

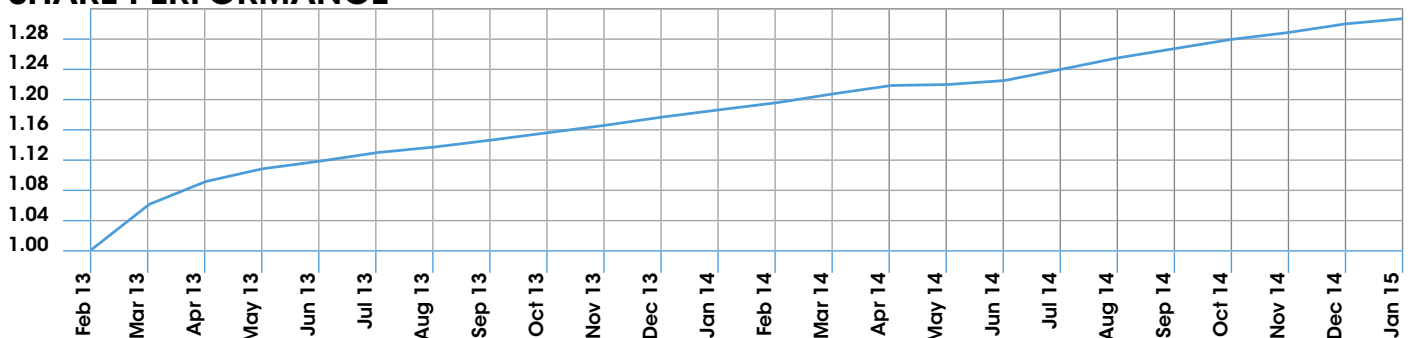

THE VICTUS EUROPEAN STUDENT ACCOMMODATION FUND UPDATE CLASS B - GBP
INVESTMENT UPDATE

The Victus Fund had another strong month of returns showing a total return of 0.61% for the month of January 2015. The UK student accommodation sector saw an increase in demand from both tenants and investors in 2014. Around 500,000 new undergraduate students entered the UK higher education system at the start of the 2014/2015 academic year. This is a record and shows that despite the introduction of the higher tuition fee cap in 2012, the demand for UK university education continues to grow. Furthermore, the removal in 2015/2016 of the cap in the numbers of students that each University can recruit, will mean that student numbers is expected to increase substantially to create additional accommodation demand. While the growth in student numbers has come from a variety of sources, the growth of new overseas students has risen by over 57% over the last decade. Research has shown that overseas students are more likely to use purpose built student

accommodation. Over the last 12 months, investment demand for student accommodation has continued to increase, in particular for portfolios. There are currently three large portfolios of student accommodation being marketed in the UK, each with a gross asset value of over £500m. Victus continues its interests to expand its portfolio across Europe, undertaking refurbishment of its most recent acquisition in Bordeaux, France, increasing capacity by converting office space into additional bedrooms. To feed this European ambition Crosslane has stepped up detailed due diligence on a number of key opportunities in major University cities, specifically properties in Toulouse & Montpellier, France and Amsterdam in the Netherlands, as well as reviewing the refurbishment options on the German assets. The purpose built student accommodation sector in the targeted countries of France, Germany and The Netherlands is showing strong interest which vindicates the Fund's strategy.

Share price £1.3092 ISIN Code: GG00B8Y4L009 SEDOL Code: B8Y4L00

2013	Jan 13	Launch Feb 13	Mar 13	Apr 13	May 13	Jun 13	Jul 13	Aug 13	Sep 13	Oct 13	Nov 13	Dec 13	2013 Performance
Share Price	-	£1.0000	£1.0624	£1.0945	£1.1082	£1.1179	£1.1279	£1.1367	£1.1460	£1.1563	£1.1657	£1.1752	
Return	-	-	6.24%	3.02%	1.25%	0.88%	0.89%	0.78%	0.82%	0.90%	0.81%	0.81%	+17.52%
2014	Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	2014 Performance
Share Price	£1.1843	£1.1936	£1.2033	£1.2145	£1.2242	£1.2334	£1.243	£1.2542	£1.2654	£1.2790	£1.2891	£1.3013	
Return	0.77%	0.79%	0.81%	0.93%	0.80%	0.75%	0.78%	0.90%	0.89%	1.07%	0.79%	0.95%	+10.73%
2015	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Year to date
Share Price	£1.3092	-	-	-	-	-	-	-	-	-	-	-	
Return	0.61%	-	-	-	-	-	-	-	-	-	-	-	+0.61%

SHARE PERFORMANCE


ACQUISITIONS

Location	Number of Beds	Investment Update	Value
England	216	Operational	£21.4 million
Scotland	128	Operational	£5.975 million
England	133	Operational	£12.2 million
Germany	179	Operational	€ 4,94 million
England	204	Development	£15.5 million*
Germany	310	Operational	€ 7,58 million
England	323	Development	£18.5 million*
France	144	Operational	€ 9,75 million
England	166	Development	£17.3 million*
France	118	Refurbishment	€ 11,965 million

BACKGROUND TO THE FUND

The current economic climate has led many investors to seek uncorrelated investments that offer the opportunity to take advantage of assets which offer not only strong rental yields but also the real prospect of long term capital growth.

With global student mobility increasing, and European institutions actively recruiting more non-EU students, purpose-built student accommodation comes into its own. Private student housing operators providing a one-stop-shop for secure, quality accommodation, may find themselves with a commercial edge.†

INVESTMENT OBJECTIVES

- To provide investors with diverse investment in the Student Accommodation market in Europe, whilst only investing in major University countries and cities
- To invest in a mixture of new developments and mature properties that will provide a combination of strong rental yields, initial added capital value and anticipated ongoing capital growth
- To achieve target return of 9-12% p.a. before tax
- To invest in Europe alongside local student operators/ developers through partnership and joint venture arrangements, sharing risk with these operators/developers who have successful track records in their localities
- To provide further diversification and risk reduction through:
 - A geographical spread across major University cities in Europe
 - Inclusion of 'affordable' older schemes without en-suite accommodation
 - Inclusion of newer schemes with en-suite accommodation (including studio flats) at higher rental levels
 - Inclusion of new purpose-built accommodation
 - A mix of undergraduate and postgraduate students
 - A mix of domestic students and international students
 - A variety of occupational agreements, including university leases and direct lets

† Savills, Spotlight European Student Housing, Summer 2013

* Value on completion

ADVISORS

- Promoter – Crosslane Fund Managers LLP
- Property Advisor – Crosslane Property Advisor (Guernsey) Limited
- Administrator – JTC (Guernsey) Limited
- Administrator (France) – TMF Group
- Administrator (Belgium) – TMF Group
- Administrator (Luxembourg) – JTC (Luxembourg) S.A.
- Audit – BDO Limited
- CISE Sponsor – Carey Commercial Limited
- Tax – PricewaterhouseCoopers LLP
- Custodian – Royal Bank of Canada (Channel Islands) Limited
- Legal Advisor Guernsey – Carey Olsen Limited
- Legal Advisor UK – Squire Patton Boggs (UK) LLP

KEY FACTS

- Fund is registered with the Guernsey Financial Services Commission and listed on the Channel Island Securities Exchange
- Accumulation share classes
- Maximum fund gearing of 100% of Net Asset Value (equivalent to 50% of overall Assets)
- Dealing frequency - monthly
- Dealing day - 2nd business day of each month
- Valuation point - last business day of each month
- Valuation announcement - within five business days of the relevant dealing day
- Contract notes - issued within seven business days of the relevant dealing day
- Final day for receipt of investment application form - 20th of month or nearest earlier business day or later at the Directors discretion
- Final day for receipt of investment - two business days prior to the month end before the relevant dealing day
- Redemption notice period - 60 days prior to the relevant dealing day
- Minimum initial subscription - GBP 1,000,000
- Minimum additional subscription - GBP 300,000
- Currencies - GBP, EUR, USD, CHF
- Charges
 - Initial: Nil
 - Annual Management Charge: 1.50% of NAV
- Performance fee - 20% of any outperformance over 10% p.a., aligning the interest of the Property Advisor with that of the Investor

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