

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

(Registered Number 56015)

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## Fund Update – 8 July 2016

Dear Investor

### **Suspension of dealing in shares and future strategy of the Fund**

We refer to the announcement made by the Board via the Channel Islands Securities Exchange on 4 July 2016 that the publication of the net asset value and dealing in the shares has been suspended. Please also note that payments relating to all the redemption applications processed prior to the suspension are suspended.

The purpose of this update is to inform investors as to the Board's plans for the future management of the Fund following the suspension. As investors are already aware from earlier announcements, the Board had resolved to sell its UK assets and was in discussions with prospective purchasers to buy its two German assets in Oldenburg and Osnabruck. The sales processes related to those assets are currently under way with a number of interested parties.

The UK's decision to leave the EU on 23 June 2016 has led to uncertainty in the markets and Brexit has unsettled investors with many wishing to realise their investment holdings generally. UK property funds generally have been particularly hard hit. However the student accommodation sector remains an attractive sector with strong demand from international students from outside of the EU and strong underlying fundamentals. Despite Brexit there are a number of operators interested in this sector and currently actively acquiring student accommodation assets.

Taking all of the above into consideration, the Board believes it is prudent and in the interest of stakeholders at this time 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. Inevitably, it may take some time to manage the bidding process with prospective buyers to enable the Board to secure the best value for the assets on an individual or portfolio basis and maximize returns.

In the interim the Board is taking appropriate steps to protect the interests of all investors and creditors. In order for the process to succeed in maximizing returns for all investors and creditors the support of all stakeholders is essential.

The Board acknowledges that investors and creditors will be keen to understand the process envisaged and the timeline for repayment. It is anticipated that a further announcement will follow as soon as possible to provide further details. 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.

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**