

VICTUS EUROPEAN STUDENT ACCOMMODATION FUND IC LIMITED
(the "Company")

(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@vistra.com

IMMEDIATE ANNOUNCEMENT

14 July 2017

Fund Update – July 2017

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

UK Portfolio

A 3% increase has been applied to rooms within the three remaining UK assets for the 2017/18 academic year which commences in September. Bookings for the 2017/18 academic year are ahead compared to the same point last year and are running in line with expectations to achieve 97% occupancy for the start of the academic year. This positions the assets favourably to achieve best value as the Fund continues to actively market all three UK assets via appointed agent Savills. Several interested parties have expressed interest in acquiring all three assets as a combined portfolio and Savills expects the sale process to be concluded by the end of the calendar year.

European Portfolio

Savills are also the appointed sales agent for the four European assets which are being actively marketed as a combined portfolio. However, Savills are receiving particularly strong interest in the two German assets and the VESAF Board are considering the separate sale of these assets if it is believed this would deliver best value to shareholders. It is expected that the sale of the European assets will be concluded by the end of the calendar year.

Separately the VESAF Board has received an enquiry to acquire the entire VESAF portfolio by a single purchaser.

Fire Risk Assessment

Following the recent tragic events and media coverage of the fire at Grenfell Tower in London, Crosslane Property Advisor (Guernsey) Limited ('CPAGL') on behalf of the Fund have been reviewing the safety of students in multi-tenanted high-rise buildings owned and previously owned by the Fund.

The Fund is taking proactive approaches in researching potential risks with the cladding and insulation systems used on VESAF assets. Despite compliance with current standards of material testing, the Fund along with CPAGL remain committed to ensure that independent fire risk assessments and specific material testing of cladding panels in any assets are carried out where installed and remedial action taken as necessary.

Audit Update

As outlined in previous investor updates, the Fund is unable to deal with redemptions for dealing day 3 May 2016 and 2 June 2016 until completion of the audit process for accounts for the year ended 31 August 2016 in line with the conditions imposed by the Guernsey Financial Services Commission ('GFSC'). The audit process is in the final stages and is expected to be concluded during the third quarter.

Future Strategy

The VESAF Board has been undertaking a review and soliciting external legal and tax advice on the possibility of re-domiciling the Fund in a different jurisdiction and is in the final stages of preparing a proposal to re-domicile the Fund in Luxembourg as a Reserved Alternative Investment Fund (RAIF). This proposal would require shareholder consent, as well as consent of the GFSC. Assuming the proposal is approved, the Fund would appoint a third party Alternative Investment Fund Manager to administer the Fund for AIFMD purposes and the Fund would be re-opened for investment with a plan to acquire additional assets in mainland Europe. Subject to shareholder approval, it is envisaged this process should be concluded within six months.

Change in Board Members

Edward Kisala has been appointed as Non Executive Chairman effective as of 1st July 2017. The VESAF Board would like to extend their warm welcome to Edward in joining the team and are looking forward to the positive contribution he is expected to bring to the Fund as a result of almost 30 years' experience in the real estate industry, including fund, investment, asset and property management.

The VESAF Board will continue to keep investors updated on all of the above matters and remains committed to providing investors with the best value proposition as soon as practicable. All enquiries should be forwarded to the Fund's Secretary at the Fund's registered office, which is located at the above address.

Yours faithfully

For and on behalf of the Board of Directors

Victus European Student Accommodation Fund IC Limited