


THE VICTUS EUROPEAN STUDENT ACCOMMODATION FUND UPDATE CLASS A – EUR
INVESTMENT UPDATE

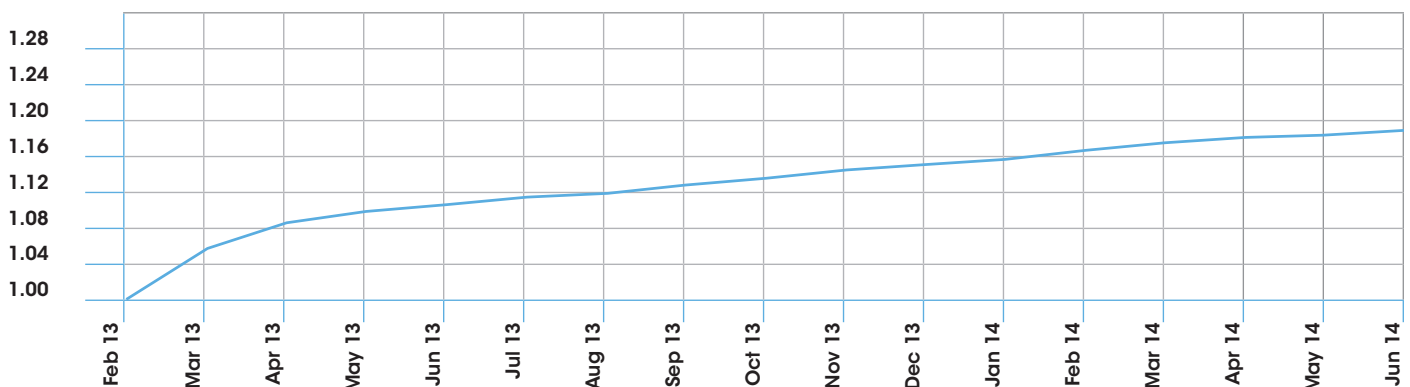
In June, work continued both on the Newcastle and Bristol new developments; which remain on target for August completion. In Newcastle work is fully underway on phase II and in Liverpool the contractor, Pochin Construction, are now fully on site and the foundations have begun. The Board this month approved a Stage 1 paper for the potential acquisition of an office building in Bristol with permitted development rights to convert to student accommodation for the 2015 academic year. A full due diligence process is now underway and, if successful, it may be acquired by the Fund during July. In France, Crosslane and its development partner are about to exchange on an existing property for refurbishment in Bordeaux and another for conversion in

Strasbourg. Both opportunities will be presented to the Fund for their consideration in due course. In Germany, further evaluation of the costs and final project team continues for the two refurbishments. It is now more than likely that the refurbishments will be carried out over a 12-18 month period on a month to month rolling programme. Further detailed due diligence is being carried out on existing investment opportunities in Kassel, Berlin, Bremen and Stuttgart. In the Netherlands, detailed due diligence and site visits have been carried out. Subject to Planning, Crosslane have agreed terms to acquire a development site in Amsterdam. In addition due diligence is being carried out on an opportunity in Groningen.

Share price €1.1932 ISIN Code: GG00B8B1Y492 SEDOL Code: B8B1Y49

| 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 |
|-------------|--------|---------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Share Price | - | €1.0000 | €1.0572 | €1.0854 | €1.0966 | €1.1051 | €1.1127 | €1.1194 | €1.1276 | €1.1340 | €1.1414 | €1.1498 |
| Return | - | - | 5.72% | 2.67% | 1.03% | 0.78% | 0.69% | 0.60% | 0.73% | 0.57% | 0.65% | 0.74% |

| 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 |
|-------------|---------|---------|---------|---------|---------|---------|--------|--------|--------|--------|--------|--------|
| Share Price | €1.1568 | €1.1648 | €1.1702 | €1.1800 | €1.1869 | €1.1932 | - | - | - | - | - | - |
| Return | 0.61% | 0.69% | 0.46% | 0.84% | 0.58% | 0.53% | - | - | - | - | - | - |

SHARE PERFORMANCE


ACQUISITIONS

| Location | Number of Rooms | Investment Update | Value |
|----------|-----------------|-------------------|----------------|
| England | 216 studios | Development | £21 million* |
| Scotland | 128 | Operational | £6.01 million |
| England | 133 | Development | £12 million* |
| Germany | 179 | Operational | € 5.49 million |
| England | 203 | Development | £15.5 million* |
| Germany | 310 | Operational | € 7.07 million |
| England | 323 | Development | £18.5 million* |
| France | 144 | Operational | € 9.68 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

ADVISORS

- Promoter – Crosslane Fund Managers LLP
- Property Advisor – Crosslane Property Advisor (Guernsey) Limited
- Administrator – JTC (Guernsey) Limited
- 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 - EUR 10,000
- Minimum additional subscription - EUR 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

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† Savills, Spotlight European Student Housing, Summer 2013

* Value on completion