

EII Property World Invest (ex-U.S.) Fund

**Interim Report and
Condensed Unaudited
Financial Statements**

For the financial period ended 30 June 2017

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General information

Directors of the Manager

Mary Broughan (Irish) (Independent)
Declan McCourt (Irish) (Independent)
Christian 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, 8th Floor
New York 10019
USA

Administrator and Transfer Agent

Capita Financial Administrators (Ireland) Limited
2nd 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

Sponsoring Irish Stock Exchange Broker

A&L Listing Limited
25-28 North Wall Quay
International Financial Services Centre
Dublin 1
Ireland

Fund Performance & Market Analysis

For the YTD period ending 30 June 2017, EII Property World Invest (ex-U.S.) Fund (the "Fund") declined -1.37% (in Euros). The FTSE EPRA/NAREIT Developed ex-US Index (benchmark) returned 1.81% (in Euros) for the same period. Regionally, based on Euro terms, Europe was the strongest market, up 5.66% for the first half year of 2017. Asia declined -0.28 % during the period. In Asia, the fund's investments in Australia and Hong Kong detracted from relative performance. In Europe, an underweight to Germany (it outperformed) coupled with no exposure to Switzerland and Austria detracted, while gaining exposure to Spain and the UK benefited performance.

Semi-Annual Overview**Asia**

Hong Kong, China and Singapore were among the top performers in the first half of 2017. Hong Kong developers gained as expectations for higher interest rates were placed on the back-burner in light of the growing uncertain macroeconomic environment. Notwithstanding incrementally punitive measures to restrict Hong Kong bank lending for housing mortgages, the take-up from condominium project launches actually exceeded expectations, with demand driven by low interest rates, mortgage lender price competition, and by latent demand for homes in land-scarce Hong Kong. In China, developers recovered strongly during the period, notwithstanding restrictive measures to curtail further housing price appreciation. The People's Bank of China (PBOC) continues to support the Renminbi, driving an appreciation versus the US dollar, and allaying investor concerns that the government has run out of options to manage the economy. In Singapore, developer stock prices continued to rise in anticipation of potential policy adjustments at the government's budget announcement later in the month, and continued sales prints suggesting that the residential market has bottomed.

Japan and Australia underperformed in the first half of 2017. Japanese stocks traded sideways despite stronger than expected economic data, a strong results season, and with growth from leasing income continuing to benefit from declining vacancies and expanding corporate demand. Management guidance for 2017 remained positive based on the healthy fundamentals on the ground; Tokyo office markets continue to be robust, although the macroeconomic outlook remains mixed with the tight labor market offset by worsening corporate sentiment. In Australia, REITs generally lagged the region as domestic bond yields inched higher on global inflationary expectations. A bright spot was the Australian Office sector that continued to benefit from an under supplied market in Sydney, while the Retail sector continued to face challenges from a soft operating environment.

Europe/UK

The European Central Bank's Quantitative Easing (QE) program has provided a strong backdrop for real estate in Europe; bond yields have been driven to very low levels while confidence and growth has improved. The monetary policy environment in Sweden was also very accommodative, and there economic growth was even stronger. Brexit has clearly changed the pan-European landscape; uncertainty and risks are higher, and it remains challenging to forecast the implications as the UK seeks to renegotiate all facets of its EU membership.

At a fundamental level, investment demand for real estate across Europe remains strong as investors target real estate for its attractive income yield, and we see few signs of this abating. This, in turn, is driving asset values higher. Property companies with the right assets and capital structure therefore remain well positioned to benefit from this demand by a) selling assets into a strengthening market and b) experiencing rising net asset values (NAV). Data points in the UK are under more pressure, yet to date, have only seen a limited correction since Brexit, save for a marked underperformance due to Sterling depreciation and stock price weakness.

Investment markets across Europe, including London, remain in good health and demand for real estate is strong. Overall, valuations for the listed property sector generally appear attractive versus the direct/private market, and we believe real estate demand will remain underpinned by low bond yields.

Outlook

In Asia, growth prospects remain fundamentally sound, underpinned by stable, if not exciting, economic growth and expanding household wealth. This will continue to be supported by accommodative monetary and fiscal policy, which augurs well for the real estate markets. We believe that valuations for listed property stocks are generally not reflective of either fundamentals or continued demand for high quality real estate on the ground. Our portfolios are positioned to benefit from the pricing arbitrage, as well as from continued demand for high quality real estate.

In Europe, continental property companies are generally trading close to NAV vs. their historic reported numbers though we continue to expect NAV growth. Meanwhile in the UK, the companies are trading at significant discounts to NAV (even more so when the currency depreciation is factored in), given expectations for valuation decline, but appear to be pricing a weaker scenario than we consider realistic. Dividend yields, particularly in Continental Europe, also remain attractive with a number of stocks in the 4-5% range, which we anticipate will continue to be supportive to pricing.

Statement of financial position

As at 30 June 2017

EII Property World Invest (ex-U.S.) Fund	Note	30 June 2017 (unaudited) EUR	31 December 2016 (audited) EUR
Assets			
Cash and cash equivalents	4	22,759	1,346,790
Financial assets at fair value through profit or loss	3		
- Transferable securities		7,949,194	33,709,566
Accrued income		56,597	99,240
Prepaid expenses	10	-	3,121
Securities sold receivable		1,454,944	-
Total assets		9,483,494	35,158,717
Liabilities			
Bank overdraft	4	72,786	
Securities purchased payable		-	112,827
Redemptions payable		1,060,139	-
Investment management and distributor fee payable	5	16,223	36,316
Manager fee payable	6	3,109	6,973
Audit fee payable		8,575	17,219
Trustee fee payable	8	22,403	13,170
Other expenses payable	10	14,254	17,514
Total liabilities (excluding net assets attributable to equity unitholders)		1,197,489	204,019
Net assets attributable to equity unitholders		8,286,005	34,954,698
Number of units in issue			
Euro Class A	11	37,109.084	153,094.688
Net asset value per unit			
Euro Class A		€223.288	€228.321

The accompanying notes form an integral part of these financial statements

Statement of comprehensive income

For the financial period ended 30 June 2017

EII Property World Invest (ex-U.S.) Fund	Note	30 June 2017 (unaudited) EUR	30 June 2016 (unaudited) EUR
Investment income			
Dividend income		480,515	552,944
Other income		65	-
Net gain/(loss) on financial assets at fair value through profit or loss and foreign exchange	3	330,726	(1,427,003)
Total investment income/(expense)		811,306	(874,059)
Expenses			
Investment management and distributor fee	5	188,782	228,477
Manager fee	6	36,304	43,937
Audit fee		8,576	8,563
Trustee fee	8	30,709	23,369
Other expenses	10	12,953	22,197
Total expenses		277,324	326,543
Finance costs			
Bank interest		24	15
Total finance costs		24	15
Net investment income/(expenditure)		533,958	(1,200,617)
Taxation			
Withholding tax on dividends		52,511	60,564
Profit/(loss) for the period		481,447	(1,261,181)

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

The accompanying notes form an integral part of these financial statements

Statement of changes in equity

For the financial period ended 30 June 2017

EII Property World Invest (ex-U.S.) Fund	30 June 2017 (unaudited) EUR	30 June 2016 (unaudited) EUR
Net assets attributable to equity unitholders at the start of the period	34,954,698	37,345,340
Total comprehensive income for the period (Loss)/profit for the period	481,447	(1,261,181)
Transactions with owners, recognised directly in equity		
Issue of units	10,000	221,251
Redemption of units	(26,885,724)	(38)
Dividends paid to unitholders	(292,380)	(157,119)
Dividend reinvested	17,964	9,335
Total transactions with owners	(27,150,140)	73,429
Net assets attributable to equity unitholders at the end of the period	8,286,005	36,157,588

The accompanying notes form an integral part of these financial statements

Statement of cash flows

For the financial period ended 30 June 2017

	30 June 2017 (unaudited) EUR	30 June 2016 (unaudited) EUR
EII Property World Invest (ex-U.S.) Fund		
Cash flow from operating activities		
Profit/(loss) attributable to equity unitholders from operations	481,447	(1,261,181)
<i>Adjustment for:</i>		
Dividend income	(480,515)	(552,944)
Interest expense	24	15
Withholding taxes	52,511	60,564
Net operating cash flow before change in operating assets and liabilities	53,467	(1,753,546)
Net decrease in financial assets at fair value through profit or loss	25,760,372	2,255,138
Net increase in other receivables	(1,451,823)	(387,168)
Net (decrease)/increase in other payables	(139,455)	1,076,179
Cash from operations	24,222,561	1,190,603
Dividend received	470,647	447,934
Interest paid	(24)	(15)
Net cash from operating activities	24,693,184	1,638,522
Cash flows from financing activities		
Dividends paid to equity unitholders	(292,380)	(157,119)
Issue of units	27,964	352,784
Redemption of units	(25,825,585)	(122,236)
Net cash used in/(from) financing activities	(26,090,001)	73,429
Net (decrease)/increase in cash and cash equivalents	(1,396,817)	1,711,951
Cash and cash equivalents at the start of the period	1,346,790	571,031
Cash and cash equivalents at the end of the period	(50,027)	2,282,982
Breakdown of cash and cash equivalents		
Cash and cash equivalents	22,759	2,282,982
Bank Overdraft	(72,786)	-

The accompanying notes form an integral part of these financial statements

Notes to the financial statements

For the financial period ended 30 June 2017

EII Property World Invest (ex-U.S.) Fund

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 UCITS Regulations 2011 (as amended) (the "UCITS Regulations"). It has been authorised by the Central Bank of Ireland.

EII Property World Invest (ex-U.S.) Fund (the "Fund"), (formerly known as Global Property Fund) forms part of the Trust. These financial statements are for the Fund. Separate financial statements are prepared for EII Global Property Fund and EII US Property 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").

The Fund is listed on the Irish Stock Exchange ("ISE").

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 financial year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the Companies Act 2014, the UCITS Regulations and the Central Bank Regulations.

3. Financial assets at fair value through profit or loss

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

For the financial period ended:

	30 June 2017 EUR	30 June 2016 EUR
Net realised gain/ (loss) on financial assets at fair value through profit or loss and foreign exchange	1,758,489	(132,274)
Change in unrealised gain/(loss) on financial assets at fair value through profit or loss and foreign exchange	(1,427,763)	(1,294,729)
Net gain/(loss) on financial assets designated at fair value through profit or loss and foreign exchange	330,726	(1,427,003)

(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 the perceived risk of EII Capital Management, Inc. (the "Investment Manager" and the "Distributor") 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 Property World Invest (ex-U.S.) Fund

For the financial period ended 30 June 2017

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

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

As at 30 June 2017

	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Designated at fair value through profit or loss				
- Equity securities	7,949,194	-	-	7,949,194
Financial assets at fair value through profit or loss	7,949,194	-	-	7,949,194

As at 31 December 2016

	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Designated at fair value through profit or loss				
- Equity securities	33,709,566	-	-	33,709,566
Financial assets at fair value through profit or loss	33,709,566	-	-	33,709,566

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) ¹	Currency	30 June 2017 EUR equivalent balance	31 December 2016 EUR equivalent balance
<i>Cash balances</i>				
The Bank of New York Mellon SA/NV Brussels	AA	EUR	(72,786)	112,827
The Bank of New York Mellon SA/NV Brussels	AA	USD	3,245	3,492
The Bank of New York Mellon SA/NV Brussels	AA	GBP	1,529	-
The Bank of New York Mellon SA/NV Brussels	AA	JPY	17,985	-
<i>Short term investment funds</i>				
Goldman Sachs Euro Liquid Reserve Fund	AAA	EUR	-	1,230,471
Total			(50,027)	1,346,790

¹ 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 receive 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 ¹
EUR Class A	1.30%	1.50%

¹ 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's fee accrued at the reporting date and charged during the period are shown 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 net asset value ("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 shown in the statement of financial position and the statement of comprehensive income respectively.

7. Performance fee

The Investment Manager and Distributor is entitled to be paid a performance fee out of the assets of the Fund attributable to Euro Class units of the Fund as described below.

The performance fee is calculated on the outperformance of the Euro Class NAV per unit of the Fund and that of its benchmark which shall be an annual hurdle rate of 8% since the date a performance fee was last crystallised. Should the Euro Class units outperform the hurdle rate, and the Fund's NAV per unit before performance fee exceeds the high watermark at the end of that same period, the Investment Manager shall be entitled to a fee of 20% of the amount by which the class outperforms the hurdle rate. The high watermark is calculated by adjusting the reference NAV per unit by the annual hurdle rate over the performance period, pro rata.

Notes to the financial statements (continued)

EII Property World Invest (ex-U.S.) Fund

For the financial period ended 30 June 2017

7. Performance fee (continued)

The reference NAV per unit is as at the last business day of the previous performance period at which performance fees were last earned by the Investment Manager or its initial issue price. The performance period is defined as any calendar quarter (e.g. as at end March, June, September and December). Any underperformance from previous performance periods must be taken into account when defining and calculating the high watermark. For the avoidance of doubt, underperformance is the amount, in a previous performance period, by which the hurdle rate over such performance period exceeded the performance of the NAV per unit of the Euro Class. In the event that the performance of a class over a performance period is less than its benchmark, no performance fee shall be payable in respect of that class until such cumulative underperformance relative to its benchmark has been recovered. The calculation of the performance fee will be adjusted to take into account any declaration of dividends of the Fund.

The performance fee accrues daily, is paid quarterly in arrears and will be calculated by the Administrator in respect of each performance period and paid at the end of each performance period. Any performance fee accrued on units redeemed prior to the end of the performance period will be payable to the Investment Manager. The performance fee will be verified by BNY Mellon Trust Company (Ireland) Limited (the "Trustee").

There were no performance fees accrued at the reporting date or charged during the period (2016: nil).

8. Trustee fee

Up to 31 March 2016, the Trustee received a fee of up to 0.02% per annum of the NAV of the Fund plus VAT (if any). The fees were paid monthly in arrears and subject to a minimum annual fee of €20,000.

Effective 1 April 2016, the Trustee receives 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 was subject to a minimum annual fee of €28,000 up to 31 March 2017. Effective 1 April 2017, the minimum annual fee increased 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 charge for the period is disclosed in the statement of financial position and the statement of comprehensive income respectively.

9. Exchange rates

The following exchange rates were used to convert the assets and liabilities, held in foreign currencies, into the base currency of the Fund at the reporting date.

Foreign currency	30 June 2017 Exchange rate to EUR	31 December 2016 Exchange rate to EUR
Australian Dollar	1.486931	1.456636
British Pound	0.878055	0.853599
Canadian Dollar	1.481233	1.414473
Hong Kong Dollar	8.903651	8.177639
Japanese Yen	128.152268	123.020827
Singapore Dollar	1.570367	1.523798
Swedish Krona	9.620031	9.581987
United States Dollar	1.140551	1.054751

10. Other expenses

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

	30 June 2017 EUR	31 December 2016 EUR
Directors' insurance fee	-	3,121
	-	3,121

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

	30 June 2017 EUR	31 December 2016 EUR
Legal and professional fees	6,901	10,870
Regulatory fee	1,017	885
Directors' insurance	264	-
Other fees charged by the Administrator	6,072	5,759
	14,254	17,514

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

	30 June 2017 EUR	30 June 2016 EUR
Bank charges	416	157
Regulatory fees	2,592	2,591
Directors' insurance fee	3,385	7,041
Legal and professional fees	2,548	8,301
Other fees charged by the Administrator	4,012	4,107
	12,953	22,197

Notes to the financial statements (continued)

EII Property World Invest (ex-U.S.) Fund

For the financial period ended 30 June 2017

11. Units in issue

The table below discloses the unit transactions in the Fund during the period/year:

	30 June 2017	31 December 2016
Euro Class A:		
Opening balance	153,094.688	157,576.195
Units issued	42.779	970.378
Units redeemed	(116,108.690)	(5,495.329)
Dividend reinvested	80.307	43.444
Closing balance	37,109.084	153,094.688

12. Involvement with unconsolidated structured entities

The Fund did not hold an interest in short term investment funds at the reporting date. As at 31 December 2016 the interest in short term investment funds which the Fund held but that it did not consolidate, met the definition of unconsolidated structured entities. The investment funds are open ended money market funds.

The table below sets out interests held by the Fund in unconsolidated structured entities at 31 December 2016.

	Carrying Amount EUR	Total Net asset value at 31 December 2016 EUR
Goldman Sachs Euro Liquid Reserve Fund	1,230,471	966,697,947

13. 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 charged 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
Euro Class A	EUR	€1.9098	€292,380	-	€5,324	€ 297,704	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
Euro Class A	EUR	€0.9971	€157,119	(€520)	€96,422	€253,021	11 January 2016

14. Fund Asset Regime

The Fund operates under a Fund Asset Model, whereby an umbrella cash subscription and redemption account is held in the name of the Trust. The umbrella cash subscription and redemption 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 account 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 cash subscription and redemption account are considered an asset of each sub-fund within the Trust. The monies held in the cash subscription and redemption account are disclosed in the statement of financial position under cash and cash equivalents.

15. Connected persons disclosure

The Central Bank (Supervision and Enforcement Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015 (the "Central Bank Regulations") 10.2 - 'Transactions involving Connected Persons' states in paragraph 40 that any transaction carried out with a UCITS by the 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 persons") must be carried out as if negotiated at arm's length and in the best interests of the unitholders.

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 paragraph 40 of the Central Bank Regulations 10.2 are applied to all transactions with connected persons; and the Board of Directors is satisfied that transactions with connected persons entered into during the period complied with the obligations set out in this paragraph.

Notes to the financial statements (continued)

EII Property World Invest (ex-U.S.) Fund

For the financial period ended 30 June 2017

16. 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 fees to the Investment Manager and Distributor at the rates set out in note 5. The Investment Manager is also entitled to performance fees, details of which are set out in note 7.

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 2016: €44,000).

Details of fees charged by related parties are outlined below:

	30 June 2017 EUR	30 June 2016 EUR
Investment management and distributor fees	188,782	228,477
Manager fees	36,304	43,937

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

Mr Christian A. Lange held 9,206 units in the Fund as at the reporting date (31 December 2016: 9,129 units). There were no other units held in the Fund by related parties as at the reporting date (2016: nil).

17. Efficient portfolio management

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

18. 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.

19. Commitments and contingent liabilities

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

20. Changes to the prospectus

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

21. 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.

22. 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 Property World Invest (ex-U.S.) Fund

	Currency	Nominal holdings	Fair value EUR	% NAV
Financial assets at fair value through profit or loss				
Equities				
Australia				
Scentre Group	AUD	140,000	381,322	4.60%
Stockland	AUD	81,099	238,891	2.88%
Westfield Corp	AUD	61,700	333,204	4.02%
			953,417	11.50%
Bermuda				
Hongkong Land Holdings Ltd	USD	38,700	249,732	3.01%
			249,732	3.01%
Canada				
Allied Properties Real Estate Investment Trust	CAD	9,380	246,463	2.97%
Riocan Real Estate Investment Trust	CAD	16,278	264,517	3.19%
			510,980	6.16%
Cayman Islands				
Cheung Kong Property Holdings Ltd	HKD	21,600	148,348	1.79%
China Resources Land Ltd	HKD	29,800	76,143	0.92%
			224,491	2.71%
Finland				
Citycon Oyj	EUR	44,000	101,112	1.22%
			101,112	1.22%
France				
Gecina Sa	EUR	1,200	164,820	1.99%
Klepierre	EUR	3,639	130,586	1.58%
Unibail-Rodamco Se	EUR	1,800	397,170	4.79%
			692,576	8.36%
Germany				
Deutsche Wohnen Ag	EUR	9,900	331,551	4.00%
			331,551	4.00%
Hong Kong				
China Overseas Land & Investment Ltd	HKD	74,016	189,952	2.29%
Sun Hung Kai Properties Ltd	HKD	36,007	463,855	5.60%
Link Reit	HKD	73,800	492,351	5.94%
			1,146,158	13.83%
Ireland				
Green Reit Plc	EUR	99,200	141,162	1.70%
			141,162	1.70%
Japan				
Activia Properties Inc	JPY	43	161,226	1.95%
Invincible Investment Corp	JPY	282	106,285	1.28%
Japan Real Estate Investment Corp	JPY	41	178,842	2.16%
Mitsubishi Estate Co Ltd	JPY	27,600	450,875	5.44%
Mitsui Fudosan Co Ltd	JPY	16,000	334,664	4.04%
Nippon Building Fund Inc	JPY	55	246,348	2.97%
Nomura Real Estate Holdings Inc	JPY	4,000	68,793	0.83%
Sumitomo Realty & Development Co Ltd	JPY	7,300	197,378	2.38%
			1,744,411	21.05%
Luxembourg				
Ado Properties Sa	EUR	2,000	74,070	0.89%
			74,070	0.89%
Netherlands				
Eurocommercial Properties Nv	EUR	1,600	55,976	0.68%
			55,976	0.68%
Singapore				
Ascendas Real Estate Investment Trust	SGD	64,800	107,700	1.30%
Capitaland Ltd	SGD	48,500	108,096	1.30%
Keppel Reit	SGD	204,204	148,891	1.80%
			364,687	4.40%
Spain				
Axiare Patrimonio Socimi Sa	EUR	5,000	74,800	0.90%
Merlin Properties Socimi Sa	EUR	23,083	255,298	3.08%
			330,098	3.98%
Sweden				
Castellum Ab	SEK	9,100	117,013	1.41%
Fabege Ab	SEK	6,000	101,039	1.22%
			218,052	2.63%

Schedule of investments (continued)

As at 30 June 2017

EII Property World Invest (ex-U.S.) Fund

	Currency	Nominal holdings	Fair value EUR	% NAV
Financial assets at fair value through profit or loss (continued)				
United Kingdom				
British Land Co Plc/The	GBP	6,100	42,065	0.51%
Grainger Plc	GBP	33,200	99,443	1.20%
Great Portland Estates Plc	GBP	18,533	126,008	1.52%
Land Securities Group Plc	GBP	15,300	176,514	2.13%
Segro Plc	GBP	36,100	201,128	2.43%
Unite Group Plc/The	GBP	22,400	165,563	2.03%
			810,721	9.82%
Total equities (2016: 96.44%)			7,949,194	95.94%
Total financial assets at fair value through profit or loss (2016: 96.44%)			7,949,194	95.94%
Cash and cash equivalents and other net assets			336,811	4.06%
Net assets attributable to equity unitholders (2016: 100.00%)			8,286,005	100.00%
Analysis of total assets				% of total assets
Transferable securities listed on an official stock exchange				83.82%
Other current assets				16.18%
				100.00%

Statement of significant portfolio movements

EII Property World Invest (ex-U.S.) 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.

Purchases	Cost EUR
Hongkong Land Holdings Ltd	1,030,348
Keppel REIT	571,163
Cheung Kong Property Holdings Ltd	403,899
Mitsubishi Estate Co Ltd	396,040
Unibail-Rodamco SE	321,294
Eurocommercial Properties NV	292,802
Axiare Patrimonio SOCIMI SA	285,391
Merlin Properties Socimi SA	272,575
RioCan Real Estate Investment Trust	262,509
ADO Properties SA	204,505
Link REIT	194,269
Stockland	193,189
Ascendas Real Estate Investment Trust	178,343
British Land Co PLC/The	156,626
City Developments Ltd	156,063
CapitaLand Ltd	154,793
Hanstee Holdings PLC	139,937
St Modwen Properties PLC	139,784
China Resources Land Ltd	139,150
Green REIT plc	105,711
Scentre Group	104,214
Allied Properties Real Estate Investment Trust	94,264
Citycon OYJ	91,350
Wing Tai Holdings Ltd	75,860
Land Securities Group PLC	75,652
	Proceeds EUR
Sun Hung Kai Properties Ltd	1,596,718
Link REIT	1,523,361
Mitsubishi Estate Co Ltd	1,455,967
Stockland	1,399,167
Scentre Group	1,367,301
Westfield Corp	1,211,831
Hongkong Land Holdings Ltd	1,177,061
Deutsche Wohnen AG	1,141,247
Unibail-Rodamco SE	1,119,730
Sumitomo Realty & Development Co Ltd	939,482
RioCan Real Estate Investment Trust	914,516
Mitsui Fudosan Co Ltd	892,383
Frasers Logistics & Industrial Trust	867,231
TLG Immobilien AG	831,007
Activia Properties Inc	829,411
Nippon Building Fund Inc	816,817
Japan Real Estate Investment Corp	773,983
Segro PLC	768,468
Land Securities Group PLC	766,951
China Overseas Land & Investment Ltd	703,743
Merlin Properties Socimi SA	670,859
Allied Properties Real Estate Investment Trust	652,831
Gecina SA	581,688
Grainger PLC	531,054
Fabege AB	497,506
City Developments Ltd	494,766
UNITE Group PLC/The	486,803
Great Portland Estates PLC	472,547
Vonovia SE	464,876
Citycon OYJ	463,468
CapitaLand Ltd	455,351
Keppel REIT	442,544
Castellum AB	426,185
Klepierre	425,677
Advance Residence Investment Corp	371,824
Invincible Investment Corp	360,037
Ascendas Real Estate Investment Trust	346,831
Green REIT plc	333,738

Other information

EII Property World Invest (ex-U.S.) Fund

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

Class	30 June 2017	31 December 2016
Euro Class A	1.87%	1.85%