

Item 1 – Cover Page

EII Capital Management, Inc.

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This Brochure provides information about the qualifications and business practices of EII Capital Management, Inc. (“EII” or the “Firm”). If you have any questions about the contents of this Brochure, please contact Michael Meagher, Chief Compliance Officer, at (212) 735-9500. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

EII is a registered Investment Adviser. Registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Investment Adviser provide you with information about which you determine to hire or retain an Investment Adviser.

Additional information about EII also is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for EII is 105680.

Item 2 – Material Changes

The following is a summary of our material changes made since our last annual update dated May 9, 2018:

The assets of EII Realty Corp. (which was a private real estate advisory company), were sold to Banyan Street Real Estate Funds LLC on 2/15/2019. This would include the personnel related to EII Realty Corp. along with the Funds & affiliates related to that business which include EII MFM LLC and EIIRC FIA LLC (each a “relying adviser” with respect to its affiliate EII Capital Management, Inc.). This would include EIIRC Multifamily Fund 2013 LLC and EIIRC Value Add Fund II L.P.

Amadeus Capital Vision Fund PLC was closed on 3/4/19 and all assets were returned to the shareholders.

EII Voyager Fund PLC was closed on 3/18/2019 and all assets were returned to the shareholders.

EII Global Sustainable Property Fund was closed on 3/21/2019 and all assets were returned to the shareholders.

Please contact Michael Meagher, Chief Compliance Officer, at (212) 735-9578 to obtain a free copy of our Brochure.

Additional information about EII is also available via the SEC’s web site www.adviserinfo.sec.gov.

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Item 4 – Advisory Business

EII Capital Management, Inc. is an independent registered Investment Adviser providing global real estate securities portfolio management services to offshore (non US/Canadian) as well as onshore clients and entities. The Firm is owned by EII Capital Holding, Inc., which is majority owned by EII's Chief Executive Officer and Co-founder Christian Lange. The Firm's office is located in New York City. As of March 22, 2019, EII managed \$ 277,897,264.00 on a discretionary basis and \$575,541,443.00 on a non-discretionary basis.

EII Capital Management, Inc. was founded in 1983 and is a wholly owned subsidiary of EII Capital Holding, Inc. EII Real Estate Securities Advisors Limited is a subsidiary of EII Capital Management, Inc. and is the Manager to the EII Property Funds, a group of proprietary offshore UCIT's funds domiciled in Ireland.

EII focuses on investing in both U.S. and non-U.S. companies whose business is to own, operate, develop and manage real estate and EII's advice is typically limited to these types of investments. The primary emphasis is on real estate investment trusts ("REITs") and real estate operating companies ("REOC's") structures that are "principally engaged" in the ownership, construction, management, financing or sale of residential, commercial or industrial real estate. "REITs" are defined as companies that are permitted by local regulations to avoid payment of taxes at the corporate level by paying out a substantial portion of income to shareholders as dividends. "Principally engaged" means that at least 50% of a company's revenues are derived from such real estate activities or at least 50% of the fair market value of a company's assets is invested in real estate.

EII offers a variety of investment strategies which are available via separately managed accounts or via the Firm's proprietary offshore fund vehicles. Strategies include Global Real Estate Securities, US REITs and US REIT Income.

EII enters into foreign currency transactions for their clients' accounts, unless the client wishes for this to be performed by their chosen custodian.

EII offers discretionary and non-discretionary investment management services to clients. Depending on their investment objectives, clients can select from a number of investment strategies offered by the Firm. Investment guidelines and restrictions are determined jointly by the Firm and the client at the onset of the relationship. Clients' assets can be managed in separately managed accounts or by investing in several proprietary offshore fund vehicles.

EII's proprietary offshore funds include the following:

EII Global Property Fund
EII US Property Fund
EII PGS Global Infrastructure Fund

Item 5 – Fees and Compensation

Management Fee

Management fees with respect to separately managed accounts can be subject to negotiation.

The specific manner in which fees are charged by and paid to EII are fully documented in the client's written Investment Management Agreement with the Firm.

Separately managed account clients are always invoiced directly for investment management services. Fees are never debited from the client's account nor are any fees billed in advance as all fees are billed in arrears. Management fees are calculated based on a percentage of the market value of assets under management.

The standard fee schedule typically charged for a **U.S. REIT** separately managed account is:

Assets Under Management	Fee
First \$10 Million	0.75%
Above \$10 Million - \$30 Million	0.65%
Above \$30 Million - \$50 Million	0.50%
Above \$50 Million	0.40%

The standard fee schedule typically charged for a **Global Real Estate Securities** separately managed account is:

Assets Under Management	Fee
First \$10 Million	1.00%

Above \$10 Million - \$30 Million	0.90%
Above \$30 Million - \$50 Million	0.75%
Above \$50 Million	0.65%

The standard fee schedule typically charged for a **REIT Income** strategy separately managed account is:

Assets Under Management	Fee
First \$1 Million	1.00%
Above \$1 Million - \$5 Million	0.75%
Above \$5 Million - \$10 Million	0.625%
Above \$10 Million	0.50%

Subject to negotiation and proper contract documentation, separately managed accounts can be charged a basis point fee plus a performance incentive fee. Clients are billed for investment advisory services in arrears at the end of a calendar quarter for the three-month period then ended. Payment is due within thirty days of billing.

Subject to client approval and guideline constraints accounts can be (or have the ability to be) invested in the Firm's proprietary offshore Dublin UCITS V Funds, EII Global Property Fund, EII US Property Fund or the EII PGS Global Infrastructure Fund. Funds are available in a variety of share classes (A,E,I, EURO, USD classes as required by client need). Investors in the Funds are only subject to the Fund's expenses covered by each Fund's Total Expense Ratio ("TER"). No other fees are charged to a client by EII that is invested in our Funds unless there is an incentive fee charged. The above referenced funds are not marketed to investors in the United States.

In the event that EII recommends that its clients purchase shares in a proprietary offshore fund, the investment management fee that the client pays to the Firm will be offset by the amount of the management fee that the client pays as an investor in the proprietary offshore fund.

A client should refer to the respective offshore funds' prospectus or offering memorandum for a comprehensive description of fees.

Incentive Fees

See Item 6 below for information with respect to incentive fees.

Redemption and Termination

Investors in EII's proprietary offshore funds can redeem their interest in the offshore fund in accordance with the applicable redemption terms of the respective offshore fund's prospectus. Investors should refer to the applicable offshore fund's prospectus for additional information, including offshore fund information, corresponding fees charged and applicable redemption terms.

Clients, who are not investors in our proprietary offshore funds and invest with us through a separate account, are permitted to withdraw their funds as specified by the terms of the Investment Management Agreement negotiated with the Firm.

Generally, investment advisory services provided by EII are terminable by either party upon 30 days prior written notice, unless otherwise specified in the Investment Management Agreement. In the case of any termination, management fees will be determined on a pro rata basis through the date of termination.

Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any earned, unpaid fees will be due and payable.

Other Fees and Expenses

The Firm's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients can expect to incur certain charges imposed by custodians, brokers and other third parties such as fees charged by other managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Offshore proprietary funds also charge internal management fees, which are disclosed in the fund's prospectus.

With client permission EII can purchase shares of non-proprietary funds or unit trusts where an advisory fee is assessed as an expense of the fund. In these instances, clients are, in effect, paying two advisory fees on the value of assets invested in these funds.

Item 12 further describes the factors that EII considers in selecting broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commission rates).

Item 6 – Performance-Based Fees and Side-By-Side Management

As referenced previously, EII has the ability to enter into a performance-based fee arrangement with a client invested in a separately managed account.

Performance-based fee arrangements can create an incentive for the Firm to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements can also create an incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities.

EII has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Item 7 – Types of Clients

EII offers investment management services to high net worth individuals, pension and profit-sharing plans, charitable organizations, pooled investment vehicles, corporations and other types of businesses, and can act as a sub-adviser for other offshore fund vehicles.

The customary minimum portfolio amount considered for institutional discretionary real estate securities portfolio management is \$10,000,000. Smaller amounts are generally directed into the appropriate proprietary offshore fund. Minimum portfolio amounts are subject to negotiation on a case by case basis.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

The firm's investment team is located in our New York office and incorporates both qualitative and quantitative inputs to provide an active top-down investment approach that focuses on regional, country, sector, thematic, secular and/or cyclical real estate opportunities.

The team continually monitors investments and will add or reduce exposure to certain securities held in the client's portfolio when it is deemed appropriate.

When investing globally in the property sector, EII seeks to benefit from the cyclical nature of the industry and the diversification from investing in different markets worldwide. EII seeks to achieve long term capital appreciation through the appreciation of the securities invested in as further described below.

Investments will primarily be selected from the securities that are the constituents of a strategy's relevant benchmark. As it is not intended to track the benchmark, EII will not be constrained by the weightings of the constituents of the benchmark. Accordingly, EII will have the discretion to invest in such securities in greater or lesser weightings than the constituents of the benchmark and/or to not invest in constituents of the benchmark and/or to invest in securities that are not constituents of the benchmark. EII may, for example, increase the exposure of a portfolio to countries and/or sectors considered by EII to have positive real estate fundamentals or decrease the exposure of a portfolio to countries or sectors considered by EII to have negative or neutral real estate fundamentals. Real estate fundamentals include, but are not limited to: supply growth, demand growth, change in rental rates, concessions, taxes, vacancy rates, impact of labour market growth, economic growth, monetary policy, interest rates and leverage.

EII's qualitative approach is described above and includes seeking to identify markets/countries with positive real estate fundamentals. EII's quantitative approach includes selecting securities from the constituents of the strategy's benchmark, managing risks relating to the currency exposure of the portfolio using hedging techniques and instruments such as foreign exchange forwards, while assessing the relative value of securities.

Risk Management

EII's portfolio construction process is designed to mitigate risk. Diversifying holdings across regions, countries and sectors are some of the methods utilized in the Firm's risk management process.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear.

EII primarily invests in listed real estate securities. As such, EII's investments will be subject to the risks inherent in the ownership of real property and equities. Real estate values are affected by a number of factors, including changes in the general economic climate, local conditions (such as an oversupply of space or a reduction in demand for space), the quality and direction of management, competition based on rental rates, attractiveness and location of the properties, financial condition of tenants, buyers and sellers of properties, quality of maintenance, insurance and management services, changes in operating costs, funds flows and other macro-forces. Real estate values are also affected by such factors as government regulations (including those governing usage, improvements, zoning and taxes), interest rate levels, the availability of financing, potential liability under changing environmental and other laws, uninsured casualties, the exercise

of the right of eminent domain by governmental entities, acts of God and other factors that are beyond the control of EII. Accordingly, clients who retain the Firm to manage their assets may experience a greater degree of risk compared to having an Investment Adviser employing an asset diversification investment strategy.

EII looks at market risk based on the political, economic and real estate fundamental factors associated with investing in a specific region, country or city. Setting broad diversification guidelines as a form of risk control, EII adds risk premium to companies operating in emerging markets and with significant development components.

Depending on the chosen strategy, EII may choose to make investments outside the U.S. Such investments involve risks and special considerations some of which are not typically associated with U.S. investments. These include political risks, economic risks, legal risks, foreign currency and exchange risks, accounting and tax risk, restrictions on repatriation of capital and profits and different tax requirements.

Each of EII's investment strategies could be deemed as a speculative investment and are not intended as a complete investment program. They are designed only for clients and investors who can bear the economic risk of the loss of their investment and can afford to be a "long-term investor".

There are special risks associated with investing in preferred equity securities. Preferred securities can include provisions that permit the issuer, at its discretion, to defer distributions for a stated period without any adverse consequences to the issuer. Some preferred stocks are non-cumulative, meaning that the dividends do not accumulate and need not ever be paid. There is no assurance that dividends or distributions on noncumulative preferred stocks will be declared or otherwise made payable. Preferred securities are subordinated to bonds and other debt instruments in a company's capital structure in terms of priority to corporate income and liquidation payments, and therefore will be subject to greater credit risk than more senior debt instruments. Preferred securities can be substantially less liquid than many other securities, such as common stocks or U.S. government securities. Generally, preferred security holders have no voting rights with respect to the issuing company. In certain varying circumstances, an issuer of preferred securities may choose to redeem the securities prior to a specified date.

Item 9 – Disciplinary Information

Registered Investment Advisers are required to disclose all material facts regarding any

legal or disciplinary events that would-be material to the evaluation of the Firm or the integrity of the Firm's management.

EII does not have any disciplinary information applicable to this Item to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

EII has a relationship with the following affiliated entity. EII Real Estate Securities Advisors Limited is a limited company registered in Dublin under the Companies Act and is the Manager to the EII Property Funds.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

EII has adopted a Code of Ethics (the "Code") designed to address and prevent potential conflicts of interest as required under Rule 204A-1 of the Investment Advisers Act. The Code of Ethics describes the Firm's high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes, among other items, provisions relating to the confidentiality of client information, prohibitions on insider trading, prohibitions on spreading rumors, restrictions on the acceptance of extravagant gifts and entertainment, the reporting of all gifts and business entertainment, and personal securities trading procedures. All supervised persons at the Firm must acknowledge annually the terms of the Code of Ethics.

From time-to-time, the Firm's supervised persons transact in or hold the same securities as clients. In these situations, the Code of Ethics is designed to ensure that the personal securities transactions, activities and interests of the employees of the Firm will not materially interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities and transactions have been designated as exempt securities and transactions, based upon a determination that these would materially not interfere with the best interest of clients. The Code requires pre-clearance of certain transactions and restricts trading in close proximity to client trading activity. In addition, in order to prevent supervised persons from inappropriately profiting from effecting personal securities transactions and to prevent the appearance of impropriety as a result of the supervised persons effecting personal securities transactions based on clients' transactions, the Code has a forfeiture of profit rule for securities purchased and sold or sold and purchased by supervised persons within a certain period of time. Nonetheless, because the Code of Ethics in some circumstances would permit

employees to invest in the same securities as clients, there is a possibility that employees might benefit from a client's activity in a security held by an employee.

Employee trading is monitored by the Chief Compliance Officer to reasonably detect and prevent conflicts of interest between EII and its clients.

Among other requirements, the Code requires supervised persons to:

- Submit to the Compliance Team an initial and an annual report listing their securities holdings and a quarterly report of transactions;
- Pre-clear personal securities transactions, other than those specifically exempted by the Code, by the Compliance Team;
- Not buy or sell a security within 1 calendar day before and 5 calendar days after a client trades in the particular security ("Blackout Period");
- Provide duplicate copies of confirmations of all personal securities transactions and copies of periodic statements for all securities accounts to the Compliance Team for review (unless a specific exemption set forth in the Code applies);
- Obtain approval from the Compliance Team prior to investing in IPOs and Private Placements (limited offerings);
- Comply with the federal securities laws, certify that they have read and understand the Code and report any violations of the Code to the Compliance Team;
- Not trade either in their personal accounts or on behalf of client accounts on the basis of material non-public information; and
- Report any outside business activities and ensure they are not using their position for a personal benefit.

Employees who violate the Code and the Firm's Compliance Manual are subject to disciplinary action including, but not limited to, written warnings, fines and termination of employment.

EII will provide a complete copy of its Code of Ethics to any client or prospective client upon request made to Michael Meagher, Chief Compliance Officer.

From time-to-time, affiliated accounts that are managed by EII trade in the same securities with client accounts on an aggregated basis. In such circumstances, affiliated and client accounts will share commission costs equally and receive securities at a total average price. In the event that the aggregated order is partially filled, the Firm will generally allocate the partially filled order pro rata to the clients, including affiliated accounts.

From time to time EII, its officers, directors, employees and affiliates can have an ownership interest in one or more of the proprietary offshore funds or a related entity, can

have the initial and subsequent investment minimums otherwise charged to investors waived and can have positions or interests in securities which are purchased or sold on behalf of clients. Such conflicts are mitigated by our employee trading policies outlined in the Firm's Code of Ethics. EII will always endeavor to resolve conflicts of interest with respect to investment opportunities in a manner which it deems equitable to clients and their investors under the prevailing facts and circumstances.

From time-to-time, various potential and actual conflicts of interest arise from the investment advisory activities of the Firm, its employees and affiliates. The Firm, its employees and affiliates may choose to give advice to, or take action for, their own accounts or other clients that can differ from, conflict with or be averse to advice given or action taken for a client or clients.

See Item 12 for information with respect to Principal and Agency Cross Transactions.

Item 12 – Brokerage Practices

Broker Selection

EII uses “execution only” shops that will provide trading without the bundling of research, thus resulting in substantially lower commission rates. EII instructs the brokers to work the orders over the course of the day via VWAP (Volume Weighted Average Price). These Brokers charge very little in commission (from 0.075 to 0.02 Cents per share on US/CAD trades and mostly 5 Basis Points on all other markets).

EII selects broker-dealers based on best execution. “Best execution” does not simply mean effecting transactions at the lowest possible commission rate, transaction costs and price, but includes several factors mentioned herein.

EII seeks to effect transactions at a price, commission and transaction cost (e.g., mark-up or mark-down) that provides the most favorable total cost or proceeds reasonably attainable under the circumstances. The Firm considers various factors when selecting broker-dealers including, but not limited to, the nature of the portfolio transaction, the size of the transaction, the broker's trading expertise, reliability, responsiveness, reputation, execution, clearance, settlement and error correction capabilities, willingness to commit capital, access to a particular trading market, security conditions (e.g., liquidity, volatility), and the value of research it provides.

For discretionary accounts, EII has discretion to determine, without obtaining prior consent from any client, the:

- broker or dealer to execute transactions; and
- commission rates or commission equivalents charged for effecting transactions.

Periodic evaluation of broker relationships is made by the Firm to determine the appropriateness of commissions paid and services received.

Cross-Trades

From time-to-time, the Firm can be in a position to affect a purchase of a security for one or more clients at the same time as it effects a sale of the same security for another client as allowed by the terms of each client's Investment Management Agreement. Such transactions may occur to rebalance the positions held in clients' portfolios in order to achieve uniform results among clients, to take into account clients' cash flows or to comply with investment guidelines and restrictions and will generally be affected at the volume-weighted-average-price ("VWAP"), the closing price for the security or some other fair and reasonable basis.

Research and Brokerage Services

As is customary industry practice, broker-dealers provide their own proprietary research to Investment Advisers, including the Firm. Generally, commissions and other transaction costs (e.g., "mark-ups" and "mark-downs") paid to these broker-dealers to execute transactions include the cost to receive their proprietary research and other brokerage services.

EII obtains third-party research products and services paid for with clients' commissions ("Soft Dollars"). Using the Firm's clients' commissions to pay for research creates an inherent conflict of interest between the Firm and clients as the Firm would have to otherwise use its own funds to obtain this research product or service. In addition, while the Firm uses this research to benefit all of its clients in its investment decision-making or trade execution process, clients whose commissions are used to pay for the research may not necessarily receive the direct benefit of this research or brokerage services while clients who do not pay for these services may receive the benefit. Soft Dollar commission rates can be higher than commission rates that might be charged by other broker-dealers to execute the transaction.

Representation from our investment team, trading desk, operations and compliance will review and approve research products and services the Firm receives and pays for with Soft Dollars. Research services obtained with Soft Dollars can include written information and analyses concerning specific securities, companies or sectors, market, financial and economic studies and forecasts, statistics and pricing or appraisal services, and access to

research analysts and company executives, along with software, databases and other technical and telecommunication services utilized in the investment management process.

EII utilizes the services of an independent third party, Westminster Research Associates (“Westminster Research”), to administer the Firm’s Soft Dollar program. Westminster Research specializes in independent research products and services, consolidating all administration and reporting of commission management needs with one firm. Utilizing Westminster Research provides an added layer of due diligence of the Soft Dollar process, as they will not accept or approve of a Soft Dollar expense allocation unless it meets the SEC safe harbor guidelines. It also mitigates the potential conflicts of interest regarding best execution due to the Investment Adviser’s interest in receiving the research, other products or services when selecting or recommending a broker-dealer.

The Firm believes that by aggregating trade orders for their respective clients when possible, utilizing their respective clients’ commissions for Soft Dollars is reasonable and appropriate. Despite the inherent conflicts of interest that can arise when utilizing soft dollars, this risk is mitigated through the use of Westminster Research as a conduit to receive soft dollar credits.

Aggregation and Allocation

EII, at its discretion, aggregates orders in the same security for clients transacting in that security and will generally allocate the securities or proceeds arising as a result of the transactions (and the related transaction expenses) on an average price basis among the clients participating in the order

The Firm believes that aggregating orders contributes to its ability to provide best execution. Commission rates and transaction costs can be reduced as a result of such aggregation. However, in certain instances, average pricing can result in higher or lower total net execution price than otherwise obtainable by effecting client transactions separately.

It is the Firm's routine practice to aggregate contemporaneous trade orders for the same securities. We believe that generally this practice results in lower commissions and better execution prices. Each account participates in such aggregate orders at the average price except in cases when, due to limitations on the liquidity of a security, multiple transactions are necessary to complete a buying or selling program. To reduce custodial costs to clients in such cases, we allocate trades according to allocation rules based on percentage holdings of each account in the individual security, sector or overall cash position. The proration may be adjusted to eliminate odd lots and de minimis positions. This may cause some

accounts, particularly those that are eliminated from allocations to avoid de minimis positions in their accounts, to perform not as well as other, similarly managed accounts.

See Item 14 below for additional information with respect to payment for client referrals.

Trade Errors

From time-to-time, a trade error can occur. Trade errors can happen as a result of effecting the incorrect amount of shares (e.g., 10,000 shares were purchased when the intention was to purchase 1,000 shares), effecting transactions were effected in the wrong client account, and mistakenly labeling an order to buy shares as an order to sell shares, among other reasons. When trade errors occur, the Firm's policy is to correct the error promptly. In the event that the Firm caused the error, the Firm will make the client whole for the loss unless the equities of the situation cause an unjust enrichment for the client. If the client caused the error (e.g., the client advised the Firm that a certain amount of funds would be wired to the account on a certain day, but a substantially smaller amount was wired or the funds were not wired and the Firm acted upon the client's advice), the client will bear the cost of the error. If a third-party caused the error (e.g., the Firm properly gave trade instructions to a broker-dealer but the broker-dealer executed the order incorrectly), the Firm will take steps to collect from the third-party the amount of the error; however, there is no guarantee that the Firm will be successful recuperating such funds, in which case the client will bear the loss.

Principal and Agency Cross-Transactions

"Principal transactions" are generally defined as transactions where an Investment Adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction can also be deemed to have occurred if a security is crossed between a proprietary fund and another client account.

Due to the amount invested in some of the proprietary offshore funds by EII, its employees or affiliates, transactions by other clients with these proprietary offshore funds can be deemed to be a principal transaction. However, the Firm does not provide any special treatment to these proprietary offshore funds.

An "agency cross transaction" is defined as a transaction where a person acts as an Investment Adviser in relation to a transaction in which the Investment Adviser, or any person controlled by or under common control with the Investment Adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

Agency cross transactions can arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

EII is neither registered as, nor is affiliated with, a securities broker-dealer.

Item 13 – Review of Accounts

Account Reviews

Clients' accounts are reviewed by members of the Investment, Operations, Trading and Compliance Teams. Daily monitoring of accounts is performed to verify, among other things, client transactions, the receipt and disbursement of funds, and compliance with clients' investment guidelines and restrictions.

In addition, the Firm's internal account records for each client are reconciled against the clients' custodial statements on a daily or monthly basis by members of the Operations Team. EII has established data information links with various custodians to facilitate the reconciliation of portfolios. Transactions are updated into the account portfolio management system and cash reports are signed off by the administrator. The Operations Team conducts research and verifies discrepancies whether it is due to prices, foreign exchange rates, pending trades, corporate action events, accruals, expenses or other reconciliation items. Tolerance levels have been set-up for Domestic, International and Global separate accounts, where if an account is above the tolerance level, a senior member of the Operations Team will also review and sign off on the portfolio reconciliation.

Client Reports

We report to our clients in writing on a calendar quarterly cycle. Our standard reporting package includes the client account summary, portfolio holdings and performance reports. We also provide a one-page snapshot of the account with portfolio statistics such as Top Ten holdings, Country/Sector Allocation and Current Dividend. The Global Portfolio Manager and Real Estate Strategist write quarterly reviews that are also included in the package. Less formal monthly updates are also available upon request. These can be provided via hard copy and/or electronic reporting.

We generally do not differentiate between separately managed account and fund clients for reporting and account review purposes. On the investment side, we generally offer our clients the opportunity to have a quarterly review meeting or conference call. Client needs and expectations are discussed at the onset of the relationship and meetings are scheduled accordingly. Our investment review meetings consist of a performance review, highlights of changes that took place in the portfolio during the period in question as well as our

market outlook. Clients invested in our proprietary offshore funds receive a quarterly fund fact sheet that provides information specific to the fund itself and is not customized at the client level. Various members of our Investment and Client Services Teams participate in client investment review meetings.

Any day-to-day issues or ad-hoc requests are dealt with immediately and are followed up on as required.

Separate Account Clients generally receive written account statements from their respective custodian as well as the Firm on a quarterly basis. Clients are encouraged to compare the statements provided by EII to their custodial statements and notify their custodian and the Firm should discrepancies appear.

See Item 15 for additional information with respect to custody of assets.

Item 14 – Client Referrals and Other Compensation

Client Referrals

EII has entered into arrangements with unaffiliated third-parties (“solicitors”) whereby they are compensated for referring potential investors and/or clients to the Firm. Generally, payments to such solicitors will be based on a percentage of the amount of funds invested or a percentage of the fee earned by the Firm on the invested amount.

Clients and investors should be aware of the inherent conflict of interest with respect to the solicitation arrangement described above. Solicitors may refer potential investors into these proprietary offshore funds because they will be paid a fee and not because these vehicles are appropriate or suitable for the investor. In turn, the Firm earns management fees from these investors in proprietary offshore funds which may be higher than what they might pay another investment manager or collective investment fund.

Investors in these proprietary offshore funds and clients should ask solicitors who are not affiliated with EII if they are being paid fees for client referrals and, if they are, what the fee arrangement is. In addition, these investors and clients should contact Michael Meagher, Chief Compliance Officer, at (212) 735-9500, to obtain information with respect to the arrangement with the solicitor, including the fee payment schedule.

Certain EII employees hold positions with one or more unaffiliated entities where someone who is not a client provides an economic benefit to the employee for providing investment advice or other services, for which they are compensated by that individual or entity. In these cases, a separate business arrangement would exist between the employee and an

individual or entity, which is separate and apart from any duties the employee fulfills for the Firm and falls outside of the confines of the Firm. In certain instances, these individuals or entities can be clients of the Firm. We do not view this as a material conflict of interest as the employee's role is documented and should there be any potential conflicts of interests, they would be addressed within our policies and procedures.

Item 15 – Custody

EII does not retain custody of client assets. The proprietary offshore funds' assets are held by custodians selected by the respective proprietary fund.

For separately managed accounts, EII statements can vary from custodial statements based on accounting procedures, reporting dates, and valuation methodologies of certain securities.

The qualified custodian is responsible for, among other things, opening and maintaining a custody account or accounts in the name of the client and holding and administering all assets of the client as shall be deposited by the client from time to time with and accepted by the custodian. Pursuant to custodial agreements, each custodian will clear the respective clients' securities transactions which are affected through other brokerage firms. Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains the client's investment assets.

EII urges clients to carefully review such statements and compare such official custodial records to the account statements that we may provide to you.

Item 16 – Investment Discretion

Investment Discretion

As an Investment Adviser, EII is typically granted discretionary authority pursuant to the Investment Management Agreement with a client to determine which securities and the amounts of securities to be bought or sold, as well as the broker-dealer to be used and the commission rates to be paid.

EII generally receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. Subject to the Firm's consent, clients may choose to provide specific investment restrictions and guidelines (e.g., limitations on security exposures). In all cases, however, the Firm

exercises such investment discretion in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining the amounts of securities to be bought or sold, EII seeks to comply with the investment policies, limitations and restrictions of the clients.

Investment guidelines and restrictions must be provided to the Firm in writing and must be agreed to by both parties.

Item 17 – Voting Client Securities

The Firm has implemented policies and procedures regarding the voting of proxies as required under Rule 206(4)-6 of the Investment Advisers Act.

This Rule generally requires the Firm to (i) adopt policies and procedures reasonably designed to ensure that proxies with respect to securities in the clients' accounts where we exercise voting discretion are voted in the best interest of our clients; (ii) to disclose how information may be obtained on how we vote proxies; and (iii) to maintain records relating to our proxy voting.

Clients have the ability to request EII to vote proxies on their behalf. Such delegation of proxy voting authority will be reflected in the written Investment Management Agreement between the client and the Firm.

EII utilizes ISS Governance Services ("ISS") to provide both research analysis, with respect to proxy vote items, as well as process voting ballots. Generally, the Firm's Proxy Voting Policy is to vote proxies according to ISS' *"Public Fund Guidelines"* policy and recommendations except in those instances where the client instructs us to override ISS' recommendations.

Clients can choose to retain the right and responsibility for receiving and voting their own proxies. In such case, the Investment Management Agreement will reflect that the client will retain responsibility to vote proxies and clients will receive their proxies and other solicitations directly from their custodians. Clients can contact the Firm if they have questions about a particular proxy solicitation by contacting their Client Services representative.

Clients can obtain a copy of EII's Proxy Voting Policy upon request. Clients can also obtain information with respect to how the Firm voted proxies on behalf of their account(s) by contacting Michael Meagher, Chief Compliance Officer, at (212) 735-9500.

Item 18 – Financial Information

EII does not have any financial commitment that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to clients. In addition, the Firm has not been the subject of a bankruptcy proceeding.