EII US Property Fund

Annual Report and Audited Financial Statements

For the financial period from 1 January 2018 to 30 June 2019

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General information

Directors of the Manager	Mary Broughan (Irish) (Independent) Declan McCourt (Irish) (Independent) Christian A. Lange (American) Michael Meagher (American) (appointed 26 January 2018) (All Directors are non-executive)
Manager	EII Real Estate Securities Advisors Limited 25/28 North Wall Quay Dublin 1 D01 H104 Ireland
Investment Manager and Distributor	EII Capital Management, Inc. 640 Fifth Avenue, 8th Floor New York 10019 USA
Administrator and Transfer Agent	Link Fund Administrators (Ireland) Limited 1st Floor, 2 Grand Canal Square Grand Canal Harbour Dublin 2 D02 A342 Ireland
Independent Auditor	KPMG 1 Harbourmaster Place IFSC Dublin 1 D01 F6F5 Ireland
Irish Legal Advisers & Secretary	A & L Goodbody 25/28 North Wall Quay Dublin 1 D01 H104 Ireland
Trustee and Depositary	BNY Mellon Trust Company (Ireland) Limited One Dockland Central Guild Street IFSC Dublin 1 D01 E4X0 Ireland

Investment Manager's report

For the financial period from 1 January 2018 to 30 June 2019

Fund Performance & Market Analysis

For the reporting period beginning 31. December 2017 and ending June 30, 2019, the Fund returned 5.75% (in USD). The FTSE EPRA/NAREIT United States Index Net TRI (benchmark) returned 6.68% in USD for the same period. For the year 2018 US REITs declined -5.01%, based in USD terms. After a weak 2018 the first half year of 2019 saw strong performance with US REITs gaining 16.00%.

Review and Outlook

Q219 was fraught with drama at both the industry level and the macro level. The biggest topics of the quarter were the ongoing trade discussions between the US and China, along with the US Federal Reserve (Fed) deciding to shift interest rate policy from hawkish to dovish in a remarkably short period of time. The US economy is expected to see moderating growth over the next two quarters, yet employment growth and corporate profits are proving resilient in the twilight of this post-GFC cycle. Additionally, a benign inflationary environment is providing necessary cover to Fed Chairman Jay Powell as he struggles for credibility and to keep the economic torches from being extinguished during the balance of his tenure.

Equity markets endured a turbulent quarter as the risk of a full-scale trade war between the US and China intensified following a hard break-off of negotiations in early May. Markets, however, were not down for long, drawing support from expectations (stoked by June's Federal Open Market Committee meeting) of a 50-basis point drop in the Fed Funds rate over the balance of the year. With dovish commentary from just about every other major central bank, sovereign bond yields from Tokyo to Germany and beyond went into negative territory.

Following a stellar start to the year, REITs gave back some relative performance versus general equities during the second quarter and ended the period up +1.24%, as measured by the FTSE NAREIT Equity Index. The S&P 500 and the Nasdaq Composite delivered +4.3% and +3.9% respectively. Treasuries rallied in the quarter with the 10-year US Treasury note ending the period at a yield of 2.0%.

While the market is accustomed to large intra-sector swings within the REIT universe from quarter to quarter, the dispersion of returns for this period was exceptionally wide. The standout performers in Q2 were single-family rentals and industrial, which returned +9.9% and +9.0% respectively. While single-family rentals (SFR) only have two constituent names within the benchmark at this time, the US market for SFR is large and consolidation of the industry continues at a rapid clip some seven years after the first institutional investors began purchasing distressed assets following the sub-prime mortgage crisis. Today, the most interesting opportunities for public companies in the SFR space is margin expansion driven by economies of scale, and the development of purpose-built SFR homes. The industrial property sector is seeing a continuation of a widely-vetted theme: the increased need for, and build-out of, industrial space for an omni-channel retail world in which traditional and online retailers are both working towards next-day and, in some instances, same-day delivery to customers.

Other strong performers during the period were self-storage, data centres and manufactured housing, which all achieved +7.0% returns. All three of these sectors tend to trade at high valuations (low cap rates), which provides an advantage when external growth levers are being ratcheted up. More recently, there has been a tendency for companies to become more aggressive with external growth given strong balance sheets, low interest rates, and solid fundamentals.

The worst-performing sector in Q2 was regional malls, which returned -12.6% for the quarter, and is down -3.9% YTD. The mall sector had seen a bounce in Q119, but this proved short lived as retailers started to report Q1 earnings that were disappointing for several categories. A high level of store closings were also announced in early spring.

The lodging and office sectors underperformed during the quarter, each down -3.3%. Both sectors are viewed as more cyclical and were susceptible to the macro forces that proved a headwind to performance. The lodging group was also partially weighed down by M&A activity which hit an acquiring company particularly hard. In the office sector, west coast markets continue to outshine their east coast counterparts by a fairly wide margin. Technology and information services tenants are large demand drivers on both coasts, however, the west coast is benefitting from structural supply constraints while New York City must still contend with the lease up of the far west side of Manhattan.

Shopping centres and free standing (also dominated by retail tenants) underperformed the broader REIT market with returns of -2.5% and -2.9% respectively. Not unlike the mall category, most retail formats continue to deviate from traditional categories such as fashion, shoes and jewellery, and move more aggressively into "experiential" retail and health/wellness categories. Dining and theatres are also proving to be resilient in the current environment.

One of the notable trends we saw in the quarter was a more visible shift towards external growth. This was surprising given how late we are in the cycle, and after several years of REITs becoming more defensive and being net "disposers" of assets. For the first time in two years, it is anticipated that the sector will acquire more than it sells. As referenced earlier, REITs have done an admirable job of paring their portfolios over the past several years, disposing of lower growth assets and markets, while also improving the quality of their balance sheets. With this pruning behind them, and with equity markets having improved valuations, companies have gone back on the offensive. This trend has been borne out by evidence that the best performers during the period were companies with high multiples, low dividend yields, and low leverage. These are characteristics of companies that are positioned for growth in a "risk-on" environment.

Investment Manager's report (continued)

For the financial period from 1 January 2018 to 30 June 2019

REIT valuations are more bifurcated than they were earlier in the year. For much of H119, investors took refuge in sectors such as industrial, residential and data centres, where fundamentals are solid, earnings visibility good, and long-term trends complementary. These are also the sectors that have exhibited reaccelerating growth characteristics. By contrast, the retail categories and office sectors are trading at material discounts to NAV, have substantial dividend yield premiums but lack more visible earnings growth. In this bifurcated environment, a barbell investment approach towards growth and value appears to be a prudent course of action. The reacceleration of external growth is somewhat market dependent, to the extent that valuations remain high enough that common shares can be utilized as an accretive currency. Also, an abundance of financing capacity was unleashed as yields moved lower earlier in the year. The current low-interest rate environment was not anticipated by the markets and could prove fleeting, thus eliminating the "punch bowl" at an inopportune time.

With REITs up +17% YTD (as at the end of Q2) and with interest rates bouncing off a technical low of 2.0% on the 10-year Treasury, it would probably be hard for the group to outperform on an absolute and relative basis in the near term, particularly if interest rates move up from here. As a result, it is possible that REIT performance takes a pause in the near term as markets re-evaluate the strength of the economy and look for progress on major geopolitical issues such as the trade discussions between the US and China.

Statement of manager's responsibility and other information

Transactions involving connected persons
The Central Bank (Supervision and Enforcement) Act 2013 (section 43 (1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (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 financial year complied with the obligations set out in Regulation 41 (1) (a) and (b) of the Central Bank Regulations.

Other information
The Board voluntarily adopted the 'Corporate Governance Code Collective Investment Schemes and Management Companies' as published by Irish Funds in December 2011, as EII Real Estate Securities Advisers Limited (in its capacity as Manager) and as EII US Property Fund's (the "Fund") corporate governance code with effect from 24 October 2013, the launch date of the Fund. The Fund has complied with the corporate governance code for the financial period from 1 January 2018 to 30 June 2019.

Statement of Manager's responsibilities

The Manager is responsible for preparing the Trust's financial statements, in accordance with applicable law and regulations.

Irish law requires the Manager of the Trust to prepare financial statements for each financial year. The Manager has elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applicable law.

The financial statements are required to give a true and fair view of the assets, liabilities and financial position of the Trust and of its [increase/decrease] in net assets attributable to holders of redeemable participating units for the year then ended. In preparing the financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations or have no realistic alternative but to do so.

The Manager is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and enable it to ensure that the financial statements comply with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities.

On behalf of the Manager, EII Real Estate Securities Advisors Limited

Mary Broughan **Declan McCourt**

24 October 2019

Report of the Depositary to the Unitholders

For the period from 1 January 2018 to 30 June 2019 (the "**Period**")

BNY Mellon Trust Company (Ireland) Limited (the "Depositary", "us", "we" or "our") has enquired into the conduct of EII Real Estate Securities Advisors Limited (the "Manager") in respect of EII US Property Fund, a sub-fund of EII Property Funds (the "Trust"), for the Period, in our capacity as Depositary to the Trust.

This report including the opinion has been prepared for and solely for the unitholders in the Trust, in accordance with Regulation 34 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No 352 of 2011), as amended (the "Regulations"), 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.

Responsibilities of the Depositary

Our duties and responsibilities are outlined in Regulation 34 of the Regulations. One of those duties is to enquire into the conduct of the Manager in the management of the Trust in each annual accounting period and report thereon to the unitholders.

Our report shall state whether, in our opinion, the management has managed the Trust in that period in accordance with the provisions of the Trust's trust deed and the Regulations. It is the overall responsibility of the Manager to comply with these provisions. If the management of the Trust has not done so, we as Depositary must state in what respects it has not done so and the steps which we have taken in respect thereof.

Basis of Depositary opinion

The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Regulation 34 of the Regulations and to ensure that, in all material respects, the management has managed the Trust:

(i) in accordance with the limitations imposed on the investment and borrowing powers of the Manager and Depositary by the trust deed and the appropriate regulations and;

(ii) otherwise in accordance with the provisions of the trust deed and the appropriate regulations.

Opinion

In our opinion, the management has managed the Trust during the period, in all material respects:

(i) in accordance with the limitations imposed on the investment and borrowing powers of the Manager and Depositary by the trust deed and by the Regulations; and

(ii) otherwise in accordance with the provisions of the trust deed and the Regulations.

For and on behalf of
BNY Mellon Trust Company (Ireland) Limited
One Dockland Central
Guild Street
IFSC
Dublin 1
D01 E4X0
Ireland

Date:

Independent Auditor's Report to the Unitholders of EII US Property Fund

Report on the audit of the financial statements

Opinion
We have audited the financial statements of EII US Property Fund ('the Fund') which is a sub fund of EII Property Funds ("the Trust") for the period ended 30 June 2019, which comprise the statement of financial position, statement of comprehensive income, statement of changes in the net assets attributable to holders of redeemable participating units, statement of cash flows and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Trust as at period end 30 June 2019 and of its decrease in net assets attributable to holders to redeemable participating units for the period then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities Regulations) 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – non-going concern basis of preparation of EII US Property Fund
We draw attention to the disclosure made in note 2 to the financial statements which explains that the financial statements are not prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

Other information
The Manager is responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Investment Manager's report, Statement of Manager's responsibilities, and report of the Depositary to the Unitholders. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Respective responsibilities and restrictions on use

Responsibilities of the Manager for the financial statements
As explained more fully in the Manager's responsibilities statement set out on page 5, the Manager is responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

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

A fuller description of our responsibilities is provided on IAASA's website at
https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsiblities_for_audit.pdf.

Independent Auditor's Report to the Unitholders of EII US Property Fund (continued)

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Fund's unitholders, as a body, in accordance with Regulation 93 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011. Our audit work has been undertaken so that we might state to the Fund's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Signature: **Date:**

James Casey
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Harbourmaster Place
IFSC
Dublin 1

Statement of financial position

As at 30 June 2019

	Note	30 June 2019 USD	31 December 2017 USD
Assets			
Cash and cash equivalents	4	183,360	692,637
Financial assets at fair value through profit or loss	3 (ii)		
- Transferable securities		111,898,255	65,172,989
Securities sold receivable	2 (h)	613,297	-
Accrued income		322,637	233,344
Other assets		8,543	-
Prepaid expenses	10	570	10,941
Total assets		**113,026,662**	**66,109,911**
Liabilities			
Redemptions payable		-	102,564
Securities purchased payable	2 (i)	621,559	-
Investment management and distributor fee payable	5	44,685	23,303
Manager fee payable	6	19,711	11,074
Audit fee payable	8	16,889	10,805
Trustee fee payable	7	17,644	13,755
Other expenses payable	10	82,654	17,269
Total liabilities (excluding net assets attributable to equity unitholders)		**803,142**	**178,770**
Net assets attributable to equity unitholders		**112,223,520**	**65,931,141**

On behalf of the Manager, EII Real Estate Securities Advisors Limited

Mary Broughan **Declan McCourt**

Date: 24 October 2019

The accompanying notes form an integral part of these financial statements

Statement of comprehensive income

For the financial period from 1 January 2018 to 30 June 2019

	Note	30 June 2019 USD	31 December 2017 USD
Investment income			
Dividend income		4,523,002	2,483,705
Other income		8,543	-
Net gain/(loss) on financial assets at fair value through profit or loss and foreign exchange	3 (i)	3,924,571	(364,223)
Total investment income		**8,456,116**	**2,119,482**
Expenses			
Investment management and distributor fee	5	645,443	424,980
Manager fee	6	268,932	164,190
Audit fee	8	18,136	10,413
Trustee fee	7	88,584	52,071
Other expenses	10	218,953	63,210
Total expenses		**1,240,048**	**714,864**
Net investment income		**7,216,068**	**1,404,618**
Taxation			
Withholding tax on dividends	13	1,248,495	704,692
Gain for the financial period/year		**5,967,573**	**699,926**

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

Statement of changes in equity

For the financial period from 1 January 2018 to 30 June 2019

	30 June 2019 USD	31 December 2017 USD
Net assets attributable to equity unitholders at the start of the financial period/year	65,931,141	67,366,844
Total comprehensive income for the financial period/year		
Profit for the financial period/year	5,967,573	699,926
Transactions with owners, recognised directly in equity		
Issue of units	43,674,762	4,365,099
Redemption of units	(1,101,821)	(5,085,252)
Dividends paid to equity unitholders	(2,257,088)	(1,422,315)
Dividend reinvested	8,953	6,839
Total transactions with owners	**40,324,806**	**(2,135,629)**
Net assets attributable to equity unitholders at the end of the financial period/year	**112,223,520**	**65,931,141**

The accompanying notes form an integral part of these financial statements

Statement of cash flows

For the financial period from 1 January 2018 to 30 June 2019

	30 June 2019 USD	31 December 2017 USD
Cash flow from operating activities		
Increase in net assets attributable to equity unitholders from operations	5,967,573	699,926
Adjustment for:		
Dividend income	(4,523,002)	(2,483,705)
Withholding taxes	1,248,495	704,692
Net operating cash flow before change in operating assets and liabilities	**2,693,066**	**(1,079,087)**
Net (increase)/decrease in financial assets at fair value through profit or loss	(46,716,313)	114,899
Net (increase)/decrease in other receivables	(611,469)	9,169
Net increase in other payables	726,936	79,731
Cash used in operations	**(43,907,780)**	**(875,288)**
Dividends received	3,185,214	1,873,222
Net cash (used in)/from operating activities	**(40,722,566)**	**997,934**
Cash flows from financing activities		
Dividends paid to equity unitholders	(2,257,088)	(1,422,315)
Issue of units	43,674,761	4,371,938
Redemption of units	(1,204,384)	(5,085,252)
Net cash from/(used in) financing activities	**40,213,289**	**(2,135,629)**
Net decrease in cash and cash equivalents	(509,277)	(1,137,695)
Cash and cash equivalents at the start of the financial period/year	692,637	1,830,332
Cash and cash equivalents at the end of the financial period/year	**183,360**	**692,637**
Breakdown of cash and cash equivalents		
Cash and cash equivalents	183,360	692,637

The accompanying notes form an integral part of these financial statements

Notes to the financial statements

For the financial period from 1 January 2018 to 30 June 2019

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 PGS Global Infrastructure 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 Manager proposed to the shareholders of the Fund a merger into a new sub-fund (the "Receiving Fund") of another UCITS in order to achieve greater economies of scale in the long term, greater levels of operational efficiency and longer-term costs savings for Unitholders in the Merging Fund. The Receiving Fund's investment objective and methodology was designed to mirror as closely as possible the Fund's investment objective. The merger took place effective 18 September 2019.

2. Significant accounting policies

(a) Basis of preparation

The audited financial statements of the Fund, for the financial period from 1 January 2018 to 30 June 2019, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the UCITS Regulations, and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (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 preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the financial year. Actual results could differ from those estimates and these differences could be material.

Management has made an assessment of the Fund's ability to continue as a going concern and due to the decision to merge the Fund with another UCITS the financial statements are prepared on a basis other than a going concern basis. Under the basis other than that of a going concern, assets are valued at fair value and liabilities are stated at their estimated settlement amounts after provision is made for operating losses expected to be incurred and the costs of wind-up have been recognised.

(b) Standards and amendments to existing standards effective 1 January 2018

IFRS 9 – Financial Instruments – Classification and Measurement

The Fund adopted IFRS 9 Financial Instruments effective 1 January 2018. IFRS 9 replaced IAS 39 Financial Instruments: Recognition and Measurement "IAS 39". It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. The standard includes three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). It eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale. IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. However, although under IAS 39 all fair value changes for liabilities designated as at FVTPL are recognised in profit or loss, under IFRS 9 these fair value changes are generally presented as follows:

- The amount of change in the fair value that is attributable to changes in the credit risk of the entity is presented in OCI; and
- The remaining amount of change in the fair value is presented in profit or loss.

Based on the Fund's assessment, this standard does not have a material impact on the classification of financial assets and financial liabilities of the Fund, this is because:

- The financial instruments classified as held-for-trading under IAS 39 will continue to be classified as such under IFRS 9;
- Financial instruments currently measured at FVTPL under IAS 39 are designated into this category because they are managed on a fair value basis in accordance with a documented investment strategy. Accordingly, these financial instruments will be mandatorily measured at FVTPL under IFRS 9; and
- Financial instruments currently measured at amortised cost are: cash balances and receivables from units issued and debtors. These instruments meet the "solely payments of principal and interest" (SPPI) criterion and are held in a held-to-collect business model. Accordingly, they will continue to be measured at amortised cost under IFRS 9.

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' ("ECL") model. This requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

2. Significant accounting policies (continued)

(b) Standards and amendments to existing standards effective 1 January 2018 (continued)

Based on the Fund's assessment, changes to the impairment model do not have a material impact on the financial assets of the Fund, this is because:

- The majority of the financial assets are measured at FVTPL under both IAS 39 and IFRS 9 and the impairment requirements do not apply to such instruments; and
- The financial assets at amortised cost are short-term (i.e. no longer than 12 months), of high credit quality and/or highly collateralised. Accordingly, the ECLs on such assets are expected to be immaterial.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018. There is no impact to the financial statements resulting from IFRS 15.

(c) Foreign currency

(i) Functional and presentation currency

The functional currency of the Fund is United States Dollar ("USD"). The Fund has adopted the USD as its presentation currency.

(ii) Foreign currency translation

Assets and liabilities denominated in currencies other than the functional currencies of the Fund are translated into the functional currency using exchange rates prevailing at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date exchange rates of assets and liabilities, denominated in foreign currencies, are recognised in the statement of comprehensive income in the financial year in which they arise.

(d) Financial assets at fair value through profit or loss

(i) Classification

Policy effective 1 January 2018 (IFRS 9)

The Fund classified its investments based on both the business model in which the financial assets are managed and their contractual cash flow characteristics. The portfolio of financial assets is managed, and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and used the information to assess the assets' performance and to make decisions.

Policy effective before 1 January 2018 (IAS 39)

The Fund classified its financial assets and financial liabilities into the categories below in accordance with IAS 39.

- Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purposes of selling or repurchasing in the short term. This category includes derivatives.
- Financial assets and financial liabilities designated at fair value through profit or loss upon initial recognition are those that are managed, and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy

The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Fund's financial assets and financial liabilities as at 1 January 2018:

	Note	Original Classification under IAS 39	New Classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Financial assets					
Equities	3	Held for trading	FVTPL	65,172,989	65,172,989
Cash and cash equivalents	4	Loans and receivables	Amortised cost	692,637	692,637
Receivables		Loans and receivables	Amortised cost	244,285	244,285
Total financial assets				**66,109,911**	**109,911**
Financial liabilities					
Payables		Loans and receivables	Amortised Cost	178,770	178,770
Total financial liabilities				**178,770**	**178,770**

(ii) Recognition

All "regular way" purchases and sales of financial instruments are recognised using trade date accounting, the day that the Fund commits to purchase or sell the asset. From this date any gains and losses arising from changes in fair value of the financial assets are recorded. Regular way purchases, or sales, are purchases and sales of financial assets that require delivery of the asset within a time frame generally established by regulation or convention in the market place.

2. Significant accounting policies (continued)

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

(iii) Measurement

At initial recognition financial assets categorised at fair value through profit or loss are recognised initially at fair value, with transaction costs for such instruments being recognised directly in the statement of comprehensive income.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss, are measured at fair value with changes in their fair value recognised in the statement of comprehensive income.

- Investments in listed long equity positions are valued at their last traded price.

In the event that any of the assets on the relevant valuation day are not listed or dealt on any recognised exchange, such assets shall be valued by a competent person selected by the Directors and approved for such purpose by BNY Mellon Trust Company (Ireland) Limited (the "Trustee") with care and in good faith. There were no financial assets valued using this method as at the reporting dates 30 June 2019 and 31 December 2017.

(iv) Derecognition

The Fund derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or it transfers the right to receive the contractual cash flow in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Fund is recognised as a separate asset or liability.

The Fund enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risk and rewards of the transferred assets or a portion of them. If all or substantially all of the risks and rewards are retained, then the transferred assets are not derecognised. Transfer of assets with retention of all or substantially all of the risks and rewards include sale and repurchase transactions.

(v) Offsetting

The Fund only offsets financial assets at fair value through profit or loss if the Fund has a legally enforceable right to set off the recognised amounts and either intends to settle on a net basis, or to realise the asset and settle the liability simultaneously. The Fund has no financial assets or financial liabilities that are subject to an enforceable master netting arrangement or similar agreement.

(vi) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk. When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Fund measures instruments quoted in an active market at a last traded price, because this price provides a reasonable approximation of the exit price. If there is no quoted price on an active market, then the Fund uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

(e) Income

Dividends and interest arising on the investments are recognised as income of the Fund on an ex-dividend or interest date, and for deposits of the Fund, on an accrual basis.

(f) Net gain/loss from financial instruments at fair value through profit or loss

Net gain/loss from financial instruments at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences.

Net realised gain from financial assets at fair value through profit or loss is calculated using the average cost method.

(g) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and short-term deposits held at Bank of New York Mellon SA/NV, a sub-custodian of the Trustee that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less. Short term investments that are not held for the purpose of meeting short-term cash commitments and restricted margin accounts are not considered as cash and cash equivalents. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(h) Securities sold receivable

Securities sold receivable represent receivables for securities sold that have been contracted for but not yet settled or delivered on the reporting date.

(i) Securities purchased payable

Securities purchased payable represent payables for securities purchased that have been contracted for but not yet settled or delivered at the reporting date.

2. Significant accounting policies (continued)

(j) Expenses

All expenses are recognised in the statement of comprehensive income on an accrual basis.

(k) Transaction costs

Transaction costs are incremental costs, which are separately identifiable and directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. Transaction costs are included in the statement of comprehensive income as part of net gain/(loss) on financial assets at fair value through profit or loss and foreign exchange.

The following costs are included in the transaction costs disclosure:

- identifiable brokerage charges and commissions and
- identifiable transaction related taxes and other market charges.

(l) Redeemable participating units

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The redeemable units provide investors with the right to require redemption for cash at a value proportionate to the investor's unit in the Fund's net assets at each redemption date and also in the event of the Fund's liquidation.

A puttable financial instrument that includes a contractual obligation for the Fund to repurchase or redeem that instrument for cash or another financial asset is classified as equity if it meets all of the following conditions:

- It entitles the holder to a pro rata unit of the Fund's net assets in the event of the Fund's liquidation;
- It is in the class of instruments that is subordinate to all other classes of instruments;
- All financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features
- Apart from the contractual obligation for the Fund to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and
- The total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value in the recognised and unrecognised net assets of the Fund over the life of the instrument.

The Fund's redeemable units meet these conditions and are classified as equity.

Incremental costs directly attributable to the issue or redemption of redeemable units are recognised directly in equity as a deduction from the proceeds or part of the acquisition cost.

(m) Dividend payable to equity unitholders

Dividends to equity unitholders are recognised in the statement of changes in equity on ex-date.

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 2019 USD	**31 December 2017 USD**
Net realised (loss)/gain on financial assets at fair value through profit or loss and foreign exchange	(1,002,618)	251,045
Change in unrealised gain/(loss) on financial assets at fair value through profit or loss and foreign exchange	4,927,189	(615,268)
Net gain/(loss) on financial assets at fair value through profit or loss and foreign exchange	**3,924,571**	**(364,223)**

(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

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

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 financial period (2017: nil). All securities were classified as level 1 during the period.

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 2019

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
- Equity securities	111,898,255	-	-	111,898,255
Financial assets at fair value through profit of loss	**111,898,255**	**-**	**-**	**111,898,255**

As at 31 December 2017

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
- Equity securities	65,172,989	-	-	65,172,989
Financial assets at fair value through profit of loss	**65,172,989**	-	**-**	**65,172,989**

All other assets and liabilities held by the Fund at the reporting dates 30 June 2019 and 31 December 2017 are carried at amortised cost; 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, outside of those discussed above, 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 2019 USD equivalent balance	31 December 2017 USD equivalent balance
The Bank of New York Mellon SA/NV Brussels	AA-	USD	183,360	692,637
Total			**183,360**	**692,637**

[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 Depositary"). The Depositary and the global 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[1]
USD Class I	0.60%	0.80%

[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 fee accrued at the reporting date and charged during the financial 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 monthly fee per fund of the Euro equivalent of US$5,000. The Manager is responsible for the fees of Link Fund Administrators (Ireland) Limited (the "Administrator") out of its fee.

The manager fee accrued at the reporting date and charged during the financial 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 was paid monthly in arrears and subject to a minimum annual fee of €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 financial period is disclosed in the statement of financial position and the statement of comprehensive income respectively.

8. Audit fee

Fees and expenses charged by the Fund's statutory auditor, KPMG, relates to the audit of the financial statements (€15,000 – exclusive of VAT) (2017: (€8,240 – exclusive of VAT). There were no fees and expenses charged in respect of other assurance, tax advisory or non-audit services provided by the statutory Auditor for the financial period.

Audit fees accrued at the reporting date and charged by the Auditors, including VAT, are disclosed in the statement of financial position and the statement of comprehensive income respectively.

9. Transaction costs

The Fund incurred transaction costs as follows for the financial period:

	30 June 2019 USD	31 December 2017 USD
Transaction costs	41,456	192,505

10. Other expenses

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

	30 June 2019 USD	31 December 2017 USD
Directors' insurance fee	570	3,703
Set up costs	-	6,527
Regulatory fees	-	711
	570	**10,941**

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

	30 June 2019 USD	31 December 2017 USD
Legal fees and professional fees	77,277	11,448
Regulatory fee	2,161	-
Other fees charged by the administrator	3,216	5,821
	82,654	**17,269**

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

	30 June 2019 USD	31 December 2017 USD
Bank charges	1,913	1,063
Directors expense	1,342	-
Set up costs	6,527	7,950
Directors' insurance fee	10,469	10,535
Legal and professional fees	164,260	26,833
Regulatory fees	5,901	787
Other fees charged by the Administrator	28,541	16,042
	218,953	**63,210**

11. Units in issue

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

	30 June 2019	31 December 2017
USD Class I		
Opening balance	521,303.410	527,212.992
Units issued	334,030.614	34,669.544
Units redeemed	(9,362.187)	(40,633.628)
Dividend reinvested	74.561	54.499
Closing balance	**846,046.398**	**521,303.407**

12. Financial instruments and associated risks

The investment objective for the Fund is to achieve absolute and relative total returns over a three to five year time horizon that are superior to the FTSE/NAREIT Equity REIT Index through investment in common equity shares of US and Canadian REITs and REOCs. The Fund may also invest in warrants, preferred shares and convertible bonds issued by the same US and Canadian group companies that issue the US and Canadian REITs and REOCs. The Fund may also invest up to 10% of its net assets in common equity shares of REITs and REOCs outside the U.S. and Canada and in other UCITS in any EU member state. The financial instruments held by the Fund are set out in the schedule of investments. The main risks relating to financial instruments are set out below.

Market risk
Market risk arises from uncertainty about future prices of financial investments held by the Fund, whether those changes are caused by factors specific to individual financial instruments, or other factors affecting a number of similar financial instruments traded in the markets. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. Market risk consists of currency risk, interest rate risk and market price risk.

(i) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Fund is not exposed to currency risk as all of its net assets are held in its functional currency.

(ii) Interest rate risk

Interest rate risk represents the potential losses that the Fund might suffer due to adverse movements in relevant interest rates. The value of fixed interest securities may be affected by changes in the interest rate environment and the amount of income receivable from floating rate securities and bank balances, or payable on overdrafts, will also be affected by fluctuations in interest rates. This is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. In general, as rates rise, the price of a fixed bond will fall, and vice versa. For floating rate notes the interest will normally adjust in line with the specified rate. Other than cash and cash equivalents, the Fund is not significantly exposed to interest rate risk as the majority of its investments are not in interest bearing securities.

(iii) Market price risk

Market price risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All of the Fund's equity investments are listed on an official stock exchange. The Investment Manager reviews the asset allocation of the portfolio in order to minimise the risk associated with particular industry sectors whilst continuing to follow the investment objectives. The portfolios selected seek to ensure that individual stocks also meet the risk reward profile that is acceptable.

The following table demonstrates the impact on net assets attributable to equity unitholders of a movement in investment prices. The table assumes a 10% upwards movement in the value of the local currencies (a negative 10% would have an equal but opposite effect).

	30 June 2019 USD	31 December 2017 USD
EII US Property Fund	11,189,826	6,517,299

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Fund's assets comprise mainly readily realisable securities which can be readily sold. The Fund's liquidity risk is managed on a daily basis by the Investment Manager in accordance with policies and procedures in place. The Investment Manager will normally keep an allocation of cash to meet pending liabilities that may arise from time to time.

The below table summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining year at the statement of financial position date to the contractual maturity date. The Fund's expected cash flows on these instruments do not vary significantly from this analysis, except for net assets attributable to equity unitholders, which the Fund has a contractual obligation to redeem within 3 days. Historical experience indicates that these units are held by unitholders on a medium or long term basis.

As at 30 June 2019

EII US Property Fund	Less than 1 month USD	1 to 6 Months USD	6 to 12 Months USD	Over 12 Months USD	Total USD
Financial liabilities					
Other liabilities	803,142	-	-	-	803,142
	803,142	**-**	**-**	**-**	**803,142**

As at 31 December 2017

EII US Property Fund	Less than 1 month USD	1 to 6 Months USD	6 to 12 Months USD	Over 12 Months USD	Total USD
Financial liabilities					
Other liabilities	178,770	-	-	-	178,770
	178,770	**-**	**-**	**-**	**178,770**

12. Financial instruments and associated risks (continued)

Credit risk

Credit risk is the risk that a Fund's counterparty or investment issuer will be unable or unwilling to meet a commitment that it has entered into and cause the Fund to incur a financial loss. The Fund will be exposed to settlement risk on parties with whom it trades and custodian risk on parties with whom the Fund has placed its assets in custody.

Settlement risk: Most transactions in listed securities are settled on a cash versus delivery basis ("DVP") with settlement a few days after execution. Default by the Broker could expose the Fund to an adverse price movement in the security between execution and default. Because the Fund would only be exposed to a potentially adverse market move (rather than 100% of the principal sum) during a short period, this risk is limited. In addition, default by regulated Brokers in the major markets is rare.

Custodian risk: Custody risk is the risk of loss of assets held in custody. This is not a "primary credit risk" as the unencumbered assets of the Funds are segregated from the Depositary's own assets and the Depositary requires its sub-custodians likewise to segregate non-cash assets. This mitigates custody risk but does not entirely eliminate it. The Depositary has the power to appoint sub-custodians, although, in accordance with the terms of the Depositary agreement, the Depositary's liability shall not be affected by the fact that it has entrusted some or all of the assets in safekeeping to any third party (in order for the Depositary to discharge this responsibility, the Depositary must exercise care and diligence in choosing and appointing a third party as a safe-keeping agent so as to ensure that the third party has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned and the Depositary must maintain an appropriate level of supervision over the safe-keeping agent and make appropriate enquiries from time to time to confirm that the obligations of the agent continue to be competently discharged).

The Standard & Poor's long-term credit rating for The Bank of New York Mellon, ultimate parent company of the Trustee is AA- at the reporting date (2017: AA-). The Depositary is not rated.

The Fund has no risk management process in place and as such, it does not hold or trade in derivatives. The Fund uses the commitment approach to calculate its global exposure.

13. Taxation

The Fund qualifies as an investment undertaking as defined in Section 739b (1) of the Taxes Consolidation Act, 1997, (the "Taxes Act"). Under current Irish law and practice, the Fund is not chargeable to Irish tax on its income and gains. However, tax can arise on the happening of a "chargeable event" in the Fund. A chargeable event includes any dividend payments to unitholders or any encashment, redemption, cancellation, transfer or deemed disposal (a deemed disposal will occur at the expiration of a relevant period) of units or the appropriation or cancellation of units of a unitholder by the Fund for the purposes of meeting the amount of tax payable on a gain arising on a transfer. No tax will arise on the Fund in respect of chargeable events in respect of a unitholder who is neither Irish resident nor ordinarily resident in Ireland at the time of the chargeable event provided that a relevant declaration is in place and the Fund is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

Dividends, interest and capital gains (if any) which the Fund receives with respect to its investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. It is anticipated that the Fund may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in a repayment to the Fund the NAV will not be re-stated and the benefit will be allocated to the existing unitholders rateably at the time of the repayment. Any reclaims due to the Fund are accounted for on a receipt basis. In addition, where the Fund invests in securities that are not subject to local taxes, for example withholding tax, at the time of acquisition, there can be no assurance that tax may not be charged or withheld in the future as a result of any change in the applicable laws, treaties, rules or regulations or the interpretation thereof.

No stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of units in the Fund. Where any subscription for or redemption of units is satisfied by the in specie transfer of securities, property or other types of assets, Irish stamp duty may arise on the transfer of such assets. No Irish stamp duty will be payable by the Fund on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a fund registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a fund (other than a fund which is an investment undertaking within the meaning of the Taxes Act) which is registered in Ireland.

14. Net asset values

	30 June 2019	31 December 2017	31 December 2016
Net asset value			
USD Class I	$112,223,520	$65,931,141	$67,366,844
Net asset value per unit			
USD Class I	$132.645	$126.474	$127.779

15. 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 the Fund 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 2019:

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	$2.3233	$1,196,757	($432)	$4,472	$1,200,797	11 January 2019
USD Class I	USD	$2.0340	$1,060,331	($35,641)	$39,427	$1,064,117	11 January 2018

The following table shows the dividend paid during the financial year ended 31 December 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

16. 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 considered an asset of each sub-fund within the Trust. There were no monies held in the collection accounts as at 30 June 2019 (31 December 2017: nil).

17. 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. Mr Christian A. Lange was also a Director of the Manager during the financial period. Michael Meagher is a Director of the Manager and was also Chief Operating Officer of the Investment Adviser until 12 July 2019.

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. Mr Christian A. Lange and Mr Michael Meagher 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 from 1 January 2018 to 30 June 2019 amounted to €81,000 (financial year ended 31 December 2017 €54,000).

Other related parties
Mr. Christian A. Lange is also the 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 (2017: nil).

Details of fees charged are outlined below:

	30 June 2019 USD	31 December 2017 USD
Investment management and distributor fee	645,443	424,980
Manager fee	268,932	164,190

18. Efficient portfolio management

No efficient portfolio management techniques were used during the financial period (2017: nil).

19. 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.

20. Commitments and contingent liabilities

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

21. Changes to the prospectus

An updated Prospectus was issued effective 26 January 2018 to reflect the appointment of Michael Meagher as a Director of the Manager and to also incorporate an additional Fund of the Trust, EII PGS Global Infrastructure Fund.

22. Event during the reporting period

Effective 26 January 2018, Michael Meagher was appointed as a Director of the Fund.

23. Events after the reporting date

Effective 18 September 2019, the Fund merged into a new sub-fund of another UCITS.

Effective 15 November 2019, a Board meeting has been scheduled where it is intended that a Liquidator to the Manager will be appointed.

24. Approval of Financial Statements

The financial statements were approved by the Manager on 24 October 2019.

Schedule of investments (unaudited)

As at 30 June 2019

	Currency	Nominal holdings	Fair value USD	% NAV
Financial assets at fair value through profit or loss				
Equities				
United States				
Acadia Realty Trust	USD	8,882	243,100	0.22%
Agree Realty Corp	USD	2,962	189,716	0.17%
Alexandria Real Estate Equities Inc	USD	20,905	2,949,486	2.63%
American Assets Trust Inc	USD	5,322	250,773	0.22%
American Campus Communities Inc	USD	18,330	846,113	0.75%
American Homes 4 Rent	USD	48,551	1,180,275	1.05%
Americold Realty Trust	USD	22,597	732,595	0.65%
Apartment Investment & Management Co	USD	25,112	1,258,613	1.12%
Apple Hospitality REIT Inc	USD	28,105	445,745	0.40%
AvalonBay Communities Inc	USD	17,304	3,515,827	3.13%
Boston Properties Inc	USD	22,875	2,950,875	2.63%
Brandywine Realty Trust	USD	14,054	201,253	0.18%
Brixmor Property Group Inc	USD	26,391	471,871	0.42%
Brookfield Property REIT Inc	USD	9,831	185,708	0.17%
Camden Property Trust	USD	15,116	1,577,959	1.41%
CareTrust REIT Inc	USD	8,358	198,753	0.18%
Chatham Lodging Trust	USD	6,161	116,258	0.10%
Chesapeake Lodging Trust	USD	8,084	229,747	0.20%
Colony Capital Inc	USD	32,912	164,560	0.15%
Columbia Property Trust Inc	USD	11,784	244,400	0.22%
Corporate Office Properties Trust	USD	7,190	189,600	0.17%
Cousins Properties Inc	USD	8,591	310,736	0.28%
CubeSmart	USD	22,404	749,190	0.67%
CyrusOne Inc	USD	12,732	734,891	0.65%
DiamondRock Hospitality Co	USD	28,875	298,568	0.27%
Digital Realty Trust Inc	USD	33,109	3,899,909	3.48%
Douglas Emmett Inc	USD	19,614	781,422	0.70%
Duke Realty Corp	USD	52,881	1,671,568	1.49%
EastGroup Properties Inc	USD	4,893	567,490	0.51%
Empire State Realty Trust Inc	USD	15,911	235,642	0.21%
EPR Properties	USD	10,310	769,023	0.69%
Equinix Inc	USD	1,177	593,549	0.53%
Equity Commonwealth	USD	3,744	121,755	0.11%
Equity LifeStyle Properties Inc	USD	15,512	1,882,226	1.68%
Equity Residential	USD	52,318	3,971,983	3.54%
Essex Property Trust Inc	USD	7,363	2,149,481	1.92%
Extra Space Storage Inc	USD	18,471	1,959,773	1.75%
Federal Realty Investment Trust	USD	6,808	876,598	0.78%
First Industrial Realty Trust Inc	USD	17,342	637,145	0.57%
Four Corners Property Trust Inc	USD	7,365	201,285	0.18%
Gaming and Leisure Properties Inc	USD	30,554	1,190,995	1.06%
Getty Realty Corp	USD	4,591	141,219	0.13%
Global Net Lease Inc	USD	5,409	106,125	0.09%
HCP Inc	USD	67,719	2,165,654	1.93%
Healthcare Realty Trust Inc	USD	20,891	654,306	0.58%
Healthcare Trust of America Inc	USD	31,773	871,533	0.78%
Hersha Hospitality Trust	USD	4,893	80,930	0.07%
Highwoods Properties Inc	USD	10,950	452,235	0.40%
Hospitality Properties Trust	USD	17,599	439,975	0.39%
Host Hotels & Resorts Inc	USD	90,467	1,648,309	1.47%
Hudson Pacific Properties Inc	USD	28,805	958,342	0.85%
Independence Realty Trust Inc	USD	14,807	171,317	0.15%
Industrial Logistics Properties Trust	USD	6,824	142,076	0.13%
Invitation Homes Inc	USD	80,485	2,151,364	1.92%
JBG SMITH Properties	USD	7,885	310,196	0.28%
Kennedy-Wilson Holdings Inc	USD	12,205	251,057	0.22%

Schedule of investments (unaudited) (continued)

As at 30 June 2019

	Currency	Nominal holdings	Fair value USD	% NAV
Financial assets at fair value through profit or loss (continued)				
Equities (continued)				
United States (continued)				
Kilroy Realty Corp	USD	18,674	1,378,328	1.23%
Kimco Realty Corp	USD	35,157	649,701	0.58%
Kite Realty Group Trust	USD	7,275	110,071	0.10%
Lexington Realty Trust	USD	29,455	277,172	0.25%
Liberty Property Trust	USD	22,065	1,104,133	0.98%
Life Storage Inc	USD	5,602	532,638	0.47%
LTC Properties Inc	USD	4,141	189,078	0.17%
Macerich Co/The	USD	20,920	700,611	0.62%
Mack-Cali Realty Corp	USD	10,561	245,966	0.22%
Medical Properties Trust Inc	USD	49,168	857,490	0.76%
MGM Growth Properties LLC	USD	3,562	109,175	0.10%
Mid-America Apartment Communities Inc	USD	19,271	2,269,353	2.02%
Monmouth Real Estate Investment Corp	USD	12,247	165,947	0.15%
National Health Investors Inc	USD	5,791	451,872	0.40%
National Retail Properties Inc	USD	22,290	1,181,593	1.05%
National Storage Affiliates Trust	USD	6,885	199,252	0.18%
Office Properties Income Trust	USD	3,010	79,073	0.07%
Omega Healthcare Investors Inc	USD	20,676	759,843	0.68%
Paramount Group Inc	USD	26,404	369,920	0.33%
Park Hotels & Resorts Inc	USD	21,952	604,997	0.54%
Pebblebrook Hotel Trust	USD	24,091	678,884	0.60%
Pennsylvania Real Estate Investment Trust	USD	15,485	100,653	0.09%
Physicians Realty Trust	USD	14,424	251,555	0.22%
Piedmont Office Realty Trust Inc	USD	22,368	445,794	0.40%
Prologis Inc	USD	92,622	7,419,022	6.60%
PS Business Parks Inc	USD	2,803	472,390	0.42%
Public Storage	USD	17,244	4,107,003	3.66%
QTS Realty Trust Inc	USD	5,823	268,906	0.24%
Realty Income Corp	USD	32,360	2,231,869	1.99%
Regency Centers Corp	USD	24,457	1,632,260	1.45%
Retail Opportunity Investments Corp	USD	15,019	257,275	0.23%
Retail Properties of America Inc	USD	33,342	392,102	0.35%
Rexford Industrial Realty Inc	USD	12,698	512,618	0.46%
RLJ Lodging Trust	USD	21,867	387,921	0.35%
RPT Realty	USD	6,314	76,463	0.07%
Ryman Hospitality Properties Inc	USD	5,227	423,857	0.38%
Sabra Health Care REIT Inc	USD	18,347	361,252	0.32%
Senior Housing Properties Trust	USD	17,576	145,354	0.13%
Seritage Growth Properties	USD	1,038	44,592	0.04%
Simon Property Group Inc	USD	39,232	6,267,704	5.58%
SITE Centers Corp	USD	13,780	182,447	0.16%
SL Green Realty Corp	USD	9,481	761,988	0.68%
Spirit Realty Capital Inc	USD	12,626	538,625	0.48%
STAG Industrial Inc	USD	13,606	411,445	0.37%
STORE Capital Corp	USD	31,188	1,035,130	0.92%
Summit Hotel Properties Inc	USD	13,935	159,834	0.14%
Sun Communities Inc	USD	15,227	1,951,949	1.74%
Sunstone Hotel Investors Inc	USD	26,872	368,415	0.33%
Tanger Factory Outlet Centers Inc	USD	4,883	79,153	0.07%
Taubman Centers Inc	USD	8,560	349,505	0.31%
Terreno Realty Corp	USD	8,030	393,791	0.35%
UDR Inc	USD	27,320	1,226,395	1.09%
Universal Health Realty Income Trust	USD	1,757	149,222	0.13%
Urban Edge Properties	USD	8,703	150,823	0.13%
Ventas Inc	USD	50,438	3,447,437	3.07%
VEREIT Inc	USD	147,531	1,329,254	1.18%
VICI Properties Inc	USD	62,145	1,369,676	1.22%

Schedule of investments (unaudited) (continued)
As at 30 June 2019

	Currency	Nominal holdings	Fair value USD	% NAV
Financial assets at fair value through profit or loss (continued)				
Equities (continued)				
United States (continued)				
Vornado Realty Trust	USD	25,311	1,622,435	1.45%
Washington Prime Group Inc	USD	9,673	36,951	0.03%
Washington Real Estate Investment Trust	USD	5,462	145,999	0.13%
Weingarten Realty Investors	USD	17,836	489,063	0.44%
Welltower Inc	USD	38,152	3,110,533	2.77%
WP Carey Inc	USD	16,046	1,302,617	1.16%
Xenia Hotels & Resorts Inc	USD	13,467	280,787	0.25%
			111,898,255	**99.71%**
Total equities			**111,898,255**	**99.71%**
Total financial assets at fair value through profit or loss			**111,898,255**	**99.71%**
Cash and cash equivalents and other net assets			325,265	0.29%
Net assets attributable to holders of redeemable participating shares			**112,223,520**	**100.00%**

Analysis of total assets	**% of total assets**
Transferable securities listed on an official stock exchange	99.01%
Other current assets	0.99%
	100.00%

Statement of significant portfolio movements (unaudited)

For the financial period from 1 January 2018 to 30 June 2019

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 annual 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 financial period or aggregate disposals greater than 1 per cent of the total value of sales for the financial period.

Purchases	Cost USD
Simon Property Group Inc	4,234,229
Prologis Inc	3,424,154
Alexandria Real Estate Equities Inc	2,854,365
Invitation Homes Inc	2,005,048
Equity Residential	1,974,768
Digital Realty Trust Inc	1,955,628
AvalonBay Communities Inc	1,886,270
Ventas Inc	1,742,357
Public Storage	1,732,066
Boston Properties Inc	1,640,280
Realty Income Corp	1,595,040
Welltower Inc	1,551,882
VICI Properties Inc	1,416,580
Sun Communities Inc	1,408,348
Essex Property Trust Inc	1,339,848
Equity LifeStyle Properties Inc	1,326,146
Vornado Realty Trust	1,299,118
Mid-America Apartment Communities Inc	1,170,311
HCP Inc	1,137,275
Extra Space Storage Inc	1,024,971
American Homes 4 Rent	1,015,795
Macerich Co/The	995,110
Host Hotels & Resorts Inc	967,161
Regency Centers Corp	854,734
Camden Property Trust	840,415
UDR Inc	811,399
VEREIT Inc	795,520
CyrusOne Inc	778,639
WP Carey Inc	776,619
National Retail Properties Inc	765,431
Kilroy Realty Corp	761,655
STORE Capital Corp	742,108
Duke Realty Corp	700,671

Sales	Proceeds USD
Simon Property Group Inc	2,277,730
American Homes 4 Rent	1,070,680
GGP Inc	1,065,267
Prologis Inc	831,252
Welltower Inc	829,764
Host Hotels & Resorts Inc	695,211
Essex Property Trust Inc	675,654
Realty Income Corp	650,039
Equity Commonwealth	645,727
Federal Realty Investment Trust	581,930
Macerich Co/The	568,789
AvalonBay Communities Inc	566,872
American Campus Communities Inc	542,132
UDR Inc	536,480
Forest City Realty Trust Inc Class A	532,742
Invitation Homes Inc	511,146
SL Green Realty Corp	506,063
Vornado Realty Trust	462,509
Highwoods Properties Inc	419,052
Taubman Centers Inc	409,677
Kimco Realty Corp	385,295
Gramercy Property Trust	382,267
Public Storage	359,437
Education Realty Trust	355,281
Tanger Factory Outlet Centers Inc	326,706
Ventas Inc	315,756

Other unaudited information

For the financial period from 1 January 2018 to 30 June 2019

Soft commissions

The Investment Manager & Distributor do not intend to cause the Fund to pay any soft commissions to Brokers or financial institutions except in exchange for direct research on companies and markets. If it does enter into any soft commission arrangements it will ensure that the Broker or other counterparty will provide best execution to the Fund and that the benefits provided assist in the provision of investment services to the Fund. There were no soft commission arrangements in place during the financial period (2017: nil).

Total expense ratio

Class	30 June 2019	31 December 2017
USD Class I	0.91%	1.04%

Appendix 1 – Remuneration disclosure (unaudited)

For the financial period from 1 January 2018 to 30 June 2019

Remuneration

The manager of the Trust is EII Real Estate Securities Advisors Limited (the Manager).

In accordance with the European Union (Undertakings for Collective Investment in Transferable Securities) Regulations 2016, as amended, the Manager adopted a remuneration policy which in the case of the Manager, only applies to certain Directors as it has no employees.

The Manager has a Board of Directors, two of which are separately employed by the Investment Manager and receive no remuneration from the Manager. The remaining two directors, each of whom is independent, receive a fixed fee only and do not receive performance-based or variable remuneration. The fixed fees payable to such members of the Board of Directors are based on an expected number of meetings and the work required to oversee the operations of the Manager and the Trust, which is considered to be consistent with the powers, tasks, expertise and responsibility of the Directors. The aggregate amount of remuneration paid to those Directors for the financial period was €81,000.

The Manager's remuneration policy was adopted by the Board of Directors during the course of the period to which this report relates and no material changes have been made to the remuneration policy during the financial period.