



## THE VICTUS EUROPEAN STUDENT ACCOMMODATION FUND UPDATE **CLASS A – GBP**

The Victus Fund reported a positive performance in February compared to the previous month and the development debt on Glassworks in Liverpool and St Lawrence House in Bristol which has been replaced will improve performance from March onwards.

The Fund continues to conduct due diligence on a number of opportunities in France in Paris, Nancy, Toulouse, Amiens, Villeurbanne, Nantes and Aix-en-Provence.

In Germany detailed research and analysis on potential development and operational opportunities in top University cities continues, with specific acquisitions in Berlin and Munich being considered.

In the Netherlands the Victus Fund is continuing with its analysis on development opportunities in Amsterdam and Delft.

The fund is also reviewing potential acquisitions across other European cities with top performing global universities including an opportunity in Vienna, Austria being deliberated.

In the UK, the new Glassworks asset in Liverpool, which became operational in September 2015, has increased occupancy levels further in the current academic year following a referral agreement with John Moore's University which will see 44 students move into the property on 52 week tenancies from March. An additional referral agreement, also with John Moore's University for 180 students on 42 week tenancies commencing in September 2016, together with direct lets already achieved means the property is expected to be fully let for the 2016/17 academic year by the end of March.

St Lawrence House in Bristol which also became operational in September 2015, has similarly increased the number of tenants in the building

following the start of the current academic year to increase the level of occupancy to 98%.

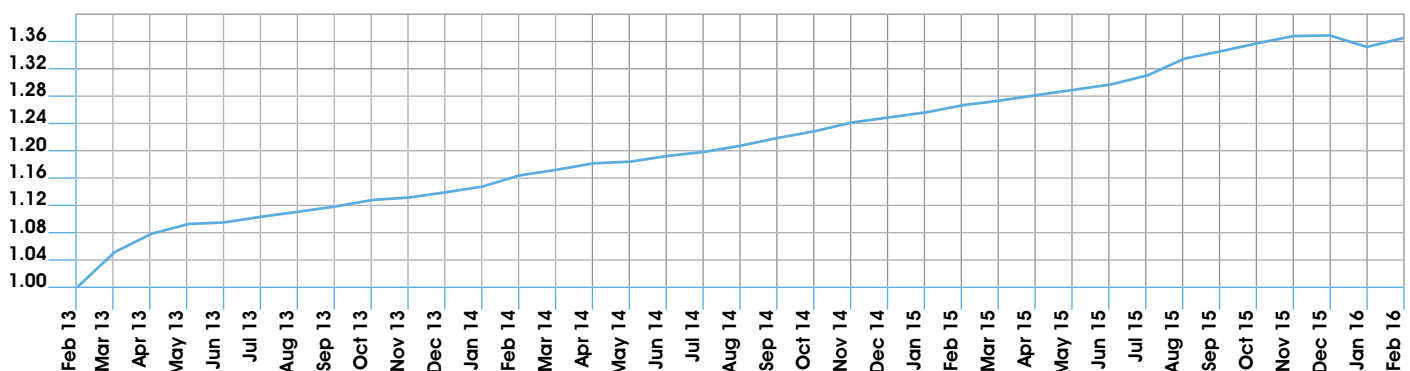
Bookings for all UK assets for the 2016/17 academic are considerably ahead of this point last year.

The potential sale of all the UK student accommodation portfolio which the fund anticipated would be concluded in March is taking longer than expected, however the Fund has no reason to believe that the sale will not eventually complete at a satisfactory price and return for the Fund. Accordingly, the Fund has agreed with the prospective purchaser to extend the exclusivity period and signed new non-binding heads of terms to sell the UK asset portfolio by 29 April 2016.

Share price £1.3630 **ISIN Code: GG00B7Y62286** **SEDOL Code: B7Y6228**

| 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       | £1.0585 | £1.0882 | £1.1003 | £1.1086 | £1.1172 | £1.1247 | £1.1326 | £1.1414 | £1.1495 | £1.1576 |                  |
| Return      | -       | -             | 5.85%   | 2.81%   | 1.11%   | 0.75%   | 0.78%   | 0.67%   | 0.70%   | 0.78%   | 0.71%   | 0.70%   | <b>+15.76%</b>   |
| 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 | £1.1654 | £1.1733       | £1.1816 | £1.1913 | £1.1995 | £1.2073 | £1.2155 | £1.2252 | £1.2348 | £1.2467 | £1.2553 | £1.2659 |                  |
| Return      | 0.67%   | 0.68%         | 0.71%   | 0.82%   | 0.69%   | 0.65%   | 0.68%   | 0.80%   | 0.78%   | 0.96%   | 0.69%   | 0.84%   | <b>+9.36%</b>    |
| 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  | 2015 Performance |
| Share Price | £1.2725 | £1.2810       | £1.2897 | £1.2984 | £1.3054 | £1.3156 | £1.3214 | £1.3493 | £1.3583 | £1.3644 | £1.3705 | £1.3774 |                  |
| Return      | 0.52%   | 0.67%         | 0.68%   | 0.67%   | 0.54%   | 0.78%   | 0.44%   | 2.11%   | 0.67%   | 0.45%   | 0.44%   | 0.50%   | <b>+8.81%</b>    |
| 2016        | Jan 16  | Feb 16        | Mar 16  | Apr 16  | May 16  | Jun 16  | Jul 16  | Aug 16  | Sep 16  | Oct 16  | Nov 16  | Dec 16  | Year to date     |
| Share Price | £1.3578 | £1.3630       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       |                  |
| Return      | -1.43%  | 0.38%         | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | <b>-1.05%</b>    |

### SHARE PERFORMANCE



## ACQUISITIONS

| Location | Number of Beds | Investment Update | Value          |
|----------|----------------|-------------------|----------------|
| England  | 419            | Operational       | £38.1 million  |
| Scotland | 128            | Operational       | £6.05 million  |
| England  | 133            | Operational       | £13.2 million  |
| Germany  | 179            | Operational       | €5.05 million  |
| Germany  | 310            | Operational       | €7.79 million  |
| England  | 323            | Operational       | £18.7 million  |
| France   | 144            | Operational       | €9.48 million  |
| England  | 166            | Operational       | £19.3 million  |
| France   | 118            | Operational       | €11.15 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 8–10% 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

## ADVISORS

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

## 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 – On the 13th business day
- Contract notes – issued within 15 business days of the relevant dealing day
- Final day for receipt of investment application form – 28th 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 10,000
- Minimum additional subscription – GBP 3,000
- Currencies – GBP, EUR, USD, CHF
- Charges
  - Allocation: 100% of initial investment
  - Redemption: Year 1 – 5%
  - Year 2 – 4%
  - Year 3 – 3%
  - Year 4 – 2%
  - Year 5 – 1%
  - Year 6 onwards – Nil
- Withdrawal facility – up to 8% p.a. of initial investment can be withdrawn once every year, after investment has been held for one year, free of redemption charge
- 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

† Savills, Spotlight European Student Housing, Summer 2013

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