



THE VICTUS EUROPEAN STUDENT ACCOMMODATION FUND UPDATE **CLASS A – CHF**

The fund reported a strong performance for May showing a return of 1.52%.

In the UK, bookings across the UK assets for the 2016/17 academic year continue to be significantly ahead compared to the same time last year, up 40% providing confidence in achieving full occupancy by the start of the academic year, at increased rent prices on the previous year. The UK PBSA sector remains exceptionally buoyant with latest indications from independent experts suggesting 2016 may experience similar levels of total asset and portfolio transaction values to the last two years, with 2015 over £5 billion, providing advantageous conditions for the fund to achieve a favourable price for its UK assets. The fund continues to progress the potential sale of all the assets in the UK portfolio which it anticipates will complete in due course.

The fund remains resolute to its strategy of acquiring additional student accommodation assets in globally recognised university cities within mainland continental Europe to drive the best returns for investors and continues to identify acquisition opportunities to grow the portfolio.

Detailed analysis and due diligence is taking place on a number of opportunities in France in Paris, Nancy, Toulouse, Amiens, Villeurbanne, Nantes and Aix-en-Provence.

In addition, the fund is considering new build development opportunities in the Netherlands.

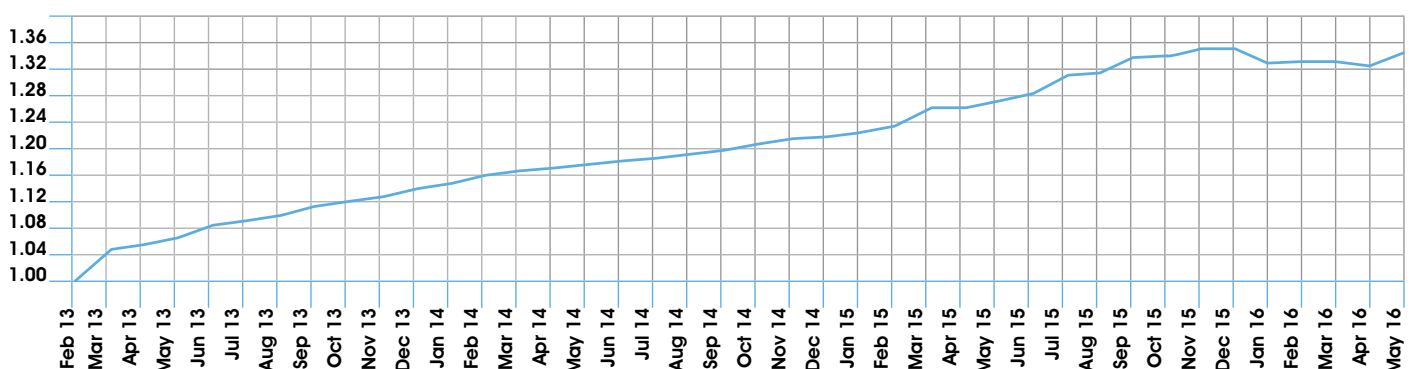
Thorough research and investigation on both potential new development and operational refurbishment opportunities is taking place in top German university cities, with specific acquisitions in Berlin and Munich being considered. Following a number of interested parties expressing their aspiration to purchase the Osnabruck property, the fund decided to pursue a prospective sale with a single potential buyer that provides investors with the best possible return and is progressing the process which it expects to conclude in due course. In addition, the fund has also received an offer for the Oldenburg property which it is considering.

The fund continues to review potential acquisitions in other European countries in which it currently does not have presence, including opportunities in cities within Austria and Spain.

Share price Fr1.3453 ISIN Code: GG00B8XTJR98 SEDOL Code: B8XTJR9

| 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 | - | Fr1.0000 | Fr1.0551 | Fr1.0767 | Fr1.0974 | Fr1.1037 | Fr1.1140 | Fr1.1200 | Fr1.1291 | Fr1.1367 | Fr1.1445 | Fr1.1525 | |
| Return | - | - | 5.51% | 2.05% | 1.92% | 0.57% | 0.93% | 0.54% | 0.81% | 0.67% | 0.69% | 0.70% | +15.25% |
| 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 | Fr1.1611 | Fr1.1694 | Fr1.1727 | Fr1.1819 | Fr1.1886 | Fr1.195 | Fr1.2015 | Fr1.2096 | Fr1.2176 | Fr1.2291 | Fr1.2342 | Fr1.2397 | |
| Return | 0.75% | 0.71% | 0.28% | 0.78% | 0.57% | 0.54% | 0.54% | 0.67% | 0.66% | 0.94% | 0.41% | 0.45% | +7.57% |
| 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 | Fr1.2461 | Fr1.2539 | Fr1.2607 | Fr1.2683 | Fr1.2727 | Fr1.2818 | Fr1.3186 | Fr1.3213 | Fr1.3425 | Fr1.3489 | Fr1.3520 | Fr1.3528 | |
| Return | 0.52% | 0.63% | 0.54% | 0.60% | 0.35% | 0.72% | 2.87% | 0.20% | 1.60% | 0.48% | 0.22% | 0.06% | +9.12% |
| 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 | Fr1.3297 | Fr1.3363 | Fr1.3377 | Fr1.3251 | Fr1.3453 | - | - | - | - | - | - | - | |
| Return | -1.71% | 0.50% | 0.10% | -0.94% | 1.52% | - | - | - | - | - | - | - | -0.55% |

SHARE PERFORMANCE



ACQUISITIONS

| Location | Number of Beds | Investment Update | Value |
|----------|----------------|-------------------|----------------|
| England | 419 | Operational | £40.09 million |
| Scotland | 128 | Operational | £7 million |
| England | 133 | Operational | £13.51 million |
| Germany | 179 | Operational | €5.05 million |
| Germany | 310 | Operational | €7.79 million |
| England | 323 | Operational | £21.32 million |
| France | 144 | Operational | €9.48 million |
| England | 166 | Operational | £21.23 million |
| France | 120 | Operational | €11.04 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

† Savills, Spotlight European Student Housing, Summer 2013

ADVISORS

- Promoter – Crosslane Fund Managers LLP
- Property Advisor – Crosslane Property Advisor (Guernsey) Limited
- Administrator (Guernsey) – Vistra Fund Services (Guernsey) Limited
- Administrator (France) – TMF Group
- Administrator (Belgium) – TMF Group
- Administrator (Luxembourg) – Vista (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 – CHF 15,000
- Minimum additional subscription – CHF 5,000
- 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

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