

EII US Property Fund

# **Interim Report and Condensed Unaudited Financial Statements**

For the financial period ended 30 June 2017

**Table of contents**

	<b>page</b>
General information	3
Investment Manager's report	4
Statement of financial position	5
Statement of comprehensive income	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9
Schedule of investments	13
Statement of significant portfolio movements	14
Other information	15

## General information

### Directors of the Manager

Mary Broughan (Irish) (Independent)  
Declan McCourt (Irish) (Independent)  
Christian A. Lange (American)  
Andrew Cox (British)(Resigned 1 July 2017)

(All Directors are non-executive)

### Manager

EII Real Estate Securities Advisors Limited  
25/28 North Wall Quay  
International Financial Services Centre  
Dublin 1  
Ireland

### Investment Manager and Distributor

EII Capital Management, Inc.  
640 Fifth Avenue, 8<sup>th</sup> Floor  
New York 10019  
USA

### Administrator and Transfer Agent

Capita Financial Administrators (Ireland) Limited  
2<sup>nd</sup> Floor, 2 Grand Canal Square  
Grand Canal Harbour  
Dublin 2  
Ireland

### Independent Auditor

KPMG  
1 Harbourmaster Place  
International Financial Services Centre  
Dublin 1  
Ireland

### Irish Legal Advisers & Secretary

A & L Goodbody  
25/28 North Wall Quay  
International Financial Services Centre  
Dublin 1  
Ireland

### Trustee and Depositary

BNY Mellon Trust Company (Ireland) Limited  
Guild House  
Guild Street  
International Financial Services Centre  
Dublin 1  
Ireland

## Investment Manager's report

For the financial period ended 30 June 2017

EII US Property Fund

### Fund Performance & Market Analysis

For the YTD period ending 30 June 2017, EII US Property Fund (the "Fund") returned 0.57% (in USD). The FTSE EPRA/NAREIT United States Index Net TRI (benchmark) returned 0.94% in USD for the same period. Free Standing was the main detractor, as our fund's investments lagged and we were overweight this underperforming group. Additionally, our fund's investments in Industrial coupled with our overweight to Manufactured Homes (they outperformed) detracted. Alternatively, having exposure to Data Centers coupled with our fund's investments in the Diversified sector benefited relative performance.

### Semi-Annual Overview

Ancillary sectors such as Data Centers, Single Family Housing and Manufactured Homes were the top performers for the first half of 2017. While supply of data center product has increased exponentially over the past several years, the industry overall has benefited from an even larger "secular" increase in demand for cloud storage and usage, as both individual and business consumer appetite and needs evolve.

Apartment/Housing related REIT sectors overall were also a lucrative place to invest in the first half of the year. With supply growth in the Multi-Family Housing sector being a well-documented concern over the past 12-18 months, investors have gravitated towards more niche opportunities within the broader housing theme, such as Single Family Housing and Manufactured Homes. As a result, Single Family Housing rentals and Manufactured Housing were two successful ways to exploit the scarcity value for housing that has underpinned the US economic recovery.

Within the more traditional REIT sectors, Health Care was also a top performer. While fundamentals within the healthcare sector remained bifurcated, with strong demand for medical office buildings being somewhat offset by overbuilding concerns in the private-pay, Senior Housing sector, the group was "oversold" coming into 2017. However, a subsequent constructive debate on the legislative process to "repeal/replace" the Affordable Care Act (ACA), coupled with a benign interest rate environment, created an opportunity for the group to gain ground relative to the overall REIT sector.

The Retail sector, and Shopping Centers in particular, were among the worst performers during the first half of 2017. Retail anxiety remains a broad based issue, and concerns surrounding the health of brick and mortar stores increased materially in late 2016 and have continued to grow during 2017. Recently, the Shopping Center sector has experienced more pain than the Mall sector; Shopping Center fundamentals remain relatively stable, but the recent international shopping center conference (ICSC) illustrated that concerns regarding the financial health of power center anchor tenants have risen. Replacing bankrupt tenants could grow more difficult and require more capital than in the past, and the investment market for power centers, particularly in secondary and tertiary markets, appears to be weakening.

Overall US REIT cash flows are expected to grow 6-8% in 2017. And first quarter earnings season generally reinforced our view that overall fundamentals remain steady, albeit coming down from peak levels. Demand is essentially steady across all of the core property types while supply, which is on the rise, remains at or below the long-term average for most property types (Multifamily and Senior Housing are exceptions). Overall, occupancy rates are effectively back to peak levels, and pricing power continues to favor landlords, although there are signs that growth is moderating.

### Outlook

The outlook for 2017 remains relatively healthy and suggests continued fairly steady fundamentals for US real estate; demand is still solid across most property types and the impact from supply remains largely manageable. Valuations are attractive, with core sectors trading at high single digits, and in some cases low double digit discounts to NAV, and should remain supported by steady cash flow growth, relatively low interest rates, and strong demand for institutional real estate. The general view is that cap rates will rise modestly in 2017, but income growth should largely offset this, resulting in mostly flat asset pricing. We believe that an increase in M&A activity is possible, particularly in sectors that trade at material discounts to NAV, yet that deal volume could slow early in 2018 as buyers and sellers wait for clarity on the new administration's policies. With the above positives in mind, we could continue to witness volatility around future Fed hikes, credit spreads, and political uncertainty. We would expect REITs to perform favorably in a steady economic environment, but incremental headwinds are possible in a more pro-growth environment due to rising interest rate risk.

**Statement of financial position**

As at 30 June 2017

EII US Property Fund	Note	30 June 2017 (unaudited) USD	31 December 2016 (audited) USD
<b>Assets</b>			
Cash and cash equivalents	4	900,662	1,830,332
Financial assets at fair value through profit or loss	3		
- Transferable securities		65,376,138	65,287,888
Subscriptions receivable		300,000	-
Accrued income		199,491	327,553
Prepaid expenses	8	10,502	20,110
<b>Total assets</b>		<b>66,786,793</b>	<b>67,465,883</b>
<b>Liabilities</b>			
Investment management and distributor fee payable	5	34,437	34,177
Manager fee payable	6	12,305	12,213
Audit fee payable		5,631	10,898
Trustee fee payable	7	19,523	11,344
Other expenses payable	8	24,717	30,407
<b>Total liabilities (excluding net assets attributable to equity unitholders)</b>		<b>96,613</b>	<b>99,039</b>
<b>Net assets attributable to equity unitholders</b>		<b>66,690,180</b>	<b>67,366,844</b>
<b>Number of units in issue</b>			
USD Class I	9	530,108.750	527,212.992
<b>Net asset value per unit</b>			
USD Class I		\$125.805	\$127.779

The accompanying notes form an integral part of these financial statements

## Statement of comprehensive income

For the financial period ended 30 June 2017

<b>EII US Property Fund</b>	<b>Note</b>	<b>30 June 2017 (unaudited) USD</b>	<b>30 June 2016 (unaudited) USD</b>
<b>Investment income</b>			
Dividend income		1,131,441	1,361,520
Net (loss)/gain on financial assets at fair value through profit or loss and foreign exchange	3	(112,758)	4,349,588
<b>Total investment income</b>		<b>1,019,683</b>	<b>5,711,108</b>
<b>Expenses</b>			
Investment management and distributor fee	5	231,988	189,252
Manager fee	6	82,852	67,589
Audit fee		5,239	5,776
Trustee fee	7	27,105	21,650
Other expenses	8	30,397	34,067
<b>Total expenses</b>		<b>377,581</b>	<b>318,334</b>
<b>Net investment income</b>		<b>641,102</b>	<b>5,392,774</b>
<b>Taxation</b>			
Withholding tax on dividends		298,934	358,341
<b>Profit for the period</b>		<b>342,168</b>	<b>5,034,433</b>

There were no gains/(losses) in the period other than the profit attributable to equity unitholders.

**Statement of changes in equity**

For the financial period ended 30 June 2017

<b>EII US Property Fund</b>	<b>30 June 2017 (unaudited) USD</b>	<b>30 June 2016 (unaudited) USD</b>
Net assets attributable to equity unitholders at the start of the period	67,366,844	54,459,231
<b>Total comprehensive income for the period</b>		
Profit for the period	342,168	5,034,433
<b>Transactions with owners, recognised directly in equity</b>		
Issue of units	1,754,698	262,715
Redemption of units	(1,358,054)	(54,396)
Dividends paid to equity unitholders	(1,422,315)	(706,726)
Dividend reinvested	6,839	-
<b>Total transactions with owners</b>	<b>(1,018,832)</b>	<b>(498,407)</b>
<b>Net assets attributable to equity unitholders at the end of the period</b>	<b>66,690,180</b>	<b>58,995,257</b>

The accompanying notes form an integral part of these financial statements

## Statement of cash flows

For the financial period ended 30 June 2017

<b>EII US Property Fund</b>	<b>30 June 2017</b> <b>(unaudited)</b> <b>USD</b>	<b>30 June 2016</b> <b>(unaudited)</b> <b>USD</b>
<b>Cash flow from operating activities</b>		
Increase in net assets attributable to equity unitholders from operations	342,168	5,034,433
<i>Adjustment for:</i>		
Dividend income	(1,131,441)	(1,361,520)
Withholding taxes	298,934	358,341
<b>Net operating cash flow before change in operating assets and liabilities</b>	<b>(490,339)</b>	<b>4,031,254</b>
Net increase in financial assets at fair value through profit or loss	(88,250)	(3,941,042)
Net increase in other receivables	(290,392)	(1,226,694)
Net (decrease)/increase in other payables	(2,426)	1,223,939
<b>Cash (used in)/from operations</b>	<b>(871,407)</b>	<b>87,457</b>
Dividends received	960,569	1,052,882
<b>Net cash from operating activities</b>	<b>89,162</b>	<b>1,140,339</b>
<b>Cash flows from financing activities</b>		
Dividends paid to equity unitholders	(1,422,315)	(706,726)
Issue of units	1,761,537	262,715
Redemption of units	(1,358,054)	(54,396)
<b>Net cash used in financing activities</b>	<b>(1,018,832)</b>	<b>(498,407)</b>
Net (decrease)/increase in cash and cash equivalents	(929,670)	641,932
<b>Cash and cash equivalents at the start of the period</b>	<b>1,830,332</b>	<b>960,301</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>900,662</b>	<b>1,602,233</b>
<b>Breakdown of cash and cash equivalents</b>		
Cash and cash equivalents	900,662	1,602,233

The accompanying notes form an integral part of these financial statements

## Notes to the financial statements

EII US Property Fund

For the financial period ended 30 June 2017

### 1. General information

EII Property Funds (the "Trust") was constituted under the laws of Ireland by a Trust Deed dated 10 July 1998 and commenced its activity in September 1998. The Trust is a unit trust established in Ireland in accordance with the provisions of the European Communities Undertakings for Collective Investment in Transferable Securities Regulations, 2011, as amended (the "UCITS Regulations"). It has been authorised by the Central Bank of Ireland.

EII US Property Fund (the "Fund") forms part of the Trust. EII US Property Fund commenced trading activity on 24 October 2013. These financial statements are for the Fund. Separate financial statements are prepared for EII Global Property Fund and EII Property World Invest (ex-U.S.) Fund which also form part of the Trust. These financial statements are available free of charge on request from EII Real Estate Securities Advisors Limited (the "Manager").

### 2. Significant accounting policies

#### Basis of preparation

The interim report and condensed unaudited financial statements of the Fund for the reporting period ended 30 June 2017, have been prepared in accordance with IAS 34 "Interim financial reporting" and Irish statute comprising the Companies Act 2014, the UCITS Regulations, and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (the "Central Bank Regulations"). The financial statements have been prepared under the historical cost convention, except for financial assets and liabilities classified at fair value through profit or loss that have been measured at fair value.

The interim report and condensed unaudited financial statements do not contain all of the information and disclosures required in the full annual financial statements and should be read in conjunction with the audited financial statements for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the UCITS Regulations, and the Central Bank Regulations.

### 3. Financial assets at fair value through profit or loss

(i) Net gain/loss on financial assets at fair value through profit or loss and foreign exchange

For the financial period ended:

	30 June 2017 USD	30 June 2016 USD
Net realised gain on financial assets at fair value through profit or loss and foreign exchange	270,199	1,818,474
Change in unrealised gain/(loss) on financial assets at fair value through profit or loss and foreign exchange	(382,960)	2,531,114
<b>Net gain/(loss) on financial assets at fair value through profit or loss and foreign exchange</b>	<b>(112,761)</b>	<b>4,349,588</b>

(ii) Fair value of financial instruments

IFRS 13 – Fair value measurement establishes a fair value hierarchy for inputs used in measuring fair value that classifies investments according to how observable the inputs are. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect the Fund's assumptions, made in good faith, about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 – Inputs that are quoted prices (unadjusted) in active markets for identical instruments;

Level 2 – Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data; and

Level 3 – Inputs that are unobservable. This category includes all instruments for which the valuation technique include inputs not based on observable data and the unobservable inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Observable data is considered to be market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorisation of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to EII Capital Management, Inc.'s (the "Investment Manager" and the "Distributor") perceived risk of that instrument.

There were no transfers between level 1 and level 2 during the period (2016: nil).

## Notes to the financial statements (continued)

EII US Property Fund

For the financial period ended 30 June 2017

### 3. Financial assets at fair value through profit or loss (continued)

(ii) Fair value of financial instruments (continued)

The following table provides an analysis of financial instruments that are measured at fair value, grouped into levels 1 to 3 at the reporting date:

#### As at 30 June 2017

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Designated at fair value through profit or loss				
- Equity securities	65,376,138	-	-	65,376,138
<b>Financial assets at fair value through profit of loss</b>	<b>65,376,138</b>	<b>-</b>	<b>-</b>	<b>65,376,138</b>

#### As at 31 December 2016

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Designated at fair value through profit or loss				
- Equity securities	65,287,888	-	-	65,287,888
<b>Financial assets at fair value through profit of loss</b>	<b>65,287,888</b>	<b>-</b>	<b>-</b>	<b>65,287,888</b>

All other assets and liabilities held at the reporting dates 30 June 2017 and 31 December 2016 are carried at amortised cost and are classified as loans and receivables; their carrying values are a reasonable approximation of fair value. Cash and cash equivalents have been classified at level 1, due to the liquid nature of the asset. All other assets and liabilities held have been classified at level 2.

### 4. Cash and cash equivalents

The below table shows the cash and cash equivalents held by the Fund at the reporting date:

	Credit rating (S&P) <sup>1</sup>	Currency	30 June 2017 USD equivalent balance	31 December 2016 USD equivalent balance
The Bank of New York Mellon SA/NV Brussels	AA	USD	900,662	1,830,332
<b>Total</b>			<b>900,662</b>	<b>1,830,332</b>

<sup>1</sup> The S&P credit rating relates to The Bank of New York Mellon, the ultimate parent of BNY Mellon Trust Company (Ireland) Limited ("the Depository"). The Depository and sub-custodian do not have a credit rating.

### 5. Investment management and distributor fee

The Investment Manager and Distributor receives a fee at the following annual fee rates paid out of the assets of each such class, monthly in arrears as outlined in the relevant supplement:

Sub-fund	Actual fees charged	%NAV <sup>1</sup>
USD Class I	0.70%	0.80%

<sup>1</sup> The investment management and distributor fee may be increased on giving prior notification to relevant unitholders in the Fund.

The Investment Manager and Distributor may from time to time, by agreement with the Manager, accept a lesser fee.

The investment management and distributor fee accrued at the reporting date and charged during the period is disclosed in the statement of financial position and the statement of comprehensive income respectively.

### 6. Manager fee

The Manager receives a management fee of 0.25% per annum of the Euro equivalent of the NAV of each Fund plus VAT (if any). The fee is paid monthly in arrears and is subject to a minimum annual fee per Fund of the Euro equivalent of US\$60,000.

The Manager is responsible for the fees of Capita Financial Administrators (Ireland) Limited (the "Administrator") out of its fee.

The manager fee accrued at the reporting date and charged during the period is disclosed in the statement of financial position and the statement of comprehensive income respectively.

### 7. Trustee fee

The Trustee received a fee of up to 0.03% per annum of the NAV of the Fund plus VAT (if any). The fee is paid monthly in arrears and subject to a minimum annual fee of €28,000 up to 31 March 2017. Effective 1 April 2017, the minimum annual fee will increase to €35,000.

The Trustee is entitled to transaction and dealing charges, which are paid out of the assets of the Fund at normal commercial rates. The Trustee's fee may be increased up to 1% on giving reasonable prior notification to the unitholders.

The trustee fee accrued at the reporting date and charged during the period is disclosed in the statement of financial position and the statement of comprehensive income respectively.

## Notes to the financial statements (continued)

For the financial period ended 30 June 2017

EII US Property Fund

### 8. Other expenses

The below prepaid fees were held by the Fund at the reporting date:

	30 June 2017 USD	31 December 2016 USD
Directors' insurance fee	-	5,633
Set up costs	10,502	14,477
	<b>10,502</b>	<b>20,110</b>

The below accruals were held by the Fund at the reporting date:

	30 June 2017 USD	31 December 2016 USD
Legal and professional fees	14,605	22,773
Directors' insurance	140	-
Regulatory fees	540	44
Other fees charged by the Administrator	9,432	7,590
	<b>24,717</b>	<b>30,407</b>

The below fees were charged through the statement of comprehensive income during the financial period ended:

	30 June 2017 USD	30 June 2016 USD
Bank charges	839	1,844
Set up costs	3,975	3,975
Directors' insurance fee	5,774	5,228
Legal and professional fees	11,926	14,339
Regulatory fees	496	679
Other fees charged by the Administrator	7,387	8,002
	<b>30,397</b>	<b>34,067</b>

### 9. Units in issue

The table below discloses the unit transactions in the Fund during the financial period ended:

	30 June 2017	31 December 2016
<b>USD Class I</b>		
Opening balance	527,212.992	446,249.775
Units issued	13,895.758	83,904.962
Units redeemed	(11,054.499)	(5,233.313)
Dividend reinvested	54.499	2,291.568
<b>Closing balance</b>	<b>530,108.750</b>	<b>527,212.992</b>

### 10. Dividend policy

The Manager intends to distribute annually within one month of the end of each accounting year or at such other times as it may determine to the unitholders in each Fund all net dividends, interest and other income received by each of the Funds subject to such adjustments as may be appropriate pursuant to the provisions of the trust deed. All income of the Fund not distributed and all capital gains, whether realised or unrealised, will be invested pursuant to the Fund's investment policy.

The following table shows the dividend paid during the financial period ended:

30 June 2017							
Class	Currency	Dividend per unit	Final Dividend paid	Income received on subscriptions	Income deducted on redemptions	Net Dividend charge	Ex-date
USD Class I	USD	\$2.6978	\$1,422,315	(\$172,909)	\$8,974	\$1,258,380	11 January 2017
30 June 2016							
Class	Currency	Dividend per unit	Final Dividend paid	Income received on subscriptions	Income deducted on redemptions	Net Dividend charge	Ex-date
USD Class I	USD	\$1.5837	\$706,726	(\$2,432)	\$1,824	\$706,118	11 January 2016

### 11. Fund Asset regime

The Fund operates under a Fund Asset Model, whereby an umbrella collection account is held in the name of the Trust. The umbrella collection account is used to collect subscription monies from investors and pay out redemption monies and also dividends (where applicable) to unitholders. The balances held in the accounts are reconciled on a daily basis and monies are not intended to be held in the account for long periods. The monies held in the collection accounts are considered an asset of each sub-fund within the Trust. The monies held in the collection accounts are disclosed in the statement of financial position under cash and cash equivalents.

## Notes to the financial statements (continued)

EII US Property Fund

For the financial period ended 30 June 2017

### 12. Connected party transactions

The Central Bank Regulations states that any transaction carried out with a UCITS by a management company or depositary to a UCITS; and the delegates or sub-delegates of such a management company or depositary (excluding any non-group company sub-custodians appointed by a depositary); and any associated or group company of such a management company, depositary, delegate or sub-delegate ("connected person") must be carried out as if conducted at arm's length. Transactions must be in the best interests of the shareholders.

The Directors of the Manager are satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out in Regulation 78 (4) (a) are applied to all transactions with connected parties; and the Directors are satisfied that transactions with connected parties entered into during the period complied with the obligations set out in Regulation 41 (1) (a) and (b) of the Central Bank Regulations.

### 13. Related party disclosures

In accordance with IAS 24 'Related Party Disclosures' the related parties of the Fund and the required disclosures relating to material transactions with parties are outlined below.

#### Investment Manager and Distributor

The Investment Manager is considered a related party due to Mr. Christian A. Lange acting as Chief Executive Officer ("CEO") of the Investment Manager and Mr Andrew Cox serving as portfolio manager responsible for European Real Estate Securities for the Investment Manager. Both Christian A. Lange and Andrew Cox were directors of the Manager during the period.

The Fund pays the Investment Manager fees at the rates set out in note 5.

#### Manager

The Manager is considered a related party as it has significant influence over the Fund.

The Directors of the Manager are considered related parties to the Fund as they have a significant influence over the operations of the Trust.

The independent Directors of the Manager receive a fee from the Manager. Both Christian A. Lange and Andrew Cox have waived their entitlement to a director's fee. There is no separate director fee charged to the Fund.

Aggregate Directors' fees charged to the Manager during the financial period ended 30 June 2017 amounted to €27,000 (financial year ended 31 Dec 2016 €44,000).

#### Other related parties

Mr. Christian A. Lange is also Trustee of the Investment Manager's US Mutual Funds, EII Realty Securities Trust, and director of the ultimate parent company, EII Capital Holding, Inc.

#### Related party unitholder transactions

There were no units held in the Fund by related parties as at the reporting date (2016: nil).

Details of fees charged are outlined below:

	30 June 2017 USD	30 June 2016 USD
Investment management and distributor fee	231,988	189,252
Manager fee	82,852	67,589

### 14. Efficient portfolio management

No efficient portfolio management techniques were used during the period (2016: nil).

### 15. Capital management

The redeemable units issued by the Fund provide an investor with the right to require redemption for cash at a value proportionate to the investor's units in the Fund's net assets at each redemption date and are classified as liabilities. The Fund's objectives in managing the redeemable units are to ensure a stable base to maximise returns to all investors and to manage liquidity risk arising from redemptions.

### 16. Commitments and contingent liabilities

The Manager is not aware of any commitments or contingent liabilities of the Fund.

### 17. Changes to the prospectus

There were no significant changes to the prospectus during the period.

### 18. Events after the reporting date

An updated prospectus was issued on 3 July 2017. The updated prospectus was amended generally and to reflect updates necessitated by the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 (UCTIS V) and the Central Bank Regulations.

Resignation of Andrew Cox effective 1 July 2017.

### 19. Approval of Financial Statements

The unaudited financial statements were approved by the Manager on 18 August 2017.

## Schedule of investments

As at 30 June 2017

EII US Property Fund

	Currency	Nominal holdings	Fair value USD	% NAV
<b>Financial assets at fair value through profit or loss</b>				
<b>Equities</b>				
<b>United States</b>				
American Campus Communities Inc	USD	49,700	2,350,810	3.52%
Boston Properties Inc	USD	4,200	516,684	0.77%
Brandywine Realty Trust	USD	89,200	1,563,676	2.34%
Ddr Corp	USD	57,200	518,804	0.78%
Diamondrock Hospitality Co	USD	125,400	1,373,130	2.06%
Digital Realty Trust Inc	USD	15,700	1,773,315	2.66%
Equinix Inc	USD	6,900	2,961,204	4.44%
Equity Residential	USD	65,100	4,285,533	6.43%
Essex Property Trust Inc	USD	11,700	3,010,059	4.51%
Extra Space Storage Inc	USD	40,100	3,127,800	4.69%
Federal Realty Investment Trust	USD	25,400	3,210,306	4.81%
First Industrial Realty Trust Inc	USD	102,800	2,942,136	4.41%
Forest City Realty Trust Inc	USD	48,700	1,177,079	1.76%
Ggp Inc	USD	133,500	3,145,260	4.72%
Hcp Inc	USD	39,000	1,246,440	1.87%
Host Hotels & Resorts Inc	USD	125,200	2,287,404	3.43%
Kilroy Realty Corp	USD	39,000	2,930,850	4.39%
Liberty Property Trust	USD	47,800	1,945,938	2.92%
Life Storage Inc	USD	26,100	1,934,010	2.90%
Mid-America Apartment Communities Inc	USD	23,467	2,472,952	3.71%
National Retail Properties Inc	USD	47,700	1,865,070	2.80%
Paramount Group Inc	USD	110,700	1,771,200	2.66%
Regency Centers Corp	USD	6,612	414,176	0.62%
Retail Properties Of America Inc	USD	71,800	876,678	1.31%
Simon Property Group Inc	USD	17,900	2,895,504	4.34%
SI Green Realty Corp	USD	16,400	1,735,120	2.60%
Spirit Realty Capital Inc	USD	140,700	1,042,587	1.56%
Store Capital Corp	USD	118,500	2,660,325	3.99%
Taubman Centers Inc	USD	10,400	619,320	0.93%
Ventas Inc	USD	56,360	3,915,893	5.87%
Welltower Inc	USD	37,500	2,806,875	4.23%
			<b>65,376,138</b>	<b>98.03%</b>
<b>Total equities (2016: 96.91%)</b>			<b>65,376,138</b>	<b>98.03%</b>
<b>Total financial assets at fair value through profit or loss (2016: 96.91%)</b>			<b>65,376,138</b>	<b>98.03%</b>
Cash and cash equivalents and other net assets			1,314,041	1.97%
<b>Net asset value attributable to equity unitholders (2016: 100.00%)</b>			<b>66,690,179</b>	<b>100.00%</b>
<b>Analysis of total assets</b>				<b>% of total assets</b>
Transferable securities listed on an official stock exchange				97.90%
Other current assets				2.10%
				<b>100.00%</b>

## Statement of significant portfolio movements

EII US Property Fund

For the financial period ended 30 June 2017

The Central Bank Regulations requires all material changes that have occurred in the disposition of the assets of the UCITS to be documented in the interim report. A material change is defined as the aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the period or aggregate disposals greater than 1 per cent of the total value of sales for the period.

<b>Purchases</b>	<b>Cost USD</b>
Life Storage Inc	2,163,327
National Retail Properties Inc	2,021,720
Brandywine Realty Trust	1,887,257
Paramount Group Inc	1,813,888
Federal Realty Investment Trust	1,695,185
DiamondRock Hospitality Co	1,376,596
FelCor Lodging Trust Inc	1,359,181
Equity Residential	1,199,643
Host Hotels & Resorts Inc	1,190,652
HCP Inc	1,172,666
STORE Capital Corp	838,431
Kilroy Realty Corp	830,947
Ventas Inc	789,315
First Industrial Realty Trust Inc	681,283
DDR Corp	669,577
American Campus Communities Inc	606,910
Boston Properties Inc	516,131
Retail Properties of America Inc	449,186

  

<b>Sales</b>	<b>Proceeds USD</b>
Boston Properties Inc	2,548,445
Equity Commonwealth	2,117,823
DiamondRock Hospitality Co	2,053,760
Retail Properties of America Inc	1,729,723
CubeSmart	1,675,164
Care Capital Properties Inc	1,641,456
FelCor Lodging Trust Inc	1,340,430
DDR Corp	1,043,997
Gaming and Leisure Properties Inc	1,043,413
Sun Communities Inc	1,022,454
Forest City Realty Trust Inc	969,308
Equity One Inc	696,005
Liberty Property Trust	688,170
Spirit Realty Capital Inc	570,704
Brandywine Realty Trust	483,366
Essex Property Trust Inc	466,513
SL Green Realty Corp	401,693
Mid-America Apartment Communities Inc	377,302
Welltower Inc	308,773
Extra Space Storage Inc	307,555

## Other Information

For the financial period ended 30 June 2017

### Soft commissions

During the financial period ended 30 June 2017, the Investment Manager continued to use Westminster Research Associates- Convergenx from soft commissions.

### Total expense ratio

<b>Class</b>	<b>30 June 2017</b>	<b>31 December 2016</b>
USD Class I	1.14%	1.16%