


**THE VICTUS EUROPEAN STUDENT ACCOMMODATION FUND UPDATE CLASS A - GBP**
**INVESTMENT UPDATE**

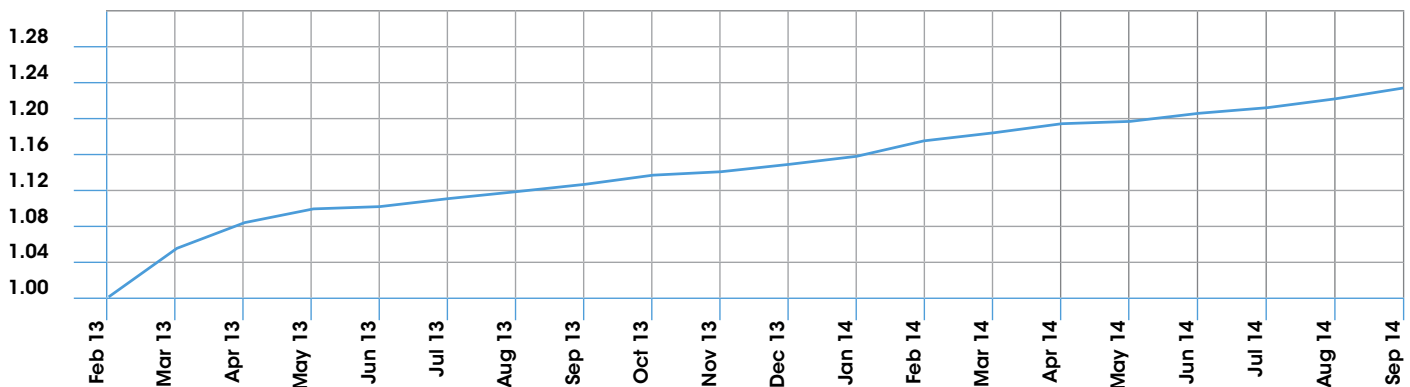
During September further opportunities within mainland Europe were presented to Crosslane Property Advisor (Guernsey) Limited including potential opportunities in Germany and France. Further due diligence continues on opportunities in France and an opportunity in Bordeaux was presented to the Victus Board in September. This opportunity received the approval of the Victus Board to progress with legal documentation and technical due diligence. Meanwhile in the Netherlands, Crosslane is progressing the planning preparation and is close to securing a position on a development site in Amsterdam. A full refurbishment programme of both German assets was reviewed in September and is envisaged both

properties will undergo a rolling refurbishment during 2015. This will enable both properties to achieve a rental uplift. In the UK, Victus is delighted to announce that the new accommodation at St James Point, Newcastle is now operational and has achieved an occupancy of c. 95% for its first year in operation. Meanwhile, work continues by Shepherd Construction on phase II which is due to be complete for August 2015. In Bristol the Harbour Court development completed in September with the University of West England taking full occupation of the building. In Liverpool the Vauxhall Road development continues on programme and budget, whilst in Dundee, Keiller Court is 100% occupied.

Share price £1.2348 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  |
|-------------|--------|---------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 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%   |

| 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 | £1.1654 | £1.1733 | £1.1816 | £1.1913 | £1.1995 | £1.2073 | £1.2155 | £1.2252 | £1.2348 | -      | -      | -      |
| Return      | 0.67%   | 0.68%   | 0.71%   | 0.82%   | 0.69%   | 0.65%   | 0.68%   | 0.80%   | 0.78%   | -      | -      | -      |

**SHARE PERFORMANCE**


## ACQUISITIONS

| Location | Number of Rooms | Investment Update | Value          |
|----------|-----------------|-------------------|----------------|
| England  | 216 studios     | Operational       | £21.5 million  |
| Scotland | 128             | Operational       | £6.38 million  |
| England  | 133             | Operational       | £12.2 million  |
| Germany  | 179             | Operational       | € 4,93 million |
| England  | 203             | Development       | £15.5 million* |
| Germany  | 310             | Operational       | € 7,57 million |
| England  | 323             | Development       | £18.5 million* |
| France   | 144             | Operational       | € 9,72 million |
| England  | 166             | Development       | £17.3 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 - 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

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† Savills, Spotlight European Student Housing, Summer 2013

\* Value on completion