



Victus European Student Accommodation Fund IC Limited
(‘VESAF’ the ‘Fund’ or the ‘Company’)
Registered Number 56015
Registered Office: 11 New Street, St Peter Port, Guernsey, GY1 2PF

Victus European Student Accommodation Fund

Fund Fact Sheet

February 2018

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Following the suspension of the Fund in July 2016 the VESAF Board continues to focus on maximising shareholder value.

Following the sale of the properties 'St. James Point' and 'St. James Court' in Newcastle, England in October 2016, for a gross sale price of £35m, the Fund completed the sale of Keiller Court in Dundee, Scotland in May 2017 for a gross sale price of £5.8m.

Funds raised from the sale of these properties have been utilised to repay debt, restructure debt on remaining assets and to settle creditors, with the balance being retained as cash in the Fund. All income received from all properties is currently held at SPV level and is drawn up to Fund level to settle creditors when required.



The level of debt across the portfolio pre-suspension was 52% which was reduced to 43% as a result of the sale of the properties 'St James Point', 'St James Court' and 'Keiller Court'. The average interest rate on debt has reduced from 4.44% pre-suspension to 3.09% as a result of the asset sales together with refinancing debt on the property at Harbour Court, Bristol. This reduced rate of interest offers VESAF funding diversification on competitive terms, reducing costs as well as giving substantial operational flexibility and improvement on the Fund's cash-flow position.

The Board continues to actively market and seek offers for the remaining UK assets. Following a review of UK sales agent services, a tender process was undertaken and the Board appointed CBRE as the Fund's sales agent for the UK assets. CBRE have confirmed that they have received strong interest in the UK assets and believe they are well positioned to complete sales at market rates. The Board believe that the sales process will conclude during the second quarter of 2018 due to the strong demand for the assets as confirmed by CBRE.

As at 31 August 2017 the remaining UK assets, valued by CBRE shows a return to the pre-BREXIT valuations of May 2016. The 31 August 2017 valuation has increased on the UK portfolio by 19.95% over the 31 August 2016 valuations.

A new Lease Agreement with the University of Bristol in respect of 90 ensuite bedrooms at Harbour Court was agreed and commenced in September 2017 for a period of three years, guaranteeing 100% of the annual income for these rooms. The remaining 43 self-contained ensuite studios at Harbour Court are directly let to students and are fully occupied for the 2017/2018 academic year.

Over 40% of beds across the UK portfolio are now supported by local university agreements to reduce occupancy risk, whilst applying rent increases to drive income.

Following a successful performance in the 2017/18 academic year where the UK portfolio achieved 98% occupancy with a 3% budgeted rent increase, a further 2.7% year on year budgeted rent increase has been applied for the 2018/19 academic year in line with the UK national average. Marketing activity for UK properties for the 2018/19 academic year commenced in October 2017 and bookings to date are already ahead of this time last year, which includes a strong level of rebookers.

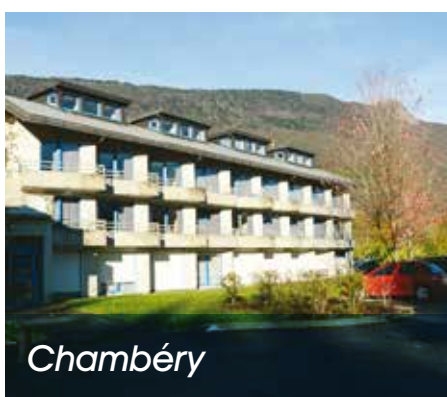


Occupancy for the German assets for the 2017/18 Winter Semester is 96%. A 4.2% year on year budgeted rent increase has been applied for 2017/18 across the German assets.

Bookings for the 2018 Summer Semester commenced earlier this year compared to last year, with strong rebooking rates from existing residents.



Occupancy for the 2017/18 Winter Semester at Bordeaux is currently 98% having applied a 1.7% year on year budgeted rent increase, whilst at Chambéry there is a fixed income stream, reviewable annually.



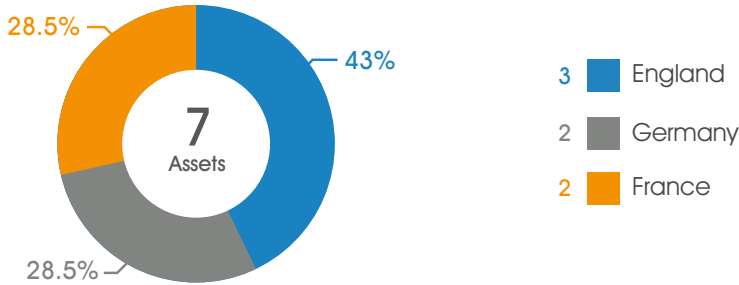
Savills, the Fund's sales agent for the European assets, continue to market the European assets and have been busy liaising with prospective purchasers and have completed site visits with interested parties. Following these, there have been a number of offers for the purchase of these assets which the Board are progressing with the Fund's advisors. It is expected that the sales of the European assets will be completed during the second quarter of 2018.

Income from all student properties (UK & Europe) has been maximised wherever possible. Current average occupancy levels for the 2017/18 academic year across the whole portfolio is 97% and is budgeted to yield gross income of £4.3m from the UK properties and €2.7m from the European properties.

Crosslane Property Advisor (Guernsey) Limited ('CPAGL') recommended and arranged full fire safety reviews by independent 3rd party experts on all the Fund's assets. Fire Risk Assessments were received for the UK and German properties and the assets were deemed compliant, with some additional improvements recommended. Work on the UK assets is nearly complete with only a couple of items outstanding which will be completed early in 2018. For the German assets, quotes for the recommended works are being prepared which will be reviewed and work is expected to commence shortly. Inspections of the two French assets are scheduled for January 2018.

Portfolio for 2017/18 academic year

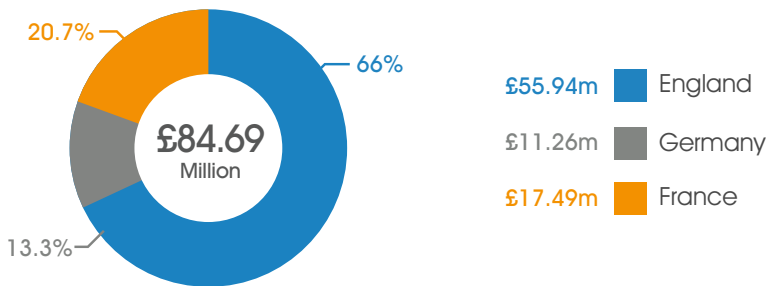
Number of assets



Bed Numbers

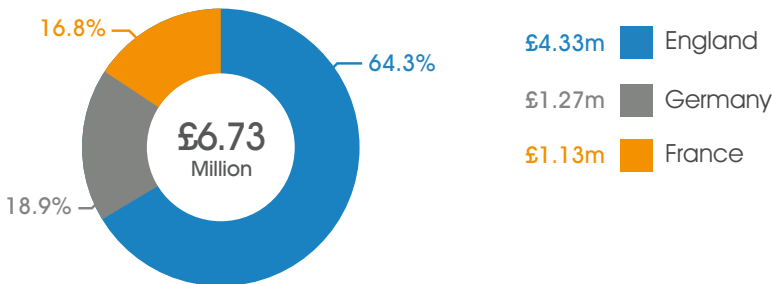


Value (GBP)



Above figures use an exchange rate at £1 to €1.14

Income (GBP)

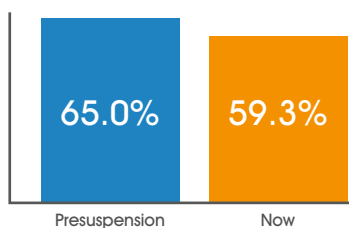


Above figures represent budget income for 2017/18 and use an exchange rate at £1 to €1.14

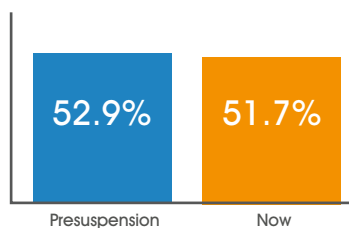
Occupancy
Net Yields



UK % Loan to Value



Germany % Loan to Value



*The French Assets do not have any loan debt.

Change in Advisors

As previously announced in investor updates in March & May 2017 the Fund's auditors became Saffrey Champness. The previous auditors, BDO Limited, gave notice of their resignation as auditor to VESAF on 10 August 2016 as required under the provisions of the Companies (Guernsey) Law, 2008 and further confirmed pursuant to section 273 of that law, that there were no circumstances in connection with their ceasing to hold office as auditor that they felt needed to be brought to the attention of the members or creditors of the Company. Saffrey Champness Chartered Accountants were appointed on 15 November 2016 as the Fund's auditor.

As previously announced in the investor update on 16 March 2017, the Fund has received the resignation of the Administrator in:

Guernsey; Vistra Fund Services (Guernsey) Limited ("Vistra"); and in

Luxembourg; Link Asset Services

Vistra are required to remain in place until a suitable replacement is appointed.

Promoter

Crosslane Fund Managers LLP

Tax

PricewaterhouseCoopers LLP

Property Advisor and Asset Manager

Crosslane Property Advisor (Guernsey) Limited

Custodian and Principle Bankers

Royal Bank of Canada (Channel Islands) Limited

Property Manager

UK - Prime Student Living Limited

Germany - Prime Studentenwohnen

France - SGIT Gestion

Legal Advisor Guernsey

Appleby (Guernsey) LLP

Legal Advisor UK

Squire Patton Boggs (UK) LLP

Designated Manager, Administrator, Registrar and Secretary

Vistra Fund Services (Guernsey) Limited

Valuation Agent

UK: CBRE Limited

Europe: Savills (UK) Limited

Administrator

France – TMF Group

Belgium – TMF Group

Luxembourg – Link Asset Services

Sales Agents

UK: CBRE Limited

Europe: Savills (UK) Limited

Auditors

Saffrey Champness Chartered Accountants

Summary:

The Board will continue to provide 6 monthly Fact Sheet updates to the extent that it is able to do so and is fully committed in its endeavours to returning capital to investors at the earliest opportunity.

All enquiries should be forwarded to the Company's secretary at the Company's registered office, which is located at the address below.

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(Registered Number 56015)

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The domicile of the Fund is Guernsey

The Legal Representative of the Fund in Switzerland is: OpenFunds Investment Services AG, Seefeldstrasse 35, CH-8008 Zurich

Publications in respect of the Shares are effected on the electronic platform www.fundinfo.com

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