

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

(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

### Fund Update – November 2017

Since suspension of the Fund, it has been the focus of the Board to maximise value for shareholders. In order to ensure this, the Board are focusing on two strategies in tandem:

1. The sale of the portfolio and winding up of the Fund OR;
2. Re-domiciling the Fund to Luxembourg

It is expected that the decision on the potential re-domiciliation will be concluded before the end of 2017 (subject to regulatory approvals) at which stage the Fund will either be re-domiciled in Luxembourg or the sale of assets will go ahead and the Fund will be wound up.

#### **1. Sale of the portfolio and winding up of the Fund**

##### **UK Portfolio**

With the 2017/18 academic year well underway average occupancy across the three UK assets is at 98%.

Having discussed the current sales strategy with Savills the Board made the decision to tender out the process in October 2017. Following this, it was felt that the marketing strategy presented by CBRE was, in the opinion of the Board, the best to take the marketing of the UK assets forward and the Board have therefore appointed CBRE as sales agent with effect from 31 October 2017.

The Board are optimistic that the sales process will conclude during the first quarter of 2018 due to the strong demand for the UK assets.

##### **European Portfolio**

Bookings for the German assets are also strong for 2017/18 at 96%.

Bookings for 2017/18 winter semester at Bordeaux are currently 94% and at Chambéry there is a head lease generating a fixed income stream, reviewable annually.

Savills remain as the appointed sales agent for the four European assets and have been interacting with investors. Over 100 investors have been contacted with strong interest being received on the two German assets in particular. It is expected that the sale of the European assets will be concluded during the first quarter of 2018.

## **2. Re-domiciling the Fund to Luxembourg**

The Board is undertaking a review and soliciting external legal and tax advice on the possibility of re-domiciling the Fund in a different jurisdiction. Advice has been received from PwC which is currently being evaluated and Luxembourg lawyers have been appointed. Once all advice has been considered, the Fund will prepare a proposal with the possibility of re-domiciling the Fund in Luxembourg as a Reserved Alternative Investment Fund ('RAIF').

This proposal would require shareholder consent and an EGM will be convened at the appropriate time to discuss this and the consent of the Guernsey Financial Services Commission ('GFSC') will also be required. 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.

## **Audit Update**

The Board are pleased to confirm that the audited accounts for the year ended 31 August 2016 have been signed and filed with the GFSC. Please note that as outlined in the previous investor updates, the Fund is unable to deal with redemptions for the dealing days 3 May 2016 and 2 June 2016 in line with the conditions imposed by the GFSC and these conditions will remain in place until formally notified by the GFSC. The Board will update investors as soon as is practicable following notification.

## **Fire Risk Assessment ('FRA')**

Crosslane Property Advisor (Guernsey) Limited ('CPAGL') recommended and arranged full fire safety reviews by independent 3rd party experts on all the Fund's assets. FRA's have now been received for the UK and German properties and whilst the assets were deemed compliant, plans are in place to implement the recommended improvements for both the UK and German assets by the end of the fourth quarter of 2017. In terms of the French assets, the FRA's are being undertaken in early November with remedial plans to be submitted for consideration by the Board in November/December 2017.

## **Additional Information**

The level of debt pre-suspension was 52% which has now reduced to 44% and the average interest rate on debt, pre-suspension, was 4.44%, which has now reduced to 3.08%.

Funds raised from sale of assets have been utilised to repay debt on assets and to settle creditors, with the balance being retained as cash in the Fund.

The VESAF Board will continue to keep investors updated on all the above matters and remains committed to providing investors with the best value proposition as soon as is 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**