

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

(Registered Number 56015)

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Fund Update – 6 October 2016

Dear Investor

Winding down 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.

It is envisaged that sale of the entire Fund portfolio will be completed by Spring time 2017. The Board proposes that following completion of the sale of the entire portfolio there will be a compulsory redemption of all shares held in the Fund, in order to return capital to shareholders from the net proceeds of sale after payment of all creditors and outstanding redemption proceeds from earlier redemptions. The redemption price shall be in accordance with the Net Asset Value per share calculated as at the date of compulsory redemption and in accordance with the provisions of the Fund's articles of incorporation and information memorandum. Following the compulsory redemption, the Fund will be wound up and dissolved. The compulsory redemption will require the approval of shareholders; a circular containing further detail on the process and convening an extraordinary general meeting of the Fund will be circulated in due course.

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

UK portfolio:

- the sale of the properties 'St James Point' and 'St James Court', Newcastle completed on 5 October 2016 for a gross sale price of £35,000,000;
- Savills, as appointed independent sales agent, formally launched the rest of the UK portfolio (4 properties) into the market on 12 September with a first round bids deadline of 7 October 2016.

European portfolio:

- the sale of the asset in Osnabrueck, which had an estimated date for exchange of contracts of end of August 2016, failed to proceed due to financing issues of the proposed purchaser. It is now the intention of the Fund to market both the Osnabrueck and the Oldenburg asset on the open market through a designated sales agent as part of a portfolio sale;
- Savills have been appointed as independent sales agent for the European portfolio, including the two German assets as well as the French assets in Bordeaux and Chambéry.

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