

# Heitman UCITS

Société d'investissement à capital variable (SICAV) under Luxembourg Law

Annual report, including audited financial statements,  
as at December 31, 2019



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# Heitman UCITS

## Organisation of the Fund

**REGISTERED OFFICE** 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (since May 7, 2019)

4, boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg (until May 6, 2019)

### BOARD OF DIRECTORS OF THE FUND

#### Members

Mr Taavi DAVIES, Independent Director, Fund Executives, 15, rue Albert Philippe, L-2331 Luxembourg, Grand Duchy of Luxembourg

Mrs Eugenie DADACHPOUR, Non-Independent Director, Heitman, 8, Hanover Street, Third Floor, W1S 1YQ London, United Kingdom (since April 12, 2019)

Mr Serge KRANCENBLUM, Independent Director, SGG Group, 412F route d'Esch, L-2086 Luxembourg, Grand Duchy of Luxembourg (until April 11, 2019)

Mr William POGORELEC, Non-Independent Director, Heitman Real Estate Securities LLC, 191, North Wacker Drive, Suite 2500, IL-60606 Chicago, United States of America (since April 23, 2019)

Mrs Katherine SANDSTROM, Non-Independent Director, Heitman LLC, 191, North Wacker Drive, Suite 2500, IL-60606 Chicago, United States of America (until April 18, 2019)

#### Conducting Persons

Mr John ALLDIS, Carne Global Fund Managers (Luxembourg) S.A., European Bank and Business Centre, 6B route de Treves, L-2633 Senningerberg, Grand Duchy of Luxembourg (until May 6, 2019)

Mr Greg CREMEN, 19, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg (until May 6, 2019)

### MANAGEMENT COMPANY

FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (since May 7, 2019)

### BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

#### Chairman

Mr Christian SCHRÖDER, Group Corporate Secretary and Head of Organisation, Banque Pictet & Cie SA, 60, route des Acacias, CH-1211 Geneva 73, Switzerland

#### Members

Mrs Michèle BERGER, CEO and Managing Director, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Mr Yves FRANCIS, Independent Director, 67, rue du Pannebourg, 6700 Arlon, Belgium (since April 3, 2019)

# Heitman UCITS

## Organisation of the Fund (continued)

Mr Claude KREMER, Partner, Arendt & Medernach SA, 41A, avenue J.F. Kennedy, L1885 Luxembourg, Grand Duchy of Luxembourg (until April 2, 2019)

Mr Geoffroy LINARD DE GUERTECHIN, Independant Director, 2, rue Jean-Pierre Beicht, L-1226 Luxembourg, Grand Duchy of Luxembourg

### Members of the Management Committee

Mrs Michèle BERGER, CEO and Managing Director, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Mr Pascal CHAUVAUX, Head of Central Administration, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Mr Laurent DORLÉAC, Head of Risk & Compliance, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Mr Dorian JACOB, Head of Investment Management Oversight, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

### INVESTMENT MANAGER

Heitman Real Estate Securities LLC, 191 North Wacker Drive, Suite 2500, IL-60606 Chicago, United States of America (since May 7, 2019)

Heitman International Real Estate Securities GmbH, 35A, Maximilianstrasse, D-80539 Munich, Germany (until May 6, 2019)

### DEPOSITARY BANK

Pictet & Cie (Europe) S.A., 15A, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (since May 7, 2019)

CACEIS Bank, Luxembourg Branch, 5, allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg (until May 6, 2019)

### ADMINISTRATIVE AGENT, PAYING AGENT AND TRANSFER AND REGISTER AGENT

FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (since May 7, 2019)

CACEIS Bank, Luxembourg Branch, 5, allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg (until May 6, 2019)

### INDEPENDENT AUDITOR

Ernst & Young S.A., 35E, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

### LEGAL ADVISOR

Arendt & Medernach SA, 41A, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

### COUNTERPARTY ON FORWARD FOREIGN EXCHANGE CONTRACTS (note 10)

Brown Brothers Harriman & Co. New York

## General information

Heitman UCITS (the "Fund") publishes annual report, including audited financial statements within four months following the end of the fiscal year of the Fund, and unaudited semi-annual reports within two months following the period to which they refer. They are made available at the registered office of the Fund during ordinary office hours. The reports are also available on the Fund's website ([www.heitman-ucits.com](http://www.heitman-ucits.com)). Shareholders who wish to receive a physical copy of the Fund's annual and/or semi-annual reports must request this from the Fund. If such a request is received, the Fund will provide the relevant Shareholder with a physical copy of the Fund's annual and/or semi-annual reports free of charge.

The reference currency of the Fund is the Euro ("EUR"). The aforesaid report comprises accounts of the Fund expressed in EUR.

Copies of the Articles of Incorporation, the current Prospectus, the KIIDs and the latest financial reports may be obtained free of charge during normal office hours at the registered office of the Fund in Luxembourg or via the Fund's website.

A detailed schedule of changes in the investments for the reporting year is available free of charge upon request at the registered office of the Fund.

# Heitman UCITS

Distribution abroad

[Additional information for investors in Germany](#)

[Information Agent](#)

GerFIS - German Fund Information Service UG (Haftungsbeschränkt)  
Zum Eichhagen 4  
D-21382 Brietlingen  
Germany

## Management report

Property stocks were up strongly during 2019 as the Federal Reserve shifted to an easing cycle after a tightening cycle that began in late 2015. This caused interest rates to fall and was generally supportive of property stocks given that credit markets remain robust and are not acting as if there is an imminent recession.

The upside to the decline in interest rates has been a significant uptick in equity and debt issuance by REITs. This will give many companies more dry powder to acquire and grow earnings.

Europe led the way with the highest returns as the Brexit resolution to end the year boosted London office stocks, which had underperformed as London office was viewed by many to have the most negative impact in the event of a hard Brexit. UK retail, though, continues to struggle as it does elsewhere around the globe.

In the Asia-Pacific region, most regions were strongly positive except for Hong Kong. The social unrest during the year had a negative impact on residential launches and retail spending. While Hong Kong has historically been one of the top Prime cities in the world, its future looks uncertain.

In the US, industrial assets continued to generate strong returns as the rapid growth in ecommerce provides a tailwind for logistics space demand. As in the UK, retail is struggling as it suffers the negative consequences of e-commerce growth. Our view is that high quality malls will continue to survive and even thrive, but there is a lot of lower quality retail space in the US that likely needs to be converted to an alternative use.

The sub-fund has performed +22.63% (F share class in EUR) in 2019.

## Outlook

Given the late cycle nature of the current times, low interest rates, and central banks that are working to keep rates low, we believe property stocks are set to benefit given their higher dividend yields and stable cash flows. Further, given generally positive employment growth driving demand and robust capital markets, we also believe it will provide a good backdrop for Prime stocks in Prime Cities.

## Disclosures

- Past performance is no guarantee of future results.
- The views and opinions in the preceding commentary are as of the date of publication and are subject to change.
- There is no guarantee that any market forecast set forth in this report will be realized.
- This material should not be relied upon as investment advice, does not constitute a recommendation to buy or sell a security or other investment and is not intended to predict or depict performance of any investment.

## Management report (continued)

The Board of Directors concluded that the Fund is currently being managed as a going concern and that the Service Providers and Investment Manager have been reminded of their obligations to notify the Board of Directors of any circumstances subsequently arising as a result of COVID-19 that may impact their conclusion.

March 2020

Established by the Investment Manager

Approved by the Board of Directors of the Fund

## Independent auditor's report

To the Shareholders of  
Heitman UCITS  
15, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

### Opinion

We have audited the financial statements of Heitman UCITS (the "Fund"), which comprise the statement of net assets and the statement of investments and other net assets as at December 31, 2019, and the statement of operations and changes in net assets for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at December 31, 2019, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

### Basis for Opinion

We conducted our audit in accordance with the Law of July 23, 2016 on the audit profession (the "Law of July 23, 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of July 23, 2016 and ISAs are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

## Independent auditor's report (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

### **Responsibilities of the Board of Directors of the Fund for the financial statements**

The Board of Directors of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund'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 the Board of Directors of the Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

### **Responsibilities of the "réviseur d'entreprises agréé" 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 a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF 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.

As part of an audit in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## Independent auditor's report (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.
- Conclude on the appropriateness of Board of Directors of the Fund use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young  
Société anonyme  
Cabinet de révision agréé



Robert White

Luxembourg, April 8, 2020

## Statement of net assets as at December 31, 2019

Heitman UCITS - Heitman Global Prime  
Sub-Fund

EUR

### ASSETS

Investments in securities at acquisition cost	171,344,030.62
Net unrealised gain on investments	11,762,809.85
Investments in securities at market value (note 2.b)	183,106,840.47
Cash at banks (note 2.b)	1,375,809.91
Formation expenses (note 2.h)	16,181.11
Net unrealised gain on forward foreign exchange contracts (notes 2.e, 10)	204.09
Other assets (note 8)	48,898.09
	184,547,933.67

### LIABILITIES

Bank overdraft	44,643.46
Operating and administrative expenses payable (notes 3, 4, 5, 6, 7, 8)	150,136.10
	194,779.56

**TOTAL NET ASSETS AS AT DECEMBER 31, 2019** **184,353,154.11**

**TOTAL NET ASSETS AS AT DECEMBER 31, 2018** **154,282,874.19**

**TOTAL NET ASSETS AS AT DECEMBER 31, 2017** **107,781,400.75**

The accompanying notes form an integral part of these financial statements.

## Statement of operations and changes in net assets for the year ended December 31, 2019

Heitman UCITS - Heitman Global Prime  
Sub-Fund

EUR

<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	<b>154,282,874.19</b>
<b>INCOME</b>	
Dividends, net (note 2.f)	5,188,958.18
Bank interest	1,220.40
Other income (note 8)	12,227.32
	<b>5,202,405.90</b>
<b>EXPENSES</b>	
Amortization of formation expenses (note 2.h)	16,078.70
Management fees (note 4)	117,711.48
Depository fees, bank charges and interest (notes 7, 8)	119,744.15
Directors fees, professional fees and other expenses (notes 6, 8)	308,827.45
Administration fees (notes 5, 8)	301,023.19
"Taxe d'abonnement" (notes 3, 8)	21,339.75
Transaction fees (note 2.g)	292,932.85
	<b>1,177,657.57</b>
<b>NET INVESTMENT INCOME</b>	<b>4,024,748.33</b>
Net realised gain on sales of investments	7,231,002.59
Net realised loss on foreign exchange	-40,741.28
Net realised gain on forward foreign exchange contracts	1,507.85
<b>NET REALISED GAIN</b>	<b>11,216,517.49</b>
<b>Change in net unrealised appreciation:</b>	
- on investments	22,380,214.59
- on forward foreign exchange contracts	204.09
<b>INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS</b>	<b>33,596,936.17</b>
Proceeds from subscriptions of shares	42,588,025.46
Cost of shares redeemed	-46,114,681.71
<b>NET ASSETS AT THE END OF THE YEAR</b>	<b>184,353,154.11</b>

The accompanying notes form an integral part of these financial statements.

# Heitman UCITS

## Statistics

Sub-fund Class	Currency	Number of shares outstanding	Net asset value per share	Net asset value per share	Net asset value per share
		31.12.2019	31.12.2019	31.12.2018	31.12.2017
Heitman UCITS - Heitman Global Prime Sub-Fund					
M	EUR	3,520.97	121.57	99.38	103.36
F	EUR	1,124,250.32	135.38	110.89	115.53
F1	USD	270,862.84	104.44	-	-
I	EUR	55,048.67	117.51	96.30	-

The accompanying notes form an integral part of these financial statements.

# Heitman UCITS - Heitman Global Prime Sub-Fund

## Statement of investments and other net assets as at December 31, 2019 (expressed in EUR)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>				
<b>SHARES</b>				
<i>AUSTRALIA</i>				
DEXUS	AUD	296,891.00	2,169,253.09	1.18
GOODMAN GROUP -STAPLED SECURITIES-	AUD	244,693.00	2,043,056.06	1.11
GPT GROUP -STAPLED SECURITIES-	AUD	577,949.00	2,021,179.45	1.10
NEXTDC	AUD	537,468.00	2,208,542.88	1.20
SCENTRE GROUP -STAPLED SECURITIES-	AUD	954,417.00	2,282,781.11	1.24
VICINITY CENTRES -STAPLED SECURITIES-	AUD	1,315,073.00	2,044,921.02	1.11
			12,769,733.61	6.94
<i>BERMUDA</i>				
HONGKONG LAND HOLDINGS	USD	438,965.00	2,252,911.34	1.22
			2,252,911.34	1.22
<i>CANADA</i>				
FIRST CAPITAL REALTY	CAD	147,890.00	2,068,462.57	1.12
			2,068,462.57	1.12
<i>CAYMAN ISLANDS</i>				
WHARF REIC	HKD	426,754.00	2,325,925.68	1.26
			2,325,925.68	1.26
<i>FRANCE</i>				
GEUNA	EUR	14,012.00	2,237,716.40	1.21
KLEPIERRE	EUR	66,112.00	2,222,024.32	1.21
UNIBAIL RW (1SH+1SHWFD) -STAPLED SECURITIES-	EUR	15,484.00	2,180,921.40	1.18
			6,640,662.12	3.60
<i>GERMANY</i>				
ALSTRIA OFFICE REIT	EUR	130,975.00	2,193,831.25	1.19
DEUTSCHE EUROSHOP	EUR	84,599.00	2,235,105.58	1.21
DEUTSCHE WOHNEN INHABER	EUR	62,083.00	2,261,062.86	1.23
			6,689,999.69	3.63
<i>HONG KONG</i>				
CHAMPION REAL ESTATE INVESTMENT TRUST	HKD	3,793,537.00	2,239,336.02	1.21
HYSAN DEVELOPMENT	HKD	647,951.00	2,268,929.96	1.23
SUN HUNG KAI PROPERTIES	HKD	181,478.00	2,481,602.05	1.35
SWIRE PROPERTIES	HKD	819,874.00	2,429,267.69	1.32
			9,419,135.72	5.11
<i>IRELAND</i>				
HIBERNIA -REIT- 144A REG.S	EUR	1,599,431.00	2,248,799.99	1.22
			2,248,799.99	1.22

The accompanying notes form an integral part of these financial statements.

# Heitman UCITS - Heitman Global Prime Sub-Fund

## Statement of investments and other net assets as at December 31, 2019 (expressed in EUR) (continued)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>JAPAN</i>				
ACTIVIA PROPERTIES	JPY	461.00	2,053,901.21	1.11
GLP J-REIT	JPY	1,837.00	2,029,555.03	1.10
JAPAN REAL ESTATE INVESTMENT	JPY	345.00	2,034,376.43	1.10
LASALLE LOGIPORT REIT	JPY	1,586.00	2,095,160.39	1.14
MITSUBISHI ESTATE	JPY	126,749.00	2,169,035.41	1.18
MITSUMI FUDOSAN	JPY	93,525.00	2,046,651.49	1.11
MITSUMI FUDOSAN LOGISTICS PARK REIT	JPY	510.00	2,015,334.87	1.09
MORI HILLS REIT INVESTMENT	JPY	1,443.00	2,133,159.17	1.16
MORI TRUST SOGO REIT	JPY	1,354.00	2,160,167.07	1.17
NIPPON BUILDING FUND	JPY	315.00	2,050,961.02	1.11
NIPPON PROLOGIS REIT	JPY	861.00	1,949,040.73	1.06
TOKYO TATEMONO	JPY	158,614.00	2,220,052.81	1.20
TOKYU REIT	JPY	1,276.00	2,151,724.90	1.17
			27,109,120.53	14.70
<i>LUXEMBOURG</i>				
ADO PROPERTIES	EUR	62,768.00	2,014,852.80	1.09
			2,014,852.80	1.09
<i>NETHERLANDS</i>				
INTERXION HOLDING	USD	28,180.00	2,084,668.93	1.13
			2,084,668.93	1.13
<i>SINGAPORE</i>				
CAPITALAND COMMERCIAL TRUST -UNITS-	SGD	1,625,643.00	2,141,518.09	1.16
CAPITALAND MALL TRUST -UNITS-	SGD	1,296,565.00	2,111,411.55	1.15
KEPPEL REIT -UNITS-	SGD	2,754,849.00	2,261,324.96	1.23
MAPLETREE COMMERCIAL TRUST REG.S	SGD	1,422,439.00	2,250,479.41	1.22
MAPLETREE LOGISTICS TRUST -UNITS-	SGD	1,974,207.00	2,273,973.65	1.23
			11,038,707.66	5.99
<i>SPAIN</i>				
INMOBILIARIA COLONIAL	EUR	191,088.00	2,172,670.56	1.18
MERLIN PROPERTIES SOCIMI	EUR	167,773.00	2,144,138.94	1.16
			4,316,809.50	2.34
<i>SWEDEN</i>				
FABEGE	SEK	160,498.00	2,393,510.23	1.30
HUFVUDSTADEN 'A'	SEK	134,784.00	2,389,581.30	1.30
			4,783,091.53	2.60
<i>SWITZERLAND</i>				
PSP SWISS PROPERTY REG.	CHF	18,222.00	2,242,114.89	1.22
SWISS PRIME SITE REG.	CHF	22,587.00	2,327,791.09	1.26
			4,569,905.98	2.48

The accompanying notes form an integral part of these financial statements.

# Heitman UCITS - Heitman Global Prime Sub-Fund

## Statement of investments and other net assets as at December 31, 2019 (expressed in EUR) (continued)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>UNITED KINGDOM</i>				
ASSURA	GBP	2,388,977.00	2,164,302.89	1.17
BRITISH LAND	GBP	334,722.00	2,491,761.57	1.36
CAPITAL & COUNTIES PROPERTIES	GBP	779,908.00	2,358,853.64	1.28
DERWENT LONDON	GBP	51,049.00	2,376,934.03	1.29
GREAT PORTLAND ESTATES	GBP	231,589.00	2,326,331.22	1.26
HAMMERSON	GBP	644,028.00	2,353,437.99	1.28
LAND SECURITIES GROUP REIT	GBP	203,277.00	2,353,150.18	1.28
PRIMARY HEALTH PROPERTIES REIT	GBP	1,205,737.00	2,238,313.33	1.21
SEGRO REIT	GBP	212,970.00	2,235,024.44	1.21
SHAFTESBURY PLC REIT	GBP	197,649.00	2,154,976.77	1.17
TRITAX BIG BOX REIT	GBP	1,281,412.00	2,227,308.38	1.21
UNITE GROUP	GBP	150,106.00	2,199,720.45	1.19
			27,480,114.89	14.91
<i>UNITED STATES</i>				
ACADIA REALTY TRUST -SBI-	USD	88,876.00	2,031,610.47	1.10
ALEXANDRIA REAL ESTATE EQUITIES	USD	14,999.00	2,137,627.33	1.16
AMERICAN CAMPUS COMMUNITIES	USD	50,176.00	2,088,819.63	1.13
AVALONBAY COMMUNITIES	USD	11,233.00	2,081,667.24	1.13
BOSTON PROPERTIES	USD	17,418.00	2,124,798.95	1.15
BROOKFIELD PROPERTY REIT 'A'	USD	125,707.00	2,053,321.31	1.11
CORESITE REALTY	USD	21,299.00	2,107,562.44	1.14
DOUGLAS EMMETT	USD	54,873.00	2,136,929.92	1.16
EMPIRE STATE REALTY TRUST 'A'	USD	173,390.00	2,134,197.84	1.16
EQUINIX	USD	4,230.00	2,190,757.94	1.19
EQUITY RESIDENTIAL -SBI-	USD	28,708.00	2,068,380.59	1.12
ESSEX PROPERTY TRUST REIT	USD	7,597.00	2,032,308.92	1.10
FEDERAL REALTY INVESTMENT TRUST -SBI-	USD	18,046.00	2,069,165.52	1.12
HEALTHCARE REALTY TRUST	USD	72,159.00	2,131,890.34	1.16
HEALTHCARE TRUST OF AMERICA 'A'	USD	78,562.00	2,117,706.83	1.15
HUDSON PACIFIC PROPERTIES	USD	68,252.00	2,275,980.89	1.23
MACERICH	USD	91,859.00	2,153,912.96	1.17
PARAMOUNT GROUP	USD	177,562.00	2,187,134.43	1.19
PEBBLEBROOK HOTEL TRUST -SBI-	USD	94,818.00	2,272,382.54	1.23
PROLOGIS	USD	26,203.00	2,078,278.23	1.13
REXFORD INDUSTRIAL REALTY -UNITS-	USD	51,330.00	2,073,176.18	1.12
SIMON PROPERTY GROUP	USD	16,255.00	2,141,362.88	1.16
SL GREEN REALTY	USD	28,752.00	2,365,910.09	1.28
TAUBMAN CENTERS	USD	73,635.00	2,019,729.52	1.10
TERRENO REALTY	USD	42,091.00	2,024,996.94	1.10
VORNADO REALTY TRUST -SBI-	USD	37,453.00	2,194,328.00	1.19
			55,293,937.93	29.98
<b>TOTAL INVESTMENTS</b>			<b>183,106,840.47</b>	<b>99.32</b>
CASH AT BANKS			1,331,166.45	0.72
OTHER NET LIABILITIES			-84,852.81	-0.04
<b>TOTAL NET ASSETS</b>			<b>184,353,154.11</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

# Heitman UCITS - Heitman Global Prime Sub-Fund

## Geographical and industrial classification of investments as at December 31, 2019

### Geographical classification

(in % of net assets)

United States	29.98
United Kingdom	14.91
Japan	14.70
Australia	6.94
Singapore	5.99
Hong Kong	5.11
Germany	3.63
France	3.60
Sweden	2.60
Switzerland	2.48
Spain	2.34
Cayman Islands	1.26
Ireland	1.22
Bermuda	1.22
Netherlands	1.13
Canada	1.12
Luxembourg	1.09
	<b>99.32</b>

### Industrial classification

(in % of net assets)

Real Estate Shares	92.15
Holding and finance companies	1.35
Construction and building materials	1.23
Internet, software and IT services	1.20
Utilities	1.16
Communications	1.13
Private Equity Funds	1.10
	<b>99.32</b>

## Notes to the financial statements as at December 31, 2019

### NOTE 1

#### GENERAL

Heitman UCITS (the "Fund") is an investment company organised as a *société anonyme* under the laws of the Grand Duchy of Luxembourg and qualifies as a *société d'investissement à capital variable* (SICAV). The Fund was incorporated in Luxembourg on September 9, 2014. The Articles of Incorporation were published in the *Mémorial, Recueil des Sociétés et Associations* on October 9, 2014. The Fund qualifies as an undertaking for collective investment under Part I of the Luxembourg law of December 17, 2010 relating to undertakings for collective investment (the "Law of 2010"). The Fund is registered with the Luxembourg Commercial and Companies' Register under number B190554.

The Fund's capital is equal to the value of its total net assets. The minimum capital required by law is EUR 1,250,000.

On February 28, 2019, HEITMAN UCITS gave a formal notice of the termination of the agreements to which CACEIS Bank, Luxembourg Branch, and Heitman UCITS are parties.

FundPartner Solutions (Europe) S.A. with registered office at 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg was appointed Management Company of the Fund as of May 7, 2019. It is a management company within the meaning of chapter 15 of the Law of 2010.

#### a) Sub-fund in activity

As at December 31, 2019, the Fund includes the following sub-fund:

- Heitman UCITS - Heitman Global Prime Sub-Fund, denominated in Euro (EUR)

#### b) Significant events and material changes

A new Prospectus came into force on May 7, 2019.

On May 7, 2019, the Fund moved its registered office from 4, boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg to 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

As at the same date, Heitman Real Estate Securities LLC replaced Heitman International Real Estate Securities GmbH as Investment Manager, Pictet & Cie (Europe) S.A. replaced CACEIS Bank, Luxembourg Branch as Depositary Bank, FundPartner Solutions (Europe) S.A. replaced CACEIS Bank, Luxembourg Branch as Administrative Agent, Paying Agent and Transfer and Register Agent, and FundPartner Solutions (Europe) S.A. has been appointed Management Company.

#### c) Share classes

As at December 31, 2019, Class M, Class F, Class F1 and Class I are issued for the active sub-fund and are detailed as follow:

- Class M: Reserved to employees of the Heitman Global Prime Investment Manager and of its affiliates and affiliates of the Heitman Global Prime Investment Manager;

## Notes to the financial statements as at December 31, 2019 (continued)

- Class F: Reserved to Institutional Investors deemed by the Fund to be founding shareholders because of their subscription of Shares at inception of the Heitman Global Prime Sub-Fund or their affiliation with a founding Shareholder or them being advised by a founding Shareholder;
- Class F1: Reserved to Institutional Investors deemed by the Fund to be founding shareholders because of their subscription of Shares at inception of the Heitman Global Prime Sub-Fund or their affiliation with a founding Shareholder or them being advised by a founding Shareholder;
- Class I: Available to Institutional Investors only.

### NOTE 2

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a) Preparation and presentation of financial statements

The financial statements are prepared in accordance with generally accepted accounting principles and presented in accordance with the legal reporting requirements applicable in Luxembourg relating to undertakings for collective investment.

The reference currency of the Fund is the EUR.

##### b) Valuation of assets

The assets of the Fund are valued in accordance with the following principles:

1) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof is determined after making such discount as the Board of Directors of the Fund or the Management Company, after consultation with the Investment Manager and such other resources as they may require, deem appropriate in such case to reflect the true value thereof;

2) The value of Transferable Securities, Money Market Instruments and any other assets which are quoted or dealt in on any stock exchange is based on the latest available closing prices, it being understood that the Board of Directors of the Fund may in its discretion change this to the closing mid-market valuations or the valuation on a specific valuation point/time, and Transferable Securities, Money Market Instruments and any other assets traded on any other Regulated Market are valued in a manner as similar as possible to that provided for quoted securities;

3) The value of money market instruments not listed or dealt on any regulated market, stock exchange, or any other regulated market and with remaining maturity of less than twelve months is valued by the amortised cost method, which approximates market value;

4) For non-quoted assets or assets not traded or dealt in on any stock exchange or other Regulated Market, as well as quoted or non-quoted assets on such other market for which no valuation price is available or assets for which the listed prices are not representative of the fair market value, the value thereof is determined prudently and in good faith by the Board of Directors of the Fund or the Management Company on the basis of foreseeable purchase and sale prices after first seeking input from the Investment Manager and if still uncertain then escalating it to the Board of Directors of the Fund;

## Notes to the financial statements as at December 31, 2019 (continued)

5) The Administrative Agent uses the amortised cost method of valuation for short-term transferable debt securities in any sub-fund. This method involves valuing a security at its cost and thereafter assuming a constant amortisation to maturity of any discount or premium regardless of the impact of fluctuating interest rates on the market value of the security or other instrument. While this method provides certainty in valuation, it may result in periods during which value as determined by amortised cost, is higher or lower than the price the sub-fund would receive if it sold the securities. This method of valuation is only used in accordance with Committee of European Securities Regulators (CESR) (now the European Securities and Markets Authority, "ESMA") guidelines concerning eligible assets for investments by UCITS and only with respect to securities with a maturity at issuance or residual term to maturity of 397 days or less or securities that undergo regular yield adjustments at least every 397 days;

6) Shares or units in underlying open-ended UCIs are valued at their last determined and available NAV or, if such price is not representative of the fair market value of such assets, then the price is determined by the Board of Directors of the Fund or the Management Company on a fair and equitable basis. Units or shares of a closed-ended UCI are valued at their last available stock market value;

7) Any money market instrument with a remaining maturity of less than ninety days at the time of purchase or securities whose applicable interest rate or reference interest rate is adjusted at least any ninety days on the basis of market conditions shall be valued at cost plus accrued interest from its date of acquisition, adjusted by an amount equal to the sum of (i) any accrued interest paid on its acquisition and (ii) any premium or discount from its face amount paid or credited at the time of its acquisition, multiplied by a fraction the numerator of which is the number of days elapsed from its date of acquisition to the relevant Valuation Day and the denominator of which is the number of days between such acquisition date and the maturity date of such instruments;

8) Money market instruments with a remaining maturity of more than ninety days at the time of purchase are valued at their market price. When their remaining maturity falls under ninety days, they are valued in accordance with subsection 7);

9) Liquid assets are valued at nominal value plus any accrued interest or on an amortised cost basis. All other assets, where practice allows, are valued in the same manner;

10) The liquidating value of futures, forward and options contracts not traded on exchanges or on other regulated markets means their net liquidating value determined by the Board of Directors of the Fund or the Management Company on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward and options contracts traded on exchanges or on other regulated markets is based upon the last available settlement prices of these contracts on exchanges and regulated markets on which the particular futures, forward or options contracts are traded by the Fund; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract is such value as the Board of Directors of the Fund or the Management Company may deem fair and reasonable after seeking input from the Investment Manager and if still uncertain then escalating it to the Board of Directors of the Fund;

11) The value of a credit default swap is determined by comparing it to the prevailing par market swap. A par market swap is one which can be initiated in the market today for no exchange of principal, and its deal spread is such that it results in the swap's market value being equal to zero. The spread between the initial default swap and the par market swap is then discounted as an annuity using relevant risk-adjusted discount rates. Par market swap rates are obtained from a cross-section of market counterparties. Any other swaps are valued at their market value;

## Notes to the financial statements as at December 31, 2019 (continued)

12) All other assets of any kind or nature are valued at their net realisable value as determined in good faith by the Board of Directors of the Fund or the Management Company in accordance with generally accepted valuation principles and procedures after seeking consultation from the Investment Manager if needed and if still uncertain, escalating it to the Board of Directors of the Fund.

### c) Net realised gain/loss on sales of investments

The net realised gain/loss on sales of investments is calculated on the basis of the weighted average cost of the investments sold.

### d) Cost of investment securities

The cost of investment securities in currencies other than the currency of the sub-fund is translated into the currency of the sub-fund at the exchange rate applicable at purchase date.

### e) Valuation of forward foreign exchange contracts

The net unrealised gain/loss resulting from outstanding forward foreign exchange contracts, if any, is determined on the valuation day on the basis of the forward exchange rates applicable at this date and are recorded in the statement of net assets.

Net realised gain/loss and changes in net unrealised appreciation/depreciation on forward foreign contracts are recorded in the statement of operations and changes in the net assets.

### f) Income

Dividends are recorded at ex-date. Interest is recorded on an accrual basis. Dividends and interests are recorded net of withholding tax.

### g) Transaction fees

The transaction fees represent the costs incurred by the Fund in connection with purchases and sales of investments. They include brokerage fees as well as bank commissions, tax, depositary fees and other transaction fees, and are included in the statement of operations and change in net assets.

### h) Formation expenses

Formation expenses are amortised on a straight line basis over a period of 5 years.

## NOTE 3

## TAXATION OF THE FUND

Under current law and practice, the Fund is not liable to any Luxembourg income or net wealth tax, nor are dividends paid by the Fund subject to any Luxembourg withholding tax. However, in relation to all Classes, the Fund is liable in Luxembourg to a subscription tax (*taxe d'abonnement*) of 0.05% per annum of its net assets, such tax being payable quarterly and calculated on the NAV of the respective Class at the end of the relevant quarter. A reduced tax rate of 0.01% per annum of the net assets will be applicable to Classes which are only sold to and held by Institutional Investors. Such tax is payable quarterly and calculated on the net assets of such Class at the end of the relevant quarter.

## Notes to the financial statements as at December 31, 2019 (continued)

The aforementioned tax is not applicable for the portion of the assets of the Fund invested in other Luxembourg collective investment undertakings. No stamp duty or other tax is generally payable in Luxembourg.

No tax is payable in Luxembourg on realised or unrealised capital appreciation of the assets of the Fund. Although the Fund's realised capital gains, whether short term or long term, are not expected to become taxable in another country, Shareholders must be aware and recognise that such a possibility is not totally excluded. The regular income of the Fund from some of its securities, as well as interest earned on cash deposits, and capital gains in certain countries may be liable to withholding taxes at varying rates, which normally cannot be recovered. Withholding and other taxes levied at source, if any, are not recoverable. Whether the Fund may benefit from a double tax treaty concluded by Luxembourg must be determined on a case-by-case basis.

### NOTE 4

#### MANAGEMENT FEES

Until May 6, 2019, for its services, Heitman International Real Estate Securities GmbH, as the Investment Manager of the Fund, was entitled to receive a management fee, which was calculated as a percentage of the average net assets of each Sub-Fund or Class under its management. Management fees were accrued on each Valuation Day and payable monthly in arrears at the following annual rates:

Class M shares: None  
 Class F shares: 0.20% on first 200 million EUR in share class, 0.17% on the next 300 million EUR in share class and 0.20% thereafter.  
 Class I shares: 0.25%

As from May 7, 2019, Heitman Real Estate Securities LLC, as the Investment Manager of the Fund, is entitled to receive a management fee, which is calculated as a percentage of the average NAV of each class of each sub-fund. Management fees are accrued on each Valuation Day and payable monthly in arrears at the following rates:

Class M shares: None  
 Class F shares: 0.20%  
 Class F1 shares: 0.20%  
 Class I shares: 0.25%

In case the Investment Manager designates any Sub-Investment Managers, the fees of such Sub-Investment Managers are paid by the Investment Manager out of its own fees.

### NOTE 5

#### ADMINISTRATION FEES

Until May 6, 2019, CACEIS Bank, Luxembourg Branch, as Administrative Agent of the Fund, was entitled to receive the following annual variable fees, calculated on the average sub-fund's Net Assets and payable monthly in arrears:

Assets under management	Annual rates
Up to EUR 100 M	0.045%
Between EUR 100 M and EUR 250 M	0.040%
Between EUR 250 M and EUR 500 M	0.030%
Between EUR 500 M and EUR 1 Bn	0.020%
Above EUR 1 Bn	0.015%
Minimum Monthly fee	EUR 1,800.00

## Notes to the financial statements as at December 31, 2019 (continued)

As from May 7, 2019, Pictet & Cie (Europe) S.A., as Administrative Agent of the Fund, is entitled to receive the following annual variable fees, calculated on the average sub-fund's Net Assets and payable monthly in arrears:

<b>Assets under management</b>	<b>Annual rates</b>
Up to EUR 100 M	0.15%
Between EUR 100 M and EUR 200 M	0.14%
Between EUR 200 M and EUR 300 M	0.12%
Above EUR 300 M	0.11%
Minimum Annual fee	EUR 75,000.00

### NOTE 6

#### DIRECTORS FEES

As remuneration for their duties based on the Directorship Agreement, the Fund pays Directors fees to each Director.

Non-Independent Directors are not entitled to receive Directors Fees.

### NOTE 7

#### DEPOSITARY FEES

Until May 6, 2019, CACEIS Bank, Luxembourg Branch, the Depositary of the Fund, was entitled to receive for the general supervisory function, an annual fee of 0.005% of the sub-fund's average Net Assets, payable monthly in arrears. For the safekeeping of the assets, the Depositary was entitled to receive an annual fee of 0.01% of the sub-fund's average Net Assets, payable monthly in arrears.

As from May 7, 2019, Pictet & Cie (Europe) S.A., as the Depositary, is entitled to an annual fee, out of the assets of the sub-fund, of 0.07% (with a minimum of EUR 75,000.00), payable monthly in arrears. In addition, Pictet & Cie (Europe) S.A., as the Depositary, is entitled to be reimbursed by the Fund for its reasonable out-of-pocket expenses and disbursements.

### NOTE 8

#### OPERATING AND ADMINISTRATIVE EXPENSES

As from May 7, 2019, the Fund bears all of its ordinary operating expenses ("Operating and Administrative Expenses") including but not limited to: the Luxembourg asset-based *taxe d'abonnement* up to the maximum rate referred to under "Taxation" below ("*taxe d'abonnement*"); remuneration (where applicable) for the Directors, the Conducting Persons and other reasonable travelling or out-of-pocket expenses incurred by the Fund and its Board of Directors and Conducting Persons; legal and auditing fees and expenses; initial and ongoing registration and listing fees, including translation expenses; fund administration and custody expense, office lease expenses, and the costs and expenses of preparing, printing, and distributing the Prospectus, financial reports and other documents made available to its Shareholders. Operating and Administrative Expenses do not include Transaction Costs and Extraordinary Expenses (as defined in the Prospectus).

Operating and administrative expenses of the Heitman UCITS - Heitman Global Prime Sub-Fund (excluding management fees) are expected not to exceed 0.20% of the NAV per annum (the "Anticipated O&A Expense Threshold").

## Notes to the financial statements as at December 31, 2019 (continued)

While under no obligation to do so, the Investment Manager may, in its sole discretion, waive or reduce its annual management fee as well as reimburse certain expenses to the Heitman UCITS - Heitman Global Prime Sub-Fund to the extent necessary to ensure that the sub-fund's total annual operating and administrative expenses in any given year do not exceed the Anticipated O&A Expense Threshold for such year or to ensure that any such excess is immaterial.

This resulted in a rebate of EUR 12,227.32 for the year ended December 31, 2019 which is recognized under the caption "Other income" disclosed in the Statement of operations and changes in net assets of the Heitman UCITS - Heitman Global Prime Sub-Fund. The cumulative unpaid rebates since inception presented in the caption "Other assets" in the Statement of net assets amounts to EUR 12,227.32 as of December 31, 2019.

### NOTE 9

#### EXCHANGE RATE

The following exchange rate was used for the conversion of the Fund's net assets into EUR as at December 31, 2019:

1 EUR = 1.122500 USD

### NOTE 10

#### FORWARD FOREIGN EXCHANGE CONTRACT

The Fund had the following forward foreign exchange contract outstanding as at December 31, 2019:

Heitman UCITS - Heitman Global Prime Sub-Fund

Currency	Purchase	Currency	Sale	Maturity date
JPY	5,480,940.00	USD	50,078.21	06/01/2020

The net unrealised gain on this contract as at December 31, 2019 was EUR 204.09 and is included in the statement of net assets.

### NOTE 11

#### SUBSEQUENT EVENTS

On January 3, 2020, Mrs Eugenie DADACHPOUR resigned from her position in the Board of Directors of the Fund.

On March 5, 2020, Mr Gregory David CREMEN has been appointed in the Board of Directors of the Fund.

## Notes to the financial statements as at December 31, 2019 (continued)

On March 11, 2020 the World Health Organisation declared a new strain of coronavirus, COVID-19, a global pandemic. The global response to COVID-19 continues to rapidly evolve and has included mandates from various levels of governments across the world to mitigate the spread of the virus. The Board of Directors of the Fund has obtained, and will continue to monitor, reports from the Investment Manager and Management Company on the implementation of their respective business continuity plans and their respective financial positions. Similarly, the Board of Directors of the Fund requested that the Management Company obtain from each of the Fund's service providers information on each of their respective business continuity plans and financial positions. The resulting adverse impact on global commercial activity from the COVID-19 pandemic has contributed to significant volatility in financial markets. The COVID-19 outbreak and associated government and market responses could result in a material impact to the Fund's future financial position, operations and cash flows. The Board of Directors of the Fund has at its disposal emergency procedures described in the Prospectus that can be implemented to mitigate as much as reasonably possible certain of the events that might impact the Fund and will do so in the best interest of Shareholders if and when appropriate.

## Other information to Shareholders (unaudited appendix)

### 1. Remuneration policy of the Management Company

The Management Company has adopted a remuneration policy, which is in accordance with the principles established by the law of May 10, 2016, amending the 2010 Law.

The financial year of the Management Company ends on December 31 of each year.

The table below shows the total amount of the remuneration for the financial year ended as at December 31, 2019, split into fixed and variable remuneration, paid by the Management Company to its staff.

The table has been prepared taking into consideration point 162 of section 14.1 of the European Securities and Market Authority ("ESMA") remuneration guidelines relating to the confidentiality and data protection in presenting the remuneration information.

	Number of beneficiaries	Total remuneration (EUR)	Fixed remuneration (EUR)	Variable remuneration (target or discretionary bonuses, parts remuneration) (EUR)
Total remuneration paid by the Management Company during the financial year	21	16,876	12,342	4,534

#### *Additional explanation:*

- The beneficiaries reported is composed of the risk takers (including the 3 Conducting Officers exercising their activity in Luxembourg) and the staff of the Management Company dedicated to Management Company activities for all the Funds under management, remunerated by the Management Company. In addition, the Management Company did not remunerate directly the staff of the Investment Manager, but rather ensured that the Investment Manager complies with the remuneration policy requirements itself.
- The benefits have been attributed according to criteria such as level of seniority, hierarchic level, or other eligibility criteria, not taking into account performance criteria, and are thus excluded from the fixed or variable remuneration figures provided above.
- Total fixed and variable remuneration disclosed is based on apportionment of Asset Under Management represented by the Company.
- The 2019 annual review outcome showed no exception.
- There have been no changes to the adopted remuneration policy since its implementation.

## Other information to Shareholders (unaudited appendix) (continued)

### **2. Securities Financing Transactions Regulation ("SFTR")**

As at December 31, 2019, the Fund is in the scope of the requirements of the Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse. Nevertheless, no corresponding transactions were carried out during the year referring to the financial statements.

### **3. Information on risk measurement**

The sub-fund's global risk exposure is monitored by using the Commitment approach. In that respect, financial derivatives instruments are converted into their equivalent position in the underlying asset. The global risk exposure shall not exceed the sub-fund's NAV.

