

Item 1 – Cover Page

EII Capital Management, Inc.

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March 30, 2020

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 Christian A. Lange, Chief Investment Officer & 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 to this brochure, dated March 30, 2020, since the last annual update dated March 29, 2019:

- The Firm no longer advises the EII Global Property Funds and EII PGS Global Infrastructure Fund.
- The Firm continues to provide advisory services to the EII US Property Fund, but this fund is no longer proprietary to EII.
- EII Real Estate Securities Advisors Limited ceased business. This entity was a subsidiary of EII and was the manager to a group of proprietary funds.
- While the Firm engages in Global Real Estate Securities strategy for a current client, EII no longer offers this as a separate strategy.
- EII added language to disclose that when clients direct the Firm to use a specific broker to place transactions for their account, the Firm will not seek better prices or execution services from such broker-dealers and may not be able to achieve most favorable execution on such clients' transactions.
- EII amended its disclosure to reflect its current practice of not voting client proxies for certain client accounts.
- EII adjusted the standard fee schedule typically charged for a U.S. REIT strategy separately managed account.
- EII added language to disclose risk associated with a cybersecurity event.

Please contact Christian A. Lange, Chief Investment Officer & Chief Compliance Officer, at (212) 735-9500 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 real estate securities portfolio management services to offshore (non-US/Canadian) as well as onshore clients and entities. The Firm was founded in 1983 and is a wholly owned subsidiary of EII Capital Holding, Inc., which is majority owned by Christian A. Lange, EII's Chief Investment Officer & Chief Compliance Officer. The Firm's office is located in New York City. As of December 31, 2019, EII managed \$914 million on a discretionary basis.

EII focuses on investing in 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.

The Firm primarily offers U.S. REIT and U.S. REIT Income strategies. The firm engages in a Global Real Estate Securities strategy for a current client, although it does not currently offer this strategy. While EII focuses on investing in US companies, it will also invest (to a lesser extent) in non-US companies and enter into foreign currency transactions as agreed upon with the client.

EII offers discretionary and non-discretionary investment management services to clients. EII tailors its advisory services to the individual needs of clients and clients may impose restrictions on investing in certain securities or types of securities. 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 one or more fund vehicles.

Item 5 – Fees and Compensation

Management Fee

Management fees with respect to separately managed accounts are 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.

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** 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 | 0.60% |
| Above \$10 Million - \$30 Million | 0.50% |
| Above \$30 Million - \$50 Million | 0.40% |
| Above \$50 Million | 0.35% |

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 EII US Property Fund, a UCITS fund managed by the Firm. Investors in the EII US Property Fund are only subject to the Fund's expenses covered by the Fund's Total Expense Ratio ("TER"). The Fund's expenses include a management fee that is paid to EII. No other fees are charged to a client by EII that is invested in the EII US Property Fund unless there is an incentive fee charged. The EII US Property Fund is not marketed to investors in the United States.

In the event that EII recommends that its clients purchase shares in the EII US Property 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 EII US Property Fund.

A client should refer to the EII US Property Fund's 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 the EII US Property Fund can redeem their interest in the fund in accordance with the applicable redemption terms of the fund's prospectus. Investors should refer to the fund's prospectus for additional information, including fund information, corresponding fees charged and applicable redemption terms.

Clients, who are not investors in the EII US Property Fund and invest with the Firm 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. The EII US Property Fund also charges 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 create an incentive for the Firm to recommend investments which are riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements 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 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 EII US Property Fund, where appropriate. 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 investment approach that focuses on regional, 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 in the property sector, EII seeks to benefit from the cyclical nature of the industry and the diversification from investing across different sectors. EII seeks to achieve long term capital appreciation through the appreciation of the securities invested in as further described below.

For EII's US REIT strategy, 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 sectors considered by EII to have positive real estate fundamentals or decrease the exposure of a portfolio to 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.

For EII's US REITs Income strategy, the primary objective is to deliver high current income by investing in real estate securities. The strategy targets opportunities that are attractively priced, offer a stable current yield, and low-price volatility. Its secondary objective is to provide capital appreciation. The strategy focuses on investing in equities, preferred securities and debt securities of REITs, REOCs and other companies that are principally engaged in real estate businesses and real estate investments. By diversifying across the capital structure of real estate companies, this hybrid investment strategy is designed to

materially lower a portfolio's volatility, while providing a similar return profile to commercial private real estate.

EII's qualitative approach is described above and includes seeking to identify markets 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 and sectors is one 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 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 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. in Canada and South America. 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.

Although EII takes measures to decrease the risks associated with a cybersecurity event, the computer systems, networks and devices used by EII and its service providers potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach. A cybersecurity breach could result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information of clients. A cybersecurity breach may also cause disruptions and impact business operations potentially resulting in a financial loss to a client.

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 Realty Corp., also a wholly owned by EII Capital Holding, Inc., is a private real estate advisory company located in New York that provides non-discretionary investment management services to one client pursuant to an investment management agreement. Per the investment management agreement, EII Realty Corp. will oversee and supervise the client's investment in a limited liability company, which in turn owns 100% of six limited liability companies which each own and operate certain parcels of lands, improvements, and all other tangible property and intangible assets.

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 of 1940. 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. 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 will benefit from a client's activity in a security held by an employee.

Employee trading is monitored to reasonably detect and prevent conflicts of interest between EII and its clients.

Among other requirements, the Code requires supervised persons to:

- Submit to EII 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;
- Not buy or sell a security within 1 calendar day before and 1 calendar day after a client trades in the particular security (“Blackout Period”), other than transactions in securities specifically exempted by the Code;
- Obtain approval from the Chief Compliance Officer or his Compliance Delegate 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 Chief Compliance Officer;
- 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 Christian A. Lange, Chief Investment Officer & Chief Compliance Officer.

From time-to-time EII, its officers, directors, employees and affiliates can have an ownership interest in the EII US Property Fund 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. In addition, an incentive exists to recommend that clients invest in the EII US Property Fund in order to potentially increase EII’s investment advisory fees. 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.

Item 12 – Brokerage Practices

Broker Selection

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 and trade away fees) 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 do not necessarily receive the direct benefit of this research or brokerage services while clients who do not pay for these services do receive the benefit. Soft Dollar commission rates are higher than commission rates charged by certain other broker-dealers to execute the transaction.

EII's investment team and Vice President & Head of Operations 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.

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 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 will 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.

Directed Brokerage

Clients may direct the Firm to use a specific broker to place transactions for their account. In such circumstances, the Firm will not seek better prices or execution services from such broker-dealers and may not be able to achieve most favorable execution on such clients' transactions. In addition, the Firm will not be able to aggregate these clients' transactions with the transactions of the Firm's other clients. As a result, these clients could pay higher commissions or other transaction costs and receive less favorable net prices on transactions.

Trade Errors

From time-to-time, a trade error can occur. Trade errors can happen as a result of effecting the incorrect number 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 economics 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.

Item 13 – Review of Accounts

Account Reviews

Clients' accounts are reviewed by one or more members of the investment team (comprised of the Chief Investment Officer, Chief Executive Officer and Managing Directors) and by the Firm's Vice President & Head of Operations. Ongoing 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 the Firm's Vice President & Head of Operations. EII has established data information links with various custodians to facilitate the reconciliation of portfolios. EII's Vice President & Head of Operations 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.

Client Reports

We report to our clients in writing on a calendar quarterly cycle. Our typical reporting package includes the client account summary, portfolio holdings and performance reports. 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.

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

Separately managed accounts 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.

Item 14 – Client Referrals and Other Compensation

Client Referrals

EII and its related persons do not compensate, directly or indirectly, any person for client referrals.

Upon request, EII provides ad hoc research reports for a fixed fee.

Christian Lange has personal advisory relationships with several European families outside of the US, for which he is compensated under the terms of his own advisory agreement with each client. This is separate and apart from duties he fulfills for the Firm. In certain instances, these clients of Mr. Lange's may be clients of the Firm. EII does not view this as a material conflict of interest as Mr. Lange'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 EII US Property Fund assets are held by custodians selected by the EII US Property 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

EII has authority to vote client securities for certain client accounts. EII utilizes Glass, Lewis & Co. ("Glass Lewis") 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 Glass Lewis guidelines and recommendations except in those instances where a portfolio manager deems it in the client's best interest to vote counter to Glass Lewis's recommendations. Clients can contact EII to direct their vote in a particular solicitation.

EII ensures that its proxy voting decisions are not the product of a conflict of interest. A conflict could occur due to business or personal relationships that EII maintains with persons having an interest in the outcome of the votes. If a material conflict of interest exists, EII determines whether to: 1) disclose the conflict to the affected clients, 2) give the clients an opportunity to vote the proxies themselves, or 3) address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or receiving an independent third party voting recommendation.

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 Christian A. Lange, Chief Investment Officer & Chief Compliance Officer, at (212) 735-9500,

Clients can choose to retain the right and responsibility for receiving and voting their own proxies. In such case, clients will receive their proxies or other solicitations directly from their custodian or a transfer agent. Clients can contact Christian A. Lange, Chief Investment Officer & Chief Compliance Officer, at (212) 735-9500, with questions about a particular solicitation. In addition, EII will not act upon notices pertaining to class actions.

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.