

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

(Registered Number 56015)

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Fund Update – 24 August 2016

Suspension of dealing in shares and future strategy of Victus European Student Accommodation Fund IC Limited (the Fund)

We refer to the announcement made by the Board via the Channel Islands Securities Exchange on 8 July 2016 that the Board believes it is prudent and in the interest of stakeholders to sell all of the assets of the Fund and to return capital to shareholders by obtaining best value for those assets in the current market environment through an organised, orderly and properly managed sales process. During this process the publication of the net asset value and dealing in the shares of the Fund will continue to be suspended.

The Board acknowledges that investors and creditors will be keen to understand the process envisaged and the timeline for repayment. It is currently envisaged that sale of the entire Fund portfolio will be completed by Spring time 2017. It is anticipated that a further circular will follow as soon as possible to provide further details on the mechanics of the process and timeline.

The purpose of this update is to inform investors of the progress of the sales process to date.

Savills have been appointed as independent sales agent for the UK portfolio and will shortly be appointed for the European portfolio. The Fund Board and Crosslane Property Advisor (Guernsey) Limited have been managing the sale of the asset in Osnabrueck, for which the sale and purchase agreement is being finalised, with estimated date for exchange of contracts being end of the third quarter 2016.

As regards the UK portfolio, the property at St James Point, Newcastle has been fully marketed with bids received and investigated and proposed completion date for the sale being in September 2016; marketing of the remainder of the UK portfolio launched earlier this month.

The Board will continue to provide regular updates throughout the process to the extent it is able to do so and is committed in its endeavours to paying creditors all amounts due and returning capital at the earliest opportunity to investors. Crosslane Property Advisor (Guernsey) Limited, the Fund's Property Advisor, Crosslane Fund Managers LLP, the Fund's Promoter, and other service providers have agreed to postpone their fee claims until such time as the liquidity of the Fund is sufficient to pay them following realisation of any one or more Fund assets.

All enquiries should be forwarded to the Company's Secretary at the Company'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