

VICTUS EUROPEAN STUDENT ACCOMMODATION FUND IC LIMITED**(Registered Number 56015)****Registered Office:
11 New Street, St Peter Port, Guernsey, GY1 2PF****TELEPHONE: + 44 1481 726034****FACSIMILE: + 44 1481 712167****email: victus.gg-spt@vistra.com****INVESTOR ANNOUNCEMENT****VESAF investor – January 2017**

This is the latest in a series of updates with the purpose of informing investors of the progress of the sales process to date, and to provide an update on other material matters arising.

The Board of the Victus European Student Accommodation Fund IC Limited ('VESAF' or the 'Fund') continues to seek offers and market the remaining UK assets for sale during Q2 2017.

The lettings performance of the assets is again high with an average of more than 97% occupancy on increased rents in line with the market. In addition, through restructuring of property loans the portfolio leverage is approximately 52% on an average interest rate of 3.23%. This has significantly improved the Fund's cashflow position.

In Q4 2016 the UK assets were marketed however the initial offers for purchase fell below the Board's expectations at that time. The valuation on these assets is in line with expectations and has been verified by an independent valuer.

The Keiller Court, Dundee asset is under offer and due diligence is progressing for completion during Q1 2017. It is the Board's intent to fully pay all outstanding 2016 shareholder redemptions pre suspension following completion of the sale of this asset.

The European sales agent is currently finalising marketing literature and translated marketing brochures to take the European assets to market in Q1 2017. There has already been encouraging interest in these assets from several parties.

Investors will be aware that the Fund strategy since the summer of 2016 has been to effect a sale of all the Fund's assets as part of a managed wind down of the Fund, followed by a proposed compulsory redemption of shareholders.

The Board is currently reviewing the possibility of continuing the Fund, re-domiciling it in a different jurisdiction such as Luxembourg and appointing a third party alternative investment fund manager for AIFMD purposes. Investors will be updated when the necessary economic and legal analysis has been completed. In this case the Fund would be re-opened for investment and plan to acquire additional assets. Such a move would require shareholder consent.

The GFSC is updated monthly on material matters arising in respect of the Fund.