF I, SOF I Feeder and SOF I Co Investment are currently stated at fair value as estimated by the General Partner. The General Partner considers the balance of the Partnership's capital accounts in SOF I, SOF I Feeder and SOF I Co Investment as being equal to fair value.

Notes to the Financial Statements (continued)

5. Financial assets at fair value through profit or loss

	At 31 December 2016			At 31 December 2015		
	Carried Interest Partners	General Partner	Total	Carried Interest Partners	General Partner	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Investment in SOF I	2,110	-	2,110	2,110	-	2,110
Investment in SOF I Feeder	10	-	10	10	-	10
Investment in SOF I Co Investment	1	-	1	1	-	1
	<u>2,121</u>	<u>-</u>	<u>2,121</u>	<u>2,121</u>	<u>-</u>	<u>2,121</u>

6. Debtors

	At 31 December 2016				At 31 December 2015			
	Carried Interest Partners	General Partner	Total	Carried Interest Partners	General Partner	Total		
	US\$	US\$	US\$	US\$	US\$	US\$		
Due from SOF I	-	12,231	12,231	-	3,291	3,291		
Due from SOF I Feeder	-	-	-	-	244	244		
	<u>-</u>	<u>12,231</u>	<u>12,231</u>	<u>-</u>	<u>3,535</u>	<u>3,535</u>		

There were no debtors falling due after more than one year at 31 December 2016 and 31 December 2015.

Notes to the Financial Statements (continued)

7. Creditors due within one year

	At 31 December 2016			At 31 December 2015		
	Carried Interest Partners	General Partner	Total	Carried Interest Partners	General Partner	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Due to SOF I	16,869	-	16,869	9,911	-	9,911
Due to General Partner	-	12,231	12,231	-	3,536	3,536
Audit fee accrual	2,710	-	2,710	3,139	-	3,139
Due to Carried Interest Partners	379	-	379	379	-	379
Administration fee accrual	371	-	371	443	-	443
Due to SOF I Feeder	10	-	10	10	-	10
Due to SOF I Co Investment	1	-	1	1	-	1
	20,340	12,231	32,571	13,883	3,536	17,418

Notes to the Financial Statements (continued)

8. Allocation of the Partnership's net income, gains and losses

The Partnership's net income, gains and losses are allocated in accordance with the distribution provisions of the Limited Partnership Agreement. Amounts received by the Partnership in respect of management profit share from SOF I and SOF I Feeder are allocated to the General Partner. Amounts received in respect of the Partnership's capital commitment to SOF I and SOF I Feeder are allocated to the Carried Interest Partners. At 31 December 2016, no amounts in respect of carried interest had been received (2015: US\$Nil).

9. Related party transactions

The Limited Partnership Agreement provides that SLCP (General Partner SOF I) Limited shall act as General Partner and be entitled to distributions equal to amounts received by the Partnership from SOF I and SOF I Feeder in respect of management profit share. During the year, US\$501,310 (2015: US\$360,662) was received by the Partnership from SOF I and SOF I Feeder in relation to management profit share and US\$501,310 (2015: US\$360,662) was paid to the General Partner in relation to management profit share. SLCP (General Partner SOF I) Limited is a wholly owned subsidiary of SLCP (Holdings) Limited, which is a subsidiary of the ultimate parent, Standard Life plc.

The Manager of the Partnership receives a management fee, equal to the management profit share allocated to the General Partner, in relation to its activity as Manager of SOF I and SOF I Feeder.

Certain members and employees of the Manager and the discretionary trusts of their families are Carried Interest Partners in the Partnership and are entitled to participate in the profits as disclosed in note 8. At 31 December 2016 the Partnership owed US\$658 (2015: US\$1,610) to SOF I in relation to initial capital contribution.

During the year, US\$7,910 (2015: US\$8,301) was paid by SOF I on behalf of the Partnership in respect of expenses. At 31 December 2016 the Partnership owed US\$16,211 (2015: US\$8,301) to SOF I in respect of expenses paid on its behalf.

At 31 December 2016 US\$12,231 (2015: US\$3,291) was due to the Partnership by SOF I in respect of management profit share.

At 31 December 2016 US\$10 (2015: US\$10) was due to SOF I Feeder, US\$1 (2015: US\$1) to SOF I Co Investment and US\$379 (2015: US\$379) to the Carried Interest Partners in relation to capital contributions.

At 31 December 2016 US\$Nil (2015: US\$244) was due to the Partnership by SOF I Feeder in respect of management profit share.

At 31 December 2016 the Partnership owed US\$12,231 (2015: US\$3,535) to the General Partner in respect of management profit share.

10. Commitments and contingencies

The partnership has committed an aggregate of US\$2,121 (2015: US\$2,121) to SOF I as a carried interest partner.

There are no contingent assets or liabilities that require disclosure in the financial statements at the year end.

11. Related undertakings

The Companies Act 2006 requires disclosure of certain information about the Partnership's related undertakings. The Partnership has no subsidiaries, associates or other significant holdings and therefore has no disclosures in related undertakings.

12. Events after the reporting date

Subsequent events have been evaluated up to 8 June 2017. There were no significant events identified after the reporting date.

SL Capital SOF I Feeder LP

Financial Statements for the year ended 31 December 2016

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Important Note

The contents of this report do not constitute advice and no person should make any investment decisions in reliance on the contents of this report. Any commentary, opinions, forecasts or estimates which are included within this report may not prove to be accurate and may be superseded by subsequent events. The information included in this report is based upon information which has been provided by underlying fund managers and other third parties.

Manager, General Partner and Advisors

Registered Address	1 George Street Edinburgh, EH2 2LL U.K.
Manager and Principal Place of Business	SL Capital Partners LLP 1 George Street Edinburgh, EH2 2LL U.K.
General Partner	SL Capital SOF I GP LP 1 George Street Edinburgh, EH2 2LL U.K.
UK Legal Advisors	King & Wood Mallesons LLP 10 Queen Street Place London, EC4R 1BE U.K. Goodwin Procter (UK) LLP 100 Cheapside London, EC2V 6DY U.K.
US Legal Advisors	Ropes & Gray LLP Prudential Tower 800 Boylston Street Boston, MA 02199 - 3600 U.S.A.
US Tax Advisors	Ernst & Young LLP 25 Churchill Place London, E14 5EY U.K.
Independent Auditors	PricewaterhouseCoopers LLP Atria One 144 Morrison Street Edinburgh, EH3 8EX U.K.
Administrator	Augentius (UK) Ltd Two London Bridge London, SE1 9RA U.K.
Depository	Augentius Depositary Company Limited Two London Bridge London, SE1 9RA U.K.

Report of the General Partner

The General Partner, SL Capital SOF I GP LP, presents the audited financial statements for SL Capital SOF I Feeder LP ("the Partnership") for the year ended 31 December 2016.

Structure of the Partnership

The Partnership is a Limited Partnership, established in Scotland, United Kingdom ("U.K."). The Partnership held a final close on 5 February 2014 bringing aggregate commitments to US\$142.1 million and Limited Partners to nine. The structure of the Partnership is detailed further in note 1 to the financial statements.

Directors of the General Partner

There have been no changes to the Directors of the General Partner during the year. Please refer to the financial statements of SLCP (General Partner SOF I) Limited for the names of Directors.

Distributions

Distributions of US\$21,075,176 (2015: US\$11,482,739) were made during the year of which US\$12,100,160 (2015: US\$8,531,376) was temporary return of capital, which is recallable.

Events after the reporting date

The General Partner has identified no significant events after the reporting date.

Results, activities and future developments

The results for the year are set out in the Statement of Comprehensive Income on page 9. A description of the principal activity of the Partnership is provided in note 1 to the financial statements.

The Manager's Report for the Partnership, which is issued separately, contains detailed analysis of each of the investments in SL Capital SOF I LP ("the Master Fund"), together with commentary on the economic climate and how this impacts the private equity market.

Disclosure of information to auditors

At the date of this report, the General Partner confirms that:

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

Independent auditors

PricewaterhouseCoopers LLP have been the Standard Life Group's auditors since 1994. In order to comply with regulations regarding mandatory auditor rotation and tendering, in last year's annual Standard Life plc accounts it was announced that the Standard Life Group were about to commence a tender process for the appointment of the external auditor. This tender resulted in the proposal, subject to shareholder approval at the 2017 AGM, to appoint KPMG as the external independent auditor for the 2017 financial year for the Group and related entities.

Data protection

SL Capital Partners LLP has implemented measures that it believes are necessary in order to comply with the U.K. Data Protection Act 1998.

Report of the General Partner (continued)

Strategic report

The Partnership is considered as "small" under Section 414B of The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and is therefore exempt from preparing a strategic report.

Signed on behalf of SL Capital SOF I GP LP

A handwritten signature in black ink, appearing to read 'Ian Harris', with a long horizontal stroke extending to the right.

Ian Harris

Director, SLCP (General Partner SOF I) Limited

4 May 2017

Statement of General Partner's Responsibilities

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

Company law as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 ("the Regulations") requires the General Partner to prepare financial statements for each financial period. Under that law the General Partner has prepared the Partnership's financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU").

Under Company law as applied to qualifying partnerships, 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 period.

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 as adopted by the EU, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 them to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying partnerships by the Regulations. They are 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.

Depository Report

Pursuant to the requirements of the Alternative Investment Fund Manager Directive ("AIFMD"), Augentius Depository Company Limited ("ADCL") has been appointed by SL Capital Partners LLP ("the Manager") to provide the Partnership with cash flow monitoring, ownership verification and compliance oversight services ("the Depository Services").

ADCL's responsibility

ADCL's review and conclusion in respect of the Partnership is based on ADCL's review of information and documentation supplied to ADCL by the Manager, or such other person(s) as this function is delegated to from time to time, in addition to such other publicly available resources as ADCL deems appropriate.

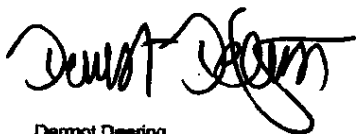
ADCL's Depository Services and the conclusion reached pursuant to such services is limited to and does not extend beyond the scope of the requirements of a depository under the AIFMD.

Compliance conclusion

ADCL confirms that during the year ended 31 December 2016, in the performance of its Depository Services, ADCL detected no material reportable irregularities in respect of the Partnership in relation to the AIFMD.

Reliance

The disclosure by ADCL of its findings pursuant to the Depository Services in relation to the Partnership has been provided at the request of the Manager and for information purposes only on a non-reliance basis and as such, such findings shall not be relied on by any other person.



Dermot Deering
for and on behalf of Augentius Depository Company Limited
4 May 2017

Independent auditors' report to the partners of SL Capital SOF I Feeder LP ("the Qualifying Partnership")

Report on the financial statements

Our Opinion

In our opinion, the Qualifying Partnership's financial statements ("the financial statements"):

- give a true and fair view of the state of the Qualifying Partnership's affairs as at 31 December 2016 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.

What we have audited

The financial statements comprise:

- the Statement of Financial Position as at 31 December 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Cash Flows for the year then ended;
- the Statement of Changes in Net Assets Attributable to Partners for the year then ended;
- the Net Assets Attributable to Partners since inception to the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law.

In applying the financial reporting framework, the General Partner has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, it has made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the General Partner for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the General Partner has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Report of the General Partner. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Independent auditors' report to the partners of SL Capital SOF I LP ("the Qualifying Partnership") (continued)

Other matters on which we are required to report by exception (continued)

General Partner's remuneration

Under the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 we are required to report to you if, in our opinion, certain disclosures of General Partner's remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 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.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the General Partner

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 and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Qualifying Partnership's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the General Partner; and
- the overall presentation of the financial statements.

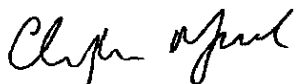
We primarily focus our work in these areas by assessing the General Partner's judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

Independent auditors' report to the partners of SL Capital SOF I Feeder LP ("the Qualifying Partnership") (continued)

Responsibilities for the financial statements and the audit (continued)

In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Christopher Meyrick (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
4 May 2017

Statement of Comprehensive Income

		Year ended 31 December 2016 US\$	Year ended 31 December 2015 US\$
	Notes		
Income			
Net unrealised movement on investment		6,742,422	3,205,166
Net realised gains on investment		44,572	2,061,602
Total net income		6,786,994	5,266,768
Expenses			
Administration and other expenses	5	(17)	-
Total operating expenses		(17)	-
Operating profit		6,786,977	5,266,768
Management profit share	8	(100)	(100)
Increase in net assets attributable to Partners from operations		6,786,877	5,266,668

All results shown in the Statement of Comprehensive Income are from continuing operations.

The Partnership has no components of other comprehensive income in the current and comparative year

The notes 1 to 13 form an integral part of these financial statements.

Statement of Financial Position

	Notes	At 31 December 2016 US\$	At 31 December 2015 US\$
Assets			
Non-current assets			
Investment in Master Fund	11	<u>107,015,209</u>	<u>84,485,958</u>
Current assets			
Trade and other receivables	6	60	81
Cash and cash equivalents		<u>71</u>	<u>-</u>
		<u>131</u>	<u>81</u>
Current liabilities			
Trade and other payables	7	<u>(19,861)</u>	<u>(19,693)</u>
		<u>(19,861)</u>	<u>(19,693)</u>
Net current liabilities		<u>(19,730)</u>	<u>(19,612)</u>
Net assets attributable to Partners		<u>106,995,479</u>	<u>84,466,346</u>

The General Partner acknowledges its responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of the financial statements.

The notes 1 to 13 form an integral part of these financial statements.

The financial statements set out on pages 9 to 22 were authorised for issue by the General Partner on 4 May 2017 and signed on its behalf by:



Ian Harris
Director, SLCP (General Partner SOF I) Limited

Statement of Changes in Net Assets Attributable to Partners

	Year ended 31 December 2016 US\$	Year ended 31 December 2015 US\$
Net assets attributable to Partners at the start of the year	84,466,346	58,870,713
Partners' loan drawn	36,817,432	31,811,704
Temporary return of capital to Partners	(12,100,160)	(8,531,376)
Distributions to Partners	(8,975,016)	(2,951,363)
Net drawn	15,742,256	20,328,965
Increase in net assets attributable to Partners from operations	6,786,877	5,266,668
Net assets attributable to Partners at the end of the year	106,995,479	84,466,346

Net Assets Attributable to Partners since inception to 31 December 2016

	Inception to 31 December 2016 US\$	Inception to 31 December 2015 US\$
Partners' capital drawn	14,222	14,222
Partners' loan drawn	125,482,390	88,664,958
Temporary return of capital to Partners	(23,948,807)	(11,848,647)
Distributions to Partners	(11,926,379)	(2,951,363)
Net drawn	89,621,426	73,879,170
Increase in net assets attributable to Partners from operations	17,374,053	10,587,176
Net assets attributable to Partners at the end of the period	106,995,479	84,466,346

The notes 1 to 13 form an integral part of these financial statements.

Statement of Cash Flows

		Year ended 31 December 2016 US\$	Year ended 31 December 2015 US\$
	Notes		
Cash flows from operating activities			
Operating profit		6,786,977	5,266,768
Increase in trade and other receivables	6	(50)	-
Increase in trade and other payables	7	482	-
Net unrealised movement on investments		(6,742,422)	(3,205,166)
Net realised gain on investments		(44,572)	(2,061,602)
Contributions to Master Fund		(24,717,343)	(23,280,314)
Distributions from Master Fund		8,975,016	2,951,363
Net cash outflow from operating activities		(16,741,912)	(20,328,951)
Management profit share		(344)	-
Cash flows from financing activities			
Partners' loan drawn		36,817,503	31,811,690
Temporary return of capital to Partners		(12,100,160)	(8,531,376)
Distributions to Partners		(8,975,016)	(2,951,363)
Net cash inflow from financing activities		15,742,327	20,328,951
Net increase in cash and cash equivalents		71	-
Cash and cash equivalents at the start of the year		-	-
Cash and cash equivalents at the end of the year		71	-

The notes 1 to 13 form an integral part of these financial statements.

Notes to the Financial Statements

1. Partnership background

The Partnership is a Limited Partnership registered in Scotland, U.K. and was established on 29 July 2014. On 8 October 2014, nine of the Limited Partners in the Master Fund were transferred to the Partnership bringing the total Limited Partners to nine, including SOF I Executive Co Investment Limited Partnership. Total commitments amounted to US\$142.1 million. The Limited Partners' capital contributions equal 0.01% of their total commitment. Commitments to the Master Fund can be drawn at any time and the Partnership is required to draw down loan commitments from Limited Partners in order to cover these.

SL Capital SOF I GP LP is the General Partner of the Partnership and has contributed US\$10 to the Partnership as the General Partner. The Manager of the Partnership is SL Capital Partners LLP, which is authorised and regulated by the Financial Conduct Authority ("the FCA") and is a U.S. Securities and Exchange Commission registered investment advisor based in Edinburgh, U.K. The Manager was authorised as an AIFM by the FCA on 22 July 2013. The FCA permitted the Manager to act as the AIFM to the Partnership with effect from 17 May 2014. The Partnership has no employees.

The Partnership was formed for the purpose of investing directly or indirectly in the Master Fund.

The Master Fund is established for a term of ten years from the end of the investment period. The investment period ends on 5 February 2017. The life of the Master Fund may be extended by up to three additional one year periods, and thereafter with the agreement of the General Partner and the investors. The Partnership shall continue until the expiry of 90 days after the termination of the Master Fund.

The structure of the Partnership at 31 December 2016 was as follows:-

	At 31 December 2016 US\$
Commitments	142,118,900
Partners' capital drawn	14,222
Partners' loan drawn	125,482,390
Temporary return of capital to Partners	(23,948,807)
Funded	101,547,805
% of Commitments	71.5%
Distributions to Partners:	
Paid to Limited Partners	11,926,379
Paid to General Partner	-
Total distributed	11,926,379
Limited Partners' % distributed of Funded Commitments	11.7%
Net drawn from all Partners	89,621,426

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities measured at Fair Value through Profit or Loss ("FVPL"), and in accordance with the Limited Partnership Agreement. The Partnership is denominated in US\$. International Financial Reporting Standards ("IFRSs") as adopted by the EU and the Companies Act 2006, as applied to qualifying partnerships, have been applied in all aspects of the preparation of the financial statements.

The preparation of the 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 and estimates are significant are disclosed in note 3.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.2 New and revised accounting standards / amendments effective for the current year

New and revised accounting standards that are effective for annual periods beginning on or after 1 January 2016 and have been adopted by the Partnership are listed below.

Investment Entities, 'Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)'

In December 2014, IASB issued the amendments to IFRS 10, IFRS 12 and IAS 28 providing clarification on the application of consolidation exception for investment entities including its subsidiaries.

The amendments clarify that intermediate parent entities which are subsidiaries of investment entities can also avail the exception from preparing consolidated financial statements.

The amendments also clarify that a subsidiary that provides services related to the investment activities of its investment entity parent should be consolidated. However, if such subsidiary is also an investment entity, then such subsidiary should also be measured at FVPL by the parent investment entity.

The amendments now also allow a non-investment entity parent to retain the fair value measurement applied by the investment entity associate or joint venture to its subsidiaries.

Management does not expect the adoption of these amendments to have an impact on the Partnership's financial statements.

Disclosure Initiative (Amendments to IAS 1)

In December 2014, IASB issued the amendments to IAS 1 covering five areas: materiality, disaggregation and subtotals, notes, disclosure of accounting policies, and presentation of other comprehensive income ("OCI") arising from investments accounted for under the equity method. The amendments state that the materiality concept applies to the primary statements, notes and any specific disclosures required by IFRS. The amendments clarified that line items, in the statement of financial position or in the statement of profit and loss and other comprehensive income, can be aggregated or disaggregated as deemed relevant. The amendments clarified that entities have flexibility around the structuring of the notes and emphasised that understandability and comparability should be considered when deciding the order of the notes. The amendments provided guidance on how to identify significant accounting policies. The amendments clarified that the share of other comprehensive income from associates and joint ventures accounted for under the equity method must be presented as a single line item, irrespective of whether it will be reclassified to profit or loss.

Management does not expect the adoption of these amendments to have an impact on the Partnership's financial statements.

2.3 New accounting standards / amendments not yet effective

Standards amendments and interpretations to existing standards that are not yet effective and have not been adopted by the Partnership are listed below.

IFRS 9, 'Financial Instruments'

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39, '*Financial Instruments: Recognition and Measurement*' and all previous versions of IFRS 9. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and FVPL. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at FVPL with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designated at FVPL. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39.

The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Partnership has yet to assess IFRS 9's full impact. This has yet to be adopted by the EU.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.3 New accounting standards / amendments not yet effective (continued)

IFRS 15, 'Revenue from Contracts with Customers' and Clarifications to IFRS 15 ("Clarifications")

In May 2014, IASB issued IFRS 15, 'Revenue from Contracts with Customers' which will supersede all current revenue recognition requirements under IFRS. The core principle of the new standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the Partnership expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

IFRS 15 and its Clarifications are effective for annual periods beginning on or after 1 January 2018. Earlier application is permitted. The Partnership has yet to assess IFRS 15's full impact. Entities will have a choice of full retrospective application, or modified retrospective application. IFRS 15 has been adopted by the EU. The Clarifications have not been adopted by the EU. The Partnership is still in the process of assessing IFRS 15's full impact.

Disclosure Initiative (Amendments to IAS 7, 'Statement of Cash Flows')

Entities will be required to explain changes in their liabilities arising from financing activities. This includes changes arising from cash flows (e.g. drawdowns and repayments of borrowings) and non-cash changes such as acquisitions, disposals, accretion of interest and unrealised exchange differences.

Changes in financial assets must be included in this disclosure if the cash flows were, or will be, included in cash flows from financing activities. This could be the case, for example, for assets that hedge liabilities arising from financing activities.

Entities may include changes in other items as part of this disclosure, for example by providing a 'net debt' reconciliation. However, in this case the changes in the other items must be disclosed separately from the changes in liabilities arising from financing activities.

The information may be disclosed in tabular format as a reconciliation from opening and closing balances, but a specific format is not mandated.

These amendments are effective for annual periods beginning on or after 1 January 2017. The Partnership will adopt these amendments when they become effective. This has yet to be adopted by the EU.

IAS 28 Investments in Associates and Joint Ventures

The amendment clarified that the election to measure at FVPL an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

The amendment is effective for annual periods beginning on or after 1 January 2016. The Partnership will adopt this amendment when it becomes effective. This has yet to be adopted by the EU.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Partnership.

2.4 Going concern

The General Partner has made an assessment of the Partnership's ability to continue as a going concern and is satisfied that the Partnership has the resources to continue in business for the foreseeable future. Furthermore, the General Partner is not aware of any material uncertainties that may cast significant doubt upon the Partnership's ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

2.5 Financial period

The financial statements were prepared from 1 January 2016 to 31 December 2016. The comparatives were presented from 1 January 2015 to 31 December 2015.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.6 Functional currency

The General Partner considers the United States Dollar ("US\$") as the Partnership's functional and presentational currency as it most faithfully represents the economic effects of the underlying transactions, events and conditions.

2.7 Income, expenses, gains and losses

All income and expenses, inclusive of realised gains and losses are accounted for on an accruals basis in the Statements of Comprehensive Income.

Net income, gains and losses of the Partnership are allocated under the terms of the Limited Partnership Agreements. Details are set out in note 2.15.

2.8 Investment entity

The Partnership has multiple unrelated investors and holds multiple investments via the Master Fund. The General Partner has determined that the Partnership is an investment entity as per IFRS 10 Consolidated Financial Statements. Details are set out in note 3.2.

2.9 Investment in the Master Fund

The Partnership records its investment in the Master Fund at fair value. Accordingly, the Partnership's share of the Master Fund's net investment income, realised and movement in unrealised gains and losses are recognised in the Statement of Comprehensive Income as net unrealised movement on investment. Further details are set out in note 3.1.

2.10 Cash and cash equivalents

Cash includes cash in hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value. At 31 December 2016 and 31 December 2015, there were no cash equivalents.

2.11 Trade and other receivables

Receivables are recognised initially at fair value. They are subsequently measured at amortised cost using the effective interest method, less the appropriate allowances for estimated irrecoverable amounts.

2.12 Trade and other payables

Payables and accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

2.13 Taxation

No provision has been made in the financial statements for taxation of the General Partner and the Limited Partners. All Partners are individually responsible for reporting their share of the Partnership's income, gains and losses for taxation purposes.

2.14 Net assets attributable to Partners

The Partnership's contributed capital consists of capital and loan contributions. Net assets attributable to Partners is classified as a financial liability, due to the Partnership's finite life and contractual payment provisions to each of the Partners.

2.15 Distribution of income proceeds and capital proceeds between Partners

The Partnership's net income, gains and losses are allocated in accordance with the distribution provisions of the Limited Partnership Agreement.

Distributions are allocated pro rata in accordance with each Limited Partner's commitments until the Limited Partners have received repayment of investors' outstanding loans pro rata to their respective commitments.

3. Critical accounting estimates and judgements

There are key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Partnership based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Partnership. Such changes are reflected in the assumptions when they occur.

Notes to the Financial Statements (continued)

3. Critical accounting estimates and judgements (continued)

3.1 Fair value of investments not quoted in an active market

When the fair value of financial assets cannot be derived from an active market, their fair value is determined by using a variety of valuation techniques such as comparable recent arm's length transactions, capital asset pricing model and discounted cash flow.

The investment in the Master Fund is valued at the balance of its Capital account in that partnership, which the General Partner considers to equal fair value.

The Master Fund's investments are valued by the Master Fund's General Partner with reference to the 'International Private Equity and Venture Capital Valuation Guidelines' ('the Guidelines'). They are stated at the Master Fund's General Partner's estimate of fair value and will follow the recommendations of the Guidelines. The estimate of fair value is based on the latest valuation placed on a fund by its manager, adjusted, if required, for cash flows between the date of the Master Fund's manager's report and the Master Fund's statement of financial position date. See note 3 "Critical accounting estimates and judgements" in the Master Fund's financial statements at 31 December 2016 for further information.

3.2 Investment entity status

The Partnership was set up with an intention to have multiple investors and indirectly hold multiple investments via the Master Fund. Ownership interests in the Partnership are in the form of the Partner's share of capital in the Partnership and are exposed to variable returns from changes in the fair value of the Partnership's net assets. The Partnership has been deemed to meet the definition of an investment entity per IFRS 10 Consolidated Financial Statements as the following conditions exist:

- (i) The Partnership 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 via the Limited Partnership Agreement, is providing Partners with an overall rate of return from investments by means of both income and capital growth; and
- (iii) The performance of investments made is measured and evaluated on a fair value basis.

The Partnership meets all of the typical characteristics of an investment entity.

4. Remuneration policy

This note is not audited. In line with the AIFMD, the Company's AIFM has implemented a remuneration policy for its staff which is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles, governing terms and the investment strategy of the funds that it manages, and is aligned with the overall business strategy, objectives and interests of the AIFM.

The AIFM has identified "Code Staff", i.e. those individuals whose activities have a material impact on the risk profile of the AIFM, or the funds that it manages.

The remuneration practices in place within the AIFM are compliant with the AIFMD Remuneration Code and are proportionate and appropriate for the nature of business and of the funds it manages. The remuneration policy:

- comprises an appropriate mix of fixed and variable remuneration that encourage individuals to make a strong contribution;
- is consistent with the aims and objectives of the AIFM and of the funds it manages;
- provides for the independent oversight of staff in control functions by a remuneration committee;
- contains measures to avoid potential conflicts of interest and to promote effective risk management; and
- includes performance incentives for certain members of staff which may become payable in the event of the performance of funds exceeding the thresholds agreed with the funds' investors

In accordance with the AIFMD, the AIFM's remuneration policy and required disclosures are available from the Manager on request.

Notes to the Financial Statements (continued)

5. Administration and other expenses

	Year ended 31 December 2016	Year ended 31 December 2015
	US\$	US\$
Bank and custody fees	17	-
	<u>17</u>	<u>-</u>

6. Trade and other receivables

	At 31 December 2016	At 31 December 2015
	US\$	US\$
Due from SOF I Executive Co Investment Limited Partnership	50	-
Due from General Partner	10	10
Due from Limited Partners	-	71
	<u>60</u>	<u>81</u>

7. Trade and other payables

	At 31 December 2016	At 31 December 2015
	US\$	US\$
Due to Master Fund	19,861	19,449
Due to General Partner	-	244
	<u>19,861</u>	<u>19,693</u>

8. Management profit share

The Partnership allocates management profit share of US\$100 to the General Partner in respect of each Accounting Period, payable annually in advance.

The management profit share ranks as the first charge on net income and realised gains in any Accounting Period and is paid in full by the Partnership whether or not there are sufficient net income and realised gains to cover the amount. Such sums are not recoverable, except against future net income and realised gains of the Partnership.

At 31 December 2016, the total amount of the net income and net realised gains exceeded the total amount of management profit share for the year, there was no amount paid in advance (2015: US\$Nil).

9. Related party disclosure

The Limited Partnership Agreement provides that SL Capital SOF I GP LP shall act as General Partner and is entitled to a management profit share as described in note 8. During the year ended 31 December 2016 the General Partner was allocated management profit share of US\$100 (2015: US\$100). The General Partner of SL Capital SOF I GP LP is SLCP (General Partner SOF I) Limited, a wholly owned subsidiary of SLCP (Holdings) Limited, which is a subsidiary of the ultimate parent, Standard Life plc.

The Manager of the Partnership receives a management fee, equal to the management profit share allocated to the General Partner, in relation to its activity as Manager of the Partnership.

Notes to the Financial Statements (continued)

9. Related party disclosure (continued)

Standard Life Portfolio Investments Limited and SOF I Executive Co Investment Limited Partnership, related entities sharing the same ultimate parent with the Partnership, have committed US\$600,000 and US\$518,890 respectively to the Partnership as Limited Partners. During the year, distributions of US\$88,964 and US\$79,681 (2015: US\$48,478 and US\$41,925) were made to Standard Life Portfolio Investments Limited and SOF I Executive Co Investment Limited Partnership of which US\$51,073 and US\$46,912 (2015: US\$36,018 and US\$31,149) were temporary return of capital, which are callable. In addition, US\$155,436 and US\$134,424 (2015: US\$134,303 and US\$116,148) were contributed by Standard Life Portfolio Investments Limited and SOF I Executive Co Investment Limited Partnership to the Partnership during the year.

SLCP (General Partner SOF I) Limited and certain members and employees of the Manager are carried interest partners in SL Capital SOF I GP LP and are entitled to participate in the profits as disclosed in the Master Fund's financial statements at 31 December 2016.

Certain members and employees of the Manager also invest in SOF I Executive Co Investment Limited Partnership, which was established at the final closing.

At 31 December 2016 there was a balance of US\$10 (2015: US\$10) due from the General Partner in respect of initial capital contribution.

At 31 December 2016 there was a balance of US\$Nil (2015: US\$71) due from the SOF I Executive Co Investment Limited Partnership in respect of drawdowns and distributions.

At 31 December 2016 there was a balance of US\$50 (2015: US\$Nil) due from SOF I Executive Co Investment Limited Partnership in respect of a temporary loan.

At 31 December 2016 the Partnership owed the Master Fund US\$19,861 (2015: US\$19,378) for expenses paid on its behalf and US\$Nil (2015: US\$71) in respect of drawdowns and distributions.

At 31 December 2016 there is a balance of US\$Nil (2015: US\$244) due to the General Partner in respect of management profit share.

10. Financial risk management

The overall strategy for the management of investment risk is driven by the investment policy as set out in the Limited Partnership Agreement. This is reviewed periodically by the Manager and Advisory Committee. Investments are selected by the Manager to achieve the investment objective of generating attractive returns, subject to prudent diversification. As a matter of policy there are no pre-set sector allocations, however, risk is spread by investing across a range of countries, industrial sectors and vintage years. The Partnership's financial assets are predominantly unsecured investments in limited partnerships, in which the maximum risk is considered to be the amount committed.

The Partnership's activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risks to which the Partnership is exposed are market risk (including price risk and currency risk), credit risk and liquidity risk. The risk management policies employed by the Partnership are detailed below:

10.1 Market risk

a) Price risk

The Partnership is at risk of the economic cycle impacting the quoted markets and hence potentially the pricing of investment deals, the valuation of underlying investments and the price and timing of exits.

Price risk is managed at the Master Fund level. Price risk is minimised by the Manager constructing a diversified portfolio of Fund Investments. At 31 December 2016, the Master Fund has 10 Fund Investments. More detail on the sector and geographic analysis is provided in the Manager's Report, which is issued separately.

A 10% increase in the 31 December 2016 valuation of the Partnership's investments would have increased the net assets attributable to Partners by US\$10,701,521 (2015: US\$8,448,596); a 10% change in the opposite direction would have decreased the net assets attributable to Partners by an equivalent amount.

Notes to the Financial Statements (continued)

10. Financial risk management (continued)

10.1 Market risk (continued)

b) Currency risk

The Master Fund makes commitments in currencies other than US\$ and accordingly a proportion of its assets and liabilities are in currencies other than US\$. As a result the Master Fund's statement of financial position is sensitive to movements in foreign exchange rates. The Master Fund has not hedged its foreign currency exposure, however, any cash received in a currency other than US\$ is converted into US\$ to minimise the exposure to fluctuations in exchange rates.

The currency risk is managed in the Master Fund, hence the Partnership has no significant exposure to currency risk on monetary items.

10.2 Credit risk

Credit risk is the exposure to loss arising from the failure of a counterparty to deliver securities or cash for acquisitions or disposals of investments or to repay deposits.

The Partnership places cash with authorised deposit takers and, therefore, is potentially at risk from the failure of any such institution. At 31 December 2016, all of the Partnership's cash was held by Societe Generale which was rated "A" by Standard & Poor's at the date of the Report of the General Partner.

At 31 December 2016, the assets held by the Partnership are not past due or impaired (2015: US\$Nil).

10.3 Liquidity risk

The Master Fund's investments are in unquoted fund investments which are not traded in a regulated public market and are generally illiquid. As a result the Master Fund may not be able to liquidate quickly these portfolio investments at an amount close to their fair value, in order to meet its liquidity requirements. The Manager mitigates this risk by regularly monitoring its cash position to ensure sufficient funds exist to meet liabilities as they fall due.

During the year ended 31 December 2016 the Partnership generated an operating profit of US\$6,786,977 (2015: US\$5,266,768) and cash resources at the end of the year amounted to US\$71 (2015: US\$Nil). The liabilities of the Partnership (excluding net assets attributable to Partners) are due on demand. In addition, the Partnership had available to it undrawn commitments of US\$40,571,095 (2015: US\$65,288,367) from its Limited Partners, which are due on demand.

The tables below analyse the Partnership's financial liabilities into relevant maturity based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.

At 31 December 2016

	On demand	Less than 1 year	Between 1 and 3 years	More than 3 years	Total
	US\$	US\$	US\$	US\$	US\$
Liabilities					
Trade and other payables	-	19,861	-	-	19,861
Net assets					
attributable to Partners	-	-	-	106,995,479	106,995,479
Total liabilities	-	19,861		106,995,479	107,015,340
Total unfunded commitments to Master Fund	40,571,095	-	-	-	40,571,095

Notes to the Financial Statements (continued)

10. Financial risk management (continued)

10.3 Liquidity risk (continued)

At 31 December 2015

	On demand US\$	Less than 1 year US\$	Between 1 and 3 years US\$	More than 3 years US\$	Total US\$
Liabilities					
Trade and other payables	-	19,693	-	-	19,693
Net assets					
attributable to Partners	-	-	-	84,466,346	84,466,346
Total liabilities	<u>-</u>	<u>19,693</u>	<u>-</u>	<u>84,466,346</u>	<u>84,486,039</u>
 Total unfunded commitments to Master Fund	 <u>65,288,367</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>65,288,367</u>

10.4 Capital risk management

The capital of the Partnership is represented by the net assets attributable to Partners. The Partnership's objective when managing the capital is to safeguard the ability to continue as a going concern in order to provide returns for Partners and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Partnership. In order to maintain or adjust the capital structure, the General Partner may call unfunded commitments from the Limited Partners or distribute funds to the Limited Partners.

The General Partner monitors capital on the basis of the value of the net assets attributable to Partners.

11. Fair value measurement

IFRS 7 requires a three-level hierarchy disclosure for categorising financial assets and liabilities carried at fair value and requires enhanced disclosures about fair value measurement. The fair value hierarchy classifies financial assets and liabilities according to the source of inputs ranked according to availability of observable market prices used in measuring fair value as follows:-

- Level 1 - Quoted prices (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 the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety should be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The categorisation of a fund investment within the hierarchy is based upon the pricing transparency of that investment and does not necessarily correspond to the General Partner's perceived risk of the investment. The Partnership's investment has been classified within Level 3 as it has unobservable inputs and trades infrequently or not at all.

The determination of what constitutes "observable" requires significant judgement by the General Partner. The General Partner considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by multiple, independent sources that are actively involved in the relevant market.

Notes to the Financial Statements (continued)

11. Fair value measurement (continued)

The following tables analyse within the fair value hierarchy the Partnership's investment measured at fair value

At 31 December 2016

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets at fair value through profit or loss				
- Investment in Master Fund	-	-	107,015,209	107,015,209

At 31 December 2015

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets at fair value through profit or loss				
- Investment in Master Fund	-	-	84,485,958	84,485,958

There were no transfers between levels during the current and comparative year.

Determining the fair value of the Partnership's investment requires judgement and considers factors specific to the investment. The valuation policies applied by the General Partner are detailed in note 3.1.

The changes in the investment in the Master Fund, measured at fair value for which the Partnership has used Level 3 inputs to determine fair value are as follows:-

	31 December 2016 US\$	31 December 2015 US\$
Balance at the start of the year	84,485,958	58,890,225
Purchases	24,717,273	23,280,327
Sales	(8,975,016)	(2,951,362)
Realised and unrealised gains	6,786,994	5,266,768
Balance at the end of the year	<u>107,015,209</u>	<u>84,485,958</u>
Unrealised movement included in profit or loss related to investment still held at the reporting date:		
- Net unrealised movement on investment	<u>6,742,422</u>	<u>3,205,166</u>

12. Unconsolidated collective investment vehicles and limited partnerships

The Partnership's interests in unconsolidated structured entities comprises of the Partnership's investment in the Master Fund with a total carrying value of US\$107,015,209 at 31 December 2016 (2015: US\$84,485,958), included within financial assets at fair value through profit or loss (see note 11).

At 31 December 2016, the total size of the Master Fund, including the portion in which the Partnership has no interest, was US\$189.9 million (2015: US\$189.9 million).

The Partnership's maximum exposure to loss is equal to the carrying value of the investment. The collective investment vehicles are primarily financed by investments from investors in the vehicles.

13. Subsequent events

Subsequent events have been evaluated up to 4 May 2017. There are no significant events identified after the reporting date.

SL Capital SOF I LP

Financial Statements for the year ended 31 December 2016

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Important Note

The contents of this report do not constitute advice and no person should make any investment decisions in reliance on the contents of this report. Any commentary, opinions, forecasts or estimates which are included within this report may not prove to be accurate and may be superseded by subsequent events. The information included in this report is based upon information which has been provided by underlying fund managers and other third parties.

Manager, General Partner and Advisors

Registered Address	1 George Street Edinburgh, EH2 2LL U.K.
Manager and Principal Place of Business	SL Capital Partners LLP 1 George Street Edinburgh, EH2 2LL U.K.
General Partner (and Founder Partner)	SL Capital SOF I GP LP 1 George Street Edinburgh, EH2 2LL U.K.
UK Legal Advisors	King & Wood Mallesons LLP 10 Queen Street Place London, EC4R 1BE U.K. Goodwin Procter (UK) LLP 100 Cheapside London, EC2V 8DY U.K.
US Legal Advisors	Ropes & Gray LLP Prudential Tower 800 Boylston Street Boston, MA 02199 - 3600 U.S.A.
US Tax Advisors	Ernst & Young LLP 25 Churchill Place London, E14 5EY U.K.
Independent Auditors	PricewaterhouseCoopers LLP Atria One 144 Morrison Street Edinburgh, EH3 8EX U.K.
Administrator	Augentius (UK) Ltd Two London Bridge London, SE1 9RA U.K.
Depository	Augentius Depository Company Limited Two London Bridge London, SE1 9RA U.K.

Report of the General Partner

The General Partner, SL Capital SOF I GP LP, presents the audited financial statements for SL Capital SOF I LP ("the Fund") for the year ended 31 December 2016.

Structure of the Fund

The Fund is a Limited Partnership, established in Scotland, United Kingdom ("U.K."). The Fund held a final close on 5 February 2014 bringing the aggregate commitment to US\$189.9 million and Limited Partners to fourteen. The structure of the Fund is detailed further in note 1 to the financial statements.

Directors of the General Partner

There have been no changes to the Directors of the General Partner during the year. Please refer to the financial statements of SLCP (General Partner SOF I) Limited for the names of Directors.

Distributions

Distributions of US\$28,155,223 (2015: US\$15,340,783) were made during the year of which US\$16,164,725 (2015: US\$11,397,803) was temporary return of capital, which is recyclable.

Events after the reporting date

The General Partner has identified no significant events after the reporting date.

Results, activities and future developments

The results for the year are set out in the Statement of Comprehensive Income on page 9. A description of the principal activity of the Fund is provided in note 1 to the financial statements.

The Manager's Report for the Fund, which is issued separately, contains detailed analysis of each of the Fund's Investments, together with commentary on the economic climate and how this impacts the private equity market.

Disclosure of information to auditors

At the date of this report, the General Partner confirms that:

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

Independent auditors

PricewaterhouseCoopers LLP have been the Standard Life Group's auditors since 1994. In order to comply with regulations regarding mandatory auditor rotation and tendering, in last year's annual Standard Life plc accounts it was announced that the Standard Life Group were about to commence a tender process for the appointment of the external auditor. This tender resulted in the proposal, subject to shareholder approval at the 2017 AGM, to appoint KPMG as the external independent auditor for the 2017 financial year for the Group and related entities.

Data protection

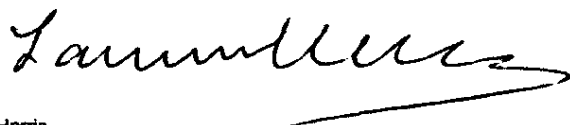
SL Capital Partners LLP has implemented measures that it believes are necessary in order to comply with the U.K. Data Protection Act 1998.

Report of the General Partner (continued)

Strategic report

The Fund is considered as "small" under Section 414B of The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and is therefore exempt from preparing a strategic report.

Signed on behalf of SL Capital SOF I GP LP

A handwritten signature in black ink, appearing to read 'Ian Harris', with a long, sweeping horizontal line extending from the end of the signature.

Ian Harris
Director, SLCP (General Partner SOF I) Limited
4 May 2017

Statement of General Partner's Responsibilities

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

Company law as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 ("the Regulations") requires the General Partner to prepare financial statements for each financial period. Under that law the General Partner has prepared the Fund's financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU").

Under Company law as applied to qualifying partnerships, the General Partner must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Fund and of the profit or loss of the Fund for that period.

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 as adopted by the EU, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in business.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Fund's 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 Regulations. They are 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.

Depository Report

Pursuant to the requirements of the Alternative Investment Fund Manager Directive ("AIFMD"), Augentius Depository Company Limited ("ADCL") has been appointed by SL Capital Partners LLP ("the Manager") to provide the Fund with cash flow monitoring, ownership verification and compliance oversight services ("the Depository Services").

ADCL's responsibility

ADCL's review and conclusion in respect of the Fund is based on ADCL's review of information and documentation supplied to ADCL by the Manager, or such other person(s) as this function is delegated to from time to time, in addition to such other publicly available resources as ADCL deems appropriate.

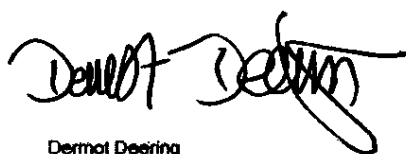
ADCL's Depository Services and the conclusion reached pursuant to such services is limited to and does not extend beyond the scope of the requirements of a depository under the AIFMD.

Compliance conclusion

ADCL confirms that during the year ended 31 December 2016, in the performance of its Depository Services, ADCL detected no material reportable irregularities in respect of the Fund in relation to the AIFMD.

Reliance

The disclosure by ADCL of its findings pursuant to the Depository Services in relation to the Fund has been provided at the request of the Manager and for information purposes only on a non-reliance basis and as such, such findings shall not be relied on by any other person.



Dermot Deering
for and on behalf of Augentius Depository Company Limited
4 May 2017

Independent auditors' report to the partners of SL Capital SOF I LP ("the Qualifying Partnership")

Report on the financial statements

Our Opinion

In our opinion, the Qualifying Partnership's financial statements ("the financial statements"):

- give a true and fair view of the state of the Qualifying Partnership's affairs as at 31 December 2016 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.

What we have audited

The financial statements comprise:

- the Statement of Financial Position as at 31 December 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Cash Flows for the year then ended;
- the Statement of Changes in Net Assets Attributable to Partners for the year then ended;
- the Net Assets Attributable to Partners since inception to the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law.

In applying the financial reporting framework, the General Partner has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, it has made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the General Partner for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the General Partner has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Report of the General Partner. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Independent auditors' report to the partners of SL Capital SOF I LP ("the Qualifying Partnership") (continued)

Other matters on which we are required to report by exception (continued)

General Partner's remuneration

Under the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 we are required to report to you if, in our opinion, certain disclosures of General Partner's remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 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.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the General Partner

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 and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Qualifying Partnership's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the General Partner; and
- the overall presentation of the financial statements.

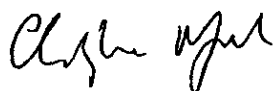
We primarily focus our work in these areas by assessing the General Partner's judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

Independent auditors' report to the partners of SL Capital SOF I LP ("the Qualifying Partnership") (continued)

Responsibilities for the financial statements and the audit (continued)

In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Christopher Meyrick (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
4 May 2017

Statement of Comprehensive Income

		Year ended 31 December 2016 US\$	Year ended 31 December 2015 US\$
	Notes		
Income			
Investment income	5	327,267	288,145
Net unrealised movement on Investments		9,398,606	8,653,789
Net unrealised foreign exchange movement on Investments		(1,528,347)	(1,973,140)
Net realised gain on Investments		3,215,514	2,734,388
Net realised foreign exchange loss on Investments		(1,478,374)	(2,047,513)
Net foreign exchange gain on non-Investments		2,616	1,292
Total net income		9,937,282	7,656,961
Expenses			
Organisational expenses		-	(8,513)
Administration and other expenses	6	(369,203)	(251,958)
Total operating expenses		(369,203)	(260,471)
Operating profit		9,568,079	7,396,490
Management profit share	9	(501,210)	(360,562)
Increase in net assets attributable to Partners from operations		9,066,869	7,035,928

All results shown in the Statement of Comprehensive Income are from continuing operations.

The Fund has no components of other comprehensive income in the current and comparative year.

The notes 1 to 14 form an integral part of these financial statements.

Statement of Financial Position

	Notes	At 31 December 2016 US\$	At 31 December 2015 US\$
Assets			
Non-current assets			
Financial assets at fair value through profit or loss	12	<u>139,344,705</u>	<u>106,636,220</u>
Current assets			
Trade and other receivables	7	36,730	29,360
Cash and cash equivalents		<u>3,673,994</u>	<u>6,266,826</u>
		<u>3,710,724</u>	<u>6,296,186</u>
Current liabilities			
Trade and other payables	8	<u>(82,787)</u>	<u>(58,994)</u>
		<u>(82,787)</u>	<u>(58,994)</u>
Net current assets		<u>3,627,937</u>	<u>6,237,192</u>
Net assets attributable to Partners		<u>142,972,642</u>	<u>112,873,412</u>

The General Partner acknowledges its responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of the financial statements.

The notes 1 to 14 form an integral part of these financial statements.

The financial statements set out on pages 9 to 24 were authorised for issue by the General Partner on 4 May 2017 and signed on its behalf by:



Ian Harris
Director, SLCP (General Partner SOF I) Limited

Statement of Changes in Net Assets Attributable to Partners

	Year ended 31 December 2016 US\$	Year ended 31 December 2015 US\$
Net assets attributable to Partners at the start of the year	112,873,412	78,678,267
Partners' loan drawn	49,187,584	42,500,000
Temporary return of capital to Partners	(16,184,725)	(11,397,803)
Distributions to Partners	(11,990,498)	(3,942,980)
Net drawn	<u>21,032,361</u>	<u>27,159,217</u>
Increase in net assets attributable to Partners from operations	9,066,869	7,035,928
Net assets attributable to Partners at the end of the year	<u>142,972,642</u>	<u>112,873,412</u>

Net Assets Attributable to Partners since inception to 31 December 2016

	Inception to 31 December 2016 US\$	Inception to 31 December 2015 US\$
Partners' capital drawn	21,097	21,097
Partners' loan drawn	167,642,753	118,455,169
Temporary return of capital to Partners	(31,994,356)	(15,829,631)
Distributions to Partners	(15,933,478)	(3,942,980)
Net drawn	<u>119,738,016</u>	<u>98,703,655</u>
Increase in net assets attributable to Partners from operations	23,236,626	14,169,757
Net assets attributable to Partners at the end of the period	<u>142,972,642</u>	<u>112,873,412</u>

The notes 1 to 14 form an integral part of these financial statements

Statement of Cash Flows

		Year ended 31 December 2016 US\$	Year ended 31 December 2015 US\$
	Notes		
Cash flows from operating activities			
Operating profit		9,568,079	7,396,490
Increase in trade and other receivables	7	(8,394)	(8,301)
Increase in trade and other payables	8	14,853	14,195
Net unrealised movement on Investments		(9,398,606)	(8,653,789)
Net unrealised foreign exchange movement on Investments		1,528,347	1,973,140
Net realised gain on Investments		(3,215,514)	(2,734,388)
Net realised foreign exchange loss on Investments		1,478,374	2,047,513
Contributions to Fund Investments		(49,481,838)	(64,029,382)
Distributions from Fund Investments		26,380,752	20,450,024
Net cash outflow from operating activities		(23,133,947)	(43,544,498)
Management profit share		(492,269)	(437,884)
Cash flows from financing activities			
Partners' capital drawn		952	-
Partners' loan drawn		49,187,655	42,499,968
Temporary return of capital to Partners		(16,164,725)	(11,397,803)
Distributions to Partners		(11,990,498)	(3,942,980)
Net cash inflow from financing activities		21,033,384	27,159,185
Net decrease in cash and cash equivalents		(2,592,832)	(16,823,197)
Cash and cash equivalents at the start of the year		6,266,826	23,090,023
Cash and cash equivalents at the end of the year		3,673,994	6,266,826

The notes 1 to 14 form an integral part of these financial statements.

Notes to the Financial Statements

1. Fund background

The Fund is a Limited Partnership registered in Scotland, U.K. and was established on 4 July 2013. At the final close on 5 February 2014 total commitments amounted to US\$189.9 million. Limited Partners' capital contributions equal 0.01% of their total commitment. Commitments to Fund Investments can be drawn at any time and the Fund is required to draw down loan commitments from Limited Partners in order to cover these.

SL Capital SOF I GP LP is the General and Founder Partner of the Fund and has contributed US\$2,110 to the Fund as a carried interest partner. The Manager of the Fund is SL Capital Partners LLP, which is authorised and regulated by the Financial Conduct Authority ("the FCA") and is a U.S. Securities and Exchange Commission registered investment advisor based in Edinburgh, U.K. The Manager was authorised as an AIFM by the FCA on 22 July 2013. The FCA permitted the Manager to act as the AIFM to the Fund with effect from 22 July 2013. The Fund has no employees.

The Fund was formed for the purpose of investing in Fund Investments.

The Fund is established for a term of ten years from the end of the investment period. The investment period for Fund Investments ends on 5 February 2017. The life of the Fund may be extended by up to three additional one year periods, and thereafter with the agreement of the General Partner and the investors.

The structure of the Fund at 31 December 2016 was as follows:-

	At 31 December 2016 US\$
Commitments	189,871,000
Partners' capital drawn	21,097
Partners' loan drawn	167,642,753
Temporary return of capital to Partners	(31,994,356)
Funded	135,669,494
% of Commitments	71.45%
Distributions to Partners:	
Paid to Limited Partners	15,933,478
Paid to General Partner	-
Total distributed	15,933,478
Limited Partners' % distributed of Funded Commitments	11.74%
Net drawn from all Partners	119,736,016

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities measured at Fair Value through Profit or Loss ("FVPL"), and in accordance with the Limited Partnership Agreement. The Fund is denominated in US\$. International Financial Reporting Standards ("IFRSs") as adopted by the EU and the Companies Act 2006, as applied to qualifying partnerships, have been applied in all aspects of the preparation of the financial statements.

The preparation of the 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 Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant are disclosed in note 3.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.2 New and revised accounting standards / amendments effective for the current year

New and revised accounting standards that are effective for annual periods beginning on or after 1 January 2016 and have been adopted by the Fund are listed below.

Investment Entities, 'Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)'

In December 2014, IASB issued the amendments to IFRS 10, IFRS 12 and IAS 28 providing clarification on the application of consolidation exception for investment entities including its subsidiaries.

The amendments clarify that intermediate parent entities which are subsidiaries of investment entities can also avail the exception from preparing consolidated financial statements.

The amendments also clarify that a subsidiary that provides services related to the investment activities of its investment entity parent should be consolidated. However, if such subsidiary is also an investment entity, then such subsidiary should also be measured at FVPL by the parent investment entity.

The amendments now also allow a non-investment entity parent to retain the fair value measurement applied by the investment entity associate or joint venture to its subsidiaries.

Management does not expect the adoption of these amendments to have an impact on the Fund's financial statements.

Disclosure Initiative (Amendments to IAS 1)

In December 2014 IASB issued the amendments to IAS 1 covering five areas: materiality, disaggregation and subtotals, notes, disclosure of accounting policies, and presentation of other comprehensive income ("OCI") arising from investments accounted for under the equity method. The amendments state that the materiality concept applies to the primary statements, notes and any specific disclosures required by IFRS. The amendments clarified that line items, in the statement of financial position or in the statement of profit and loss and other comprehensive income, can be aggregated or disaggregated as deemed relevant. The amendments clarified that entities have flexibility around the structuring of the notes and emphasised that understandability and comparability should be considered when deciding the order of the notes. The amendments provided guidance on how to identify significant accounting policies. The amendments clarified that the share of other comprehensive income from associates and joint ventures accounted for under the equity method must be presented as a single line item, irrespective of whether it will be reclassified to profit or loss.

Management does not expect the adoption of these amendments to have an impact on the Fund's financial statements.

2.3 New accounting standards / amendments not yet effective

Standards amendments and interpretations to existing standards that are not yet effective and have not been adopted by the Fund are listed below.

IFRS 9, 'Financial Instruments'

IFRS 9, 'Financial Instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39, 'Financial Instruments: Recognition and Measurement' and all previous versions of IFRS 9. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and FVPL. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at FVPL with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designated at FVPL. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39.

The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Fund has yet to assess IFRS 9's full impact. This has yet to be adopted by the EU

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.3 New accounting standards / amendments not yet effective (continued)

IFRS 15, 'Revenue from Contracts with Customers' and Clarifications to IFRS 15 ("Clarifications")

In May 2014, IASB issued IFRS 15, 'Revenue from Contracts with Customers' which will supersede all current revenue recognition requirements under IFRS. The core principle of the new standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the Fund expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

IFRS 15 and its Clarifications are effective for annual periods beginning on or after 1 January 2018. Earlier application is permitted. The Fund has yet to assess IFRS 15's full impact. Entities will have a choice of full retrospective application, or modified retrospective application. IFRS 15 has been adopted by the EU. The Clarifications have not been adopted by the EU. The Fund is still in the process of assessing IFRS 15's full impact.

Disclosure Initiative (Amendments to IAS 7, 'Statement of Cash Flows')

Entities will be required to explain changes in their liabilities arising from financing activities. This includes changes arising from cash flows (e.g. drawdowns and repayments of borrowings) and non-cash changes such as acquisitions, disposals, accretion of interest and unrealised exchange differences.

Changes in financial assets must be included in this disclosure if the cash flows were, or will be, included in cash flows from financing activities. This could be the case, for example, for assets that hedge liabilities arising from financing activities.

Entities may include changes in other items as part of this disclosure, for example by providing a 'net debt' reconciliation. However, in this case the changes in the other items must be disclosed separately from the changes in liabilities arising from financing activities.

The information may be disclosed in tabular format as a reconciliation from opening and closing balances, but a specific format is not mandated.

These amendments are effective for annual periods beginning on or after 1 January 2017. The Fund will adopt these amendments when they become effective. This has yet to be adopted by the EU.

IAS 28 Investments in Associates and Joint Ventures

The amendment clarified that the election to measure at FVPL an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

The amendment is effective for annual periods beginning on or after 1 January 2018. The Fund will adopt this amendment when it becomes effective. This has yet to be adopted by the EU.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Fund.

2.4 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. Furthermore, the General Partner is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

2.5 Financial period

The financial statements were prepared from 1 January 2016 to 31 December 2016. The comparatives were presented from 1 January 2015 to 31 December 2015.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.6 Functional currency

The General Partner considers the United States Dollar ("US\$") as the Fund's functional and presentational currency as it most faithfully represents the economic effects of the underlying transactions, events and conditions.

Unrealised foreign currency exchange gains and losses on non-US\$ denominated investments arising from changes in foreign currency exchange rates and realised foreign exchange gains and losses on income and expenses are included in the Statement of Comprehensive Income. Non US\$ denominated assets and liabilities are translated at the exchange rate at the Statement of Financial Position date. Non US\$ income and expense transactions are translated at the exchange rate prevailing on the date of the transaction.

Exchange rates at 31 December 2016:

US\$1=	
Euro	€0.9481
Norwegian Kroner	Kr 8.6077
Sterling	£0.8093

Exchange rates at 31 December 2015:

US\$1=	
Euro	€0.9206
Norwegian Kroner	Kr 8.8514
Sterling	£0.6785

2.7 Income, expenses, gains and losses

All income and expenses, inclusive of realised gains and losses are accounted for on an accruals basis in the Statements of Comprehensive Income.

Net income, gains and losses of the Fund are allocated under the terms of the Limited Partnership Agreements. Details are set out in note 2.15.

2.8 Investment entity

The Fund has multiple unrelated investors and holds multiple investments. The General Partner has determined that the Fund is an investment entity as per IFRS 10 Consolidated Financial Statements. Details are set out in note 3.2.

2.9 Financial assets at fair value through profit or loss

Initial recognition

Financial assets have been designated upon initial recognition at fair value through profit or loss. On the date of making a legal commitment to invest in a fund, such commitment is recorded and disclosed. When funds are drawn in respect of such fund commitment, the resulting investment is recognised in the financial statements.

Measurement

Financial assets at fair value through profit or loss are initially recognised at fair value as detailed in note 3.1. Transaction costs are expensed in the Statement of Comprehensive Income and are included within gains and losses on investments in the Statement of Comprehensive Income.

Subsequent to initial recognition, all financial assets through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value are recognised in the Statement of Comprehensive Income.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from underlying instruments have expired or the entity has transferred substantially all risk and rewards of ownership.

2.10 Cash and cash equivalents

Cash includes cash in hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value. At 31 December 2016 and 31 December 2015, there were no cash equivalents.

2.11 Trade and other receivables

Receivables are recognised initially at fair value. They are subsequently measured at amortised cost using the effective interest method, less the appropriate allowances for estimated irrecoverable amounts.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.12 Trade and other payables

Payables and accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

2.13 Taxation

No provision has been made in the financial statements for taxation of the General Partner and the Limited Partners. All Partners are individually responsible for reporting their share of the Fund's income, gains and losses for taxation purposes.

2.14 Net assets attributable to Partners

The Fund's contributed capital consists of capital and loan contributions. Net assets attributable to Partners is classified as a financial liability, due to the Fund's finite life and contractual payment provisions to each of the Partners.

2.15 Distribution of income proceeds and capital proceeds between Partners

The Fund's net income, gains and losses are allocated in accordance with the distribution provisions of the Limited Partnership Agreement.

Distributions are allocated pro rata in accordance with each Limited Partner's commitments until the Limited Partners have received distributions equaling the sum of:

- (a) Repayment of investors' outstanding loans pro rata to their respective commitments; and
- (b) Preferred Return (as defined in the Limited Partnership Agreement) of 14% per annum, compounded annually on 31 December.

In general, subsequent distributions will be allocated 50% to the Founder Partner and 50% to Limited Partners until the Founder Partner has received aggregate distributions equaling 10% of cumulative net profits ("the catch up").

All remaining distributions in excess of the catch up amount, described above, will be allocated:

- (a) 10% to the Founder Partner; and
- (b) 90% to all Limited Partners in proportion to their commitments.

At 31 December 2016, no carried interest allocation had been made to the Founder Partner (2015: US\$Nil).

3. Critical accounting estimates and judgements

There are key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Fund based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

3.1 Fair value of investments not quoted in an active market

When the fair value of financial assets cannot be derived from an active market, their fair value is determined by using a variety of valuation techniques such as comparable recent arm's length transactions, capital asset pricing model and discounted cash flow.

The Investments of the Fund are valued by the General Partner with reference to the 'International Private Equity and Venture Capital Valuation Guidelines' ("the Guidelines").

Fund Investments are stated at the General Partner's estimate of fair value and follow the recommendations of the Guidelines. The estimate of fair value is based on the latest valuation placed on a fund by its manager, adjusted, if required, for cash flows between the date of the manager's report and the date of the Fund's Statement of Financial Position.

The General Partner may rely upon any valuations provided to it by the managers of the Fund Investments and apply such valuations to the investments of the Fund, but shall not be bound by these. The managers' valuations are typically in line with the Guidelines. Where the General Partner does not consider it appropriate to adopt a manager's valuation, it will make its own estimate of fair value in line with the Guidelines. The unrealised and realised gains and losses on Investments are recorded in the Statement of Comprehensive Income.

Notwithstanding this basis of valuation, the eventual realisation proceeds will inevitably differ from the valuation and those differences could be significant.

Notes to the Financial Statements (continued)

3. Critical accounting estimates and judgements (continued)

3.2 Investment entity status

The Fund was set up with an intention to have multiple investors and indirectly hold multiple investments. Ownership interests in the Fund are in the form of the Partner's share of capital in the Fund and 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 Consolidated Financial Statements as the following conditions exist:

- (i) The Fund has obtained funds for the purpose of providing investors with investment management services;
- (ii) The Fund's business purpose, which was communicated directly to investors via the Limited Partnership Agreement, is providing Partners with an overall rate of return from investments by means of both income and capital growth; and
- (iii) The performance of investments made is measured and evaluated on a fair value basis.

The Fund meets all of the typical characteristics of an investment entity

4. Remuneration policy

This note is not audited. In line with the AIFMD, the Company's AIFM has implemented a remuneration policy for its staff which is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles, governing terms and the investment strategy of the funds that it manages, and is aligned with the overall business strategy, objectives and interests of the AIFM.

The AIFM has identified "Code Staff", i.e. those individuals whose activities have a material impact on the risk profile of the AIFM, or the funds that it manages.

The remuneration practices in place within the AIFM are compliant with the AIFMD Remuneration Code and are proportionate and appropriate for the nature of business and of the funds it manages. The remuneration policy:

- comprises an appropriate mix of fixed and variable remuneration that encourage individuals to make a strong contribution;
- is consistent with the aims and objectives of the AIFM and of the funds it manages;
- provides for the independent oversight of staff in control functions by a remuneration committee;
- contains measures to avoid potential conflicts of interest and to promote effective risk management; and
- includes performance incentives for certain members of staff which may become payable in the event of the performance of funds exceeding the thresholds agreed with the funds' investors.

In accordance with the AIFMD, the AIFM's remuneration policy and required disclosures are available from the Manager on request.

5. Investment Income

	Year ended 31 December 2016	Year ended 31 December 2015
	US\$	US\$
Overseas loan stock income	133,887	278,045
Domestic dividend income	26,700	-
Domestic loan stock income	16,200	-
Overseas dividend income	-	10,100
Other Income	150,480	-
	327,267	288,145

Notes to the Financial Statements (continued)

6. Administration and other expenses

	Year ended 31 December 2016	Year ended 31 December 2015
	US\$	US\$
Withholding tax	132,721	-
Administration fees	122,260	137,630
Legal and professional fees	90,747	80,585
Audit fees	16,990	27,176
Bank and custody fees	4,127	2,174
Other expenses	2,358	4,393
	<u>369,203</u>	<u>251,958</u>

7. Trade and other receivables

	At 31 December 2016	At 31 December 2015
	US\$	US\$
Due from SL Capital SOF I Feeder LP	19,861	19,449
Due from General Partner	16,869	9,911
	<u>36,730</u>	<u>29,360</u>

8. Trade and other payables

	At 31 December 2016	At 31 December 2015
	US\$	US\$
Legal and professional fee accrual	45,596	26,536
Audit fee accrual	15,848	18,354
Due to General Partner	12,231	3,291
Administration fee accrual	9,112	10,813
	<u>82,787</u>	<u>58,994</u>

9. Management profit share

The Fund allocates management profit share to the General Partner in respect of each Accounting Period, calculated at 0.1% per quarter of the net asset value at each quarter end. Further detail on the calculation is available in clause 12 of the Limited Partnership Agreement.

The management profit share in any Accounting Period shall be reduced by the whole of any Transaction Fees, Investment Related Fees, Abort Fees and Other Fees that have been earned and retained by the General Partner, the Manager or any Associate of either of them during the previous Accounting Period pursuant to clause 8.2 of the Limited Partnership Agreement, up to a maximum amount that shall be no greater than the gross amount of the management profit share for the current period. Where the management profit share is reduced to zero in any Accounting Period any Transaction Fees, Investment Related Fees, Abort Fees and Other Fees not applied in reduction of the management profit share in such Accounting Period shall be carried forward and shall reduce the management profit share in the next Accounting Period.

The management profit share ranks as the first charge on net income and realised gains in any Accounting Period and is paid in full by the Fund whether or not there are sufficient net income and realised gains to cover the amount. Such sums are not recoverable, except against future net income and realised gains of the Fund.

Notes to the Financial Statements (continued)

9. Management profit share (continued)

At 31 December 2016, the total amount of net income and net realised gains exceeded the total amount of management profit share since inception and therefore no amount has been paid in advance. At 31 December 2015, the total amount of management profit share since inception exceeded the total amount of net income and net realised gains on Investments since inception and therefore \$512,169 was paid in advance.

10. Related party disclosure

The Limited Partnership Agreement provides that SL Capital SOF I GP LP shall act as General Partner and is entitled to a management profit share as described in note 9. During the year ended 31 December 2016 the General Partner was allocated management profit share of US\$501,210 (2015: US\$360,562). The General Partner of SL Capital SOF I GP LP is SLCP (General Partner SOF I) Limited, a wholly owned subsidiary of SLCP (Holdings) Limited, which is a subsidiary of the ultimate parent, Standard Life plc.

The Manager of the Fund receives a management fee, equal to the management profit share allocated to the General Partner, in relation to its activity as Manager of the Fund.

Standard Life Portfolio Investments Limited and SOF I Executive Co Investment Limited Partnership through SL Capital SOF I Feeder LP have committed US\$600,000 and US\$518,890 respectively to the Fund as Limited Partners. SL Capital SOF I Feeder LP has committed US\$142,118,890 to the Fund as a Limited Partner. During the year, distributions of US\$21,075,175 (2015: US\$11,402,739) were made to SL Capital SOF I Feeder LP of which US\$12,100,160 (2015: US\$8,531,376) was temporary return of capital, which is recallable. In addition, US\$36,817,432 (2015: US\$31,811,703) was contributed by SL Capital SOF I Feeder LP to the Fund during the year.

SLCP (General Partner SOF I) Limited and certain members and employees of the Manager are carried interest partners in SL Capital SOF I GP LP and are entitled to participate in the profits as disclosed in note 2.15.

At 31 December 2016 US\$16,211 (2015: US\$8,301) was due from the General Partner for the expenses paid on its behalf and US\$658 (2015: US\$1,610) was due from the General Partner in relation to its capital contribution following the final close.

At 31 December 2016, US\$19,861 (2015: US\$19,378) was owed by SL Capital SOF I Feeder LP for expenses paid on its behalf.

At 31 December 2016, US\$12,231 (2015: US\$3,291) was due to the General Partner in respect of management profit share.

At 30 September 2016, the Fund invested US\$28,496,862 via the secondary market to purchase a Limited Partnership Interest in ESP Golden Bear Europe Fund, a related entity sharing the same Manager as the Fund. The total effective commitment made to ESP Golden Bear Europe Fund was €36,065,165. During the year, distributions of US\$1,625,965 (2015: \$Nil) were received from ESP Golden Bear Europe Fund. In addition, US\$941,259 (2015: \$Nil) was further contributed by the Fund to ESP Golden Bear Europe Fund during the year.

11. Financial risk management

The overall strategy for the management of investment risk is driven by the investment policy as set out in the Limited Partnership Agreement. This is reviewed periodically by the Manager and Advisory Committee. Investments are selected by the Manager to achieve the investment objective of generating attractive returns, subject to prudent diversification. As a matter of policy there are no pre set sector allocations, however, risk is spread by investing across a range of countries, industrial sectors and vintage years. The Fund's financial assets are predominantly unsecured investments in limited partnerships, in which the maximum risk is considered to be the amount committed.

The Fund's activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risks to which the Fund is exposed are market risk (including price risk and currency risk), credit risk and liquidity risk. The risk management policies employed by the Fund are detailed below:

11.1 Market risk

a) Price risk

The Fund is at risk of the economic cycle impacting the quoted markets and hence potentially the pricing of investment deals, the valuation of underlying investments and the price and timing of exits.

Notes to the Financial Statements (continued)

11. Financial risk management (continued)

11.1 Market risk (continued)

a) Price risk (continued)

The valuation methodology employed by the managers of funds may include the application of ratios derived from listed companies with similar characteristics. Price risk is minimised by the Manager constructing a diversified portfolio of Fund Investments. At 31 December 2016, there were 10 Fund Investments. More detail on the sector and geographic analysis is provided in the Manager's Report, which is issued separately.

A 10% increase in the 31 December 2016 valuation of the Fund's Investments would have increased the net assets attributable to Partners by US\$13,934,471 (2015: US\$10,663,622); a 10% change in the opposite direction would have decreased the net assets attributable to Partners by an equivalent amount.

b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial investment will fluctuate because of the changes in exchange rate.

The Fund makes commitments in currencies other than US\$ and accordingly a proportion of its liabilities are in currencies other than US\$. As a result the Fund's Statement of Financial Position is sensitive to movements in foreign exchange rates. The Fund has not hedged its foreign currency exposure, however, any cash received in a currency other than US\$ is converted into US\$ to minimise the exposure to fluctuations in exchange rates.

The tables below set out the Fund's exposure to foreign currency at the reporting date.

Net assets

	31 December 2016		31 December 2015	
	Local Currency	US\$ Equivalent	Local Currency	US\$ Equivalent
Euro	68,722,671	72,485,234	31,616,776	34,345,304
U.S. Dollar	61,816,778	61,816,778	65,771,054	65,771,054
Sterling	4,629,649	5,720,624	6,099,200	8,989,612
Norwegian Kroner	25,392,778	2,950,006	33,346,982	3,767,442
		142,972,642		112,873,412

Outstanding commitments

	31 December 2016		31 December 2015	
	Local Currency	US\$ Equivalent	Local Currency	US\$ Equivalent
Euro	23,040,126	24,301,573	6,895,913	7,491,031
U.S. Dollar	7,125,253	7,125,253	9,196,491	9,196,491
Sterling	3,241,496	4,005,353	3,486,636	5,138,954
Norwegian Kroner	-	-	1,781,815	201,304
		35,432,179		22,027,780

If the value of the US\$ strengthened by 10% in relation to all currencies, net assets attributable to Partners would have decreased by US\$7,377,805 at 31 December 2016 (2015: US\$4,282,033); a 10% change in the opposite direction would have resulted in an increase of US\$9,017,318 (2015: US\$5,233,595). These calculations are based on the assets and liabilities at the respective Statement of Financial Position dates and are not necessarily representative of the period as a whole.

The Fund has no significant exposure to currency risk on monetary items.

11.2 Credit risk

Credit risk is the exposure to loss arising from the failure of a counterparty to deliver securities or cash for acquisitions or disposals of investments or to repay deposits.

Notes to the Financial Statements (continued)

11. Financial risk management (continued)

11.2 Credit risk (continued)

The Fund places cash with authorised deposit takers and, therefore, is potentially at risk from the failure of any such institution. At 31 December 2016, all of the Fund's cash was held by Societe Generale which was rated "A" by Standard & Poor's at the date of the Report of the General Partner.

At 31 December 2016, the assets held by the Fund are not past due or impaired (2015: US\$Nil).

11.3 Liquidity risk

The Fund's investments are in unquoted fund investments which are not traded in a regulated public market and are generally illiquid. As a result the Fund may not be able to liquidate quickly these portfolio investments at an amount close to their fair value, in order to meet its liquidity requirements. The Manager mitigates this risk by regularly monitoring its cash position to ensure sufficient funds exist to meet liabilities as they fall due.

During the year ended 31 December 2016 the Fund generated a profit from operations of US\$9,588,079 (2015: US\$7,396,490) and cash resources at the end of the year amounted to US\$3,673,994 (2015: US\$6,266,826). The liabilities of the Fund (excluding net assets attributable to Partners) are due on demand. In addition, the Fund had available to it undrawn commitments of US\$54,201,506 (2015: US\$87,224,365) from its Limited Partners, which are also due on demand.

The tables below analyse the Fund's financial liabilities into relevant maturity based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.

At 31 December 2016

	On demand US\$	Less than 1 year US\$	Between 1 and 3 years US\$	More than 3 years US\$	Total US\$
Liabilities					
Trade and other payables	-	82,787	-	-	82,787
Net assets					
attributable to Partners	-	-	-	142,972,642	142,972,642
Total liabilities	<u>-</u>	<u>82,787</u>	<u>-</u>	<u>142,972,642</u>	<u>143,055,429</u>
Total unfunded commitments					
to Fund Investments	<u>35,432,179</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,432,179</u>

At 31 December 2015

	On demand US\$	Less than 1 year US\$	Between 1 and 3 years US\$	More than 3 years US\$	Total US\$
Liabilities					
Trade and other payables	-	58,994	-	-	58,994
Net assets					
attributable to Partners	-	-	-	112,873,412	112,873,412
Total liabilities	<u>-</u>	<u>58,994</u>	<u>-</u>	<u>112,873,412</u>	<u>112,932,406</u>
Total unfunded commitments					
to Fund Investments	<u>22,027,780</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,027,780</u>

Notes to the Financial Statements (continued)

11. Financial risk management (continued)

11.4 Capital risk management

The capital of the Fund is represented by the net assets attributable to Partners. The Fund's objective when managing the capital is to safeguard the ability to continue as a going concern in order to provide returns for Partners and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund. In order to maintain or adjust the capital structure, the General Partner may call unfunded commitments from the Limited Partners or distribute funds to the Limited Partners.

The General Partner monitors capital on the basis of the value of the net assets attributable to Partners.

12. Fair value measurement

IFRS 7 requires a three-level hierarchy disclosure for categorising financial assets and liabilities carried at fair value and requires enhanced disclosures about fair value measurement. The fair value hierarchy classifies financial assets and liabilities according to the source of inputs ranked according to availability of observable market prices used in measuring fair value as follows:-

- Level 1 - Quoted prices (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 the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety should be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The categorisation of a Fund investment within the hierarchy is based upon the pricing transparency of that investment and does not necessarily correspond to the General Partner's perceived risk of the investment. All of the Fund's investments have been classified within Level 3 as they have unobservable inputs and trade infrequently or not at all.

The determination of what constitutes "observable" requires significant judgement by the General Partner. The General Partner considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by multiple, independent sources that are actively involved in the relevant market.

The following tables analyse within the fair value hierarchy the Fund's financial assets measured at fair value

At 31 December 2016

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets at fair value through profit or loss	-	-	139,344,705	139,344,705

At 31 December 2015

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets at fair value through profit or loss	-	-	106,636,220	106,636,220

There were no transfers between levels during the current and comparative year.

Determining the fair value of the Fund's investments requires judgement and considers factors specific to the investments. The valuation policies applied by the General Partner are detailed in note 3.1.

Notes to the Financial Statements (continued)

12. Fair value measurement (continued)

The changes in Investments measured at fair value for which the Fund has used Level 3 inputs to determine fair value are as follows:-

	31 December 2016	31 December 2015
	US\$	US\$
Balance at the start of the year	106,636,220	75,842,399
Purchases	49,481,838	44,290,371
Sales	(26,380,752)	(20,450,024)
Realised and unrealised gains	9,607,399	6,953,474
Balance at the end of the year	139,344,705	106,636,220
Unrealised movement included in profit or loss related to Investments still held at the reporting date:		
- Net unrealised movement on Investments (excluding transaction costs)	9,854,736	8,663,148
- Net unrealised foreign exchange movement on Investments	(1,528,347)	(1,973,140)
	8,326,389	6,690,008

13. Unconsolidated collective investment vehicles and limited partnerships

The Fund's interests in unconsolidated structured entities comprise investments in collective investment vehicles such as limited partnerships with a total carrying value of US\$139,344,705 at 31 December 2016 (2015: US\$106,636,220), included within financial assets at fair value through profit or loss (see note 12).

At 31 December 2016, the total size of these unconsolidated structured entities, including the portion in which the Fund has no interest, was US\$7.0 billion (2015: US\$4.5 billion).

The Fund's maximum exposure to loss is equal to the carrying value of the investments. The collective investment vehicles are primarily financed by investments from investors in the vehicles.

14. Subsequent events

Subsequent events have been evaluated up to 4 May 2017. There are no significant events identified after the reporting date.