

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

(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-spt@orangefield.com

Fund Update – 8 November 2016

Monthly update: 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.

The purpose of this monthly update is to inform investors of the progress of the sales process to date and to provide an update on other material matters arising.

As reported last month, the sale of the properties 'St James Point' and 'St James Court', Newcastle completed on 5 October. With regard to the rest of the UK portfolio, having completed the first round of bidding last month, the second and final round of bids on the UK portfolio were received last week. These offers are currently being considered in the best interest of the Fund. The European sales process has also progressed. Early due diligence has exchanged on the European assets. The sales agents (Savills) are currently preparing marketing literature to take these assets to market.

All asset disposals continue to be managed by Crosslane Property Advisor (Guernsey) Limited (CPA(G)L), the Fund's Property Advisor, who not only negotiate fee quotes from sales agents but provide due diligence to the appointed independent sales agents and respond to questions arising from bidders. CPA(G)L continue to analyse bids received against market trends and market value, to ensure best value for the Fund is achieved. A capped increase to CPA(G)L's disposal fee was agreed by the Fund Board in May 2015 in recognition of the excessive work associated with marketing assets in what has become a very competitive market; this was an increase from 1% to 2% of any sale proceeds, subject to a cap of £800,000 on any additional fees as a result of the increase, after which the fee reverts to 1%. The Fund's property advisory agreement with CPA(G)L has been amended to reflect this board decision.

The Fund is currently exploring refinancing options which are now in advanced negotiations and expected to be put in place before the end of 2016. The purpose of this refinancing is to secure improved financing terms and provide additional liquidity. 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 to investors at the earliest opportunity. The net proceeds of sale of the Newcastle assets have been utilised in paying down creditors in accordance with aged analysis and to allow for the smooth running of the Fund during these times. The compulsory redemption of all shares in the Fund following completion of the sale of the entire portfolio is expected to be effected in Spring time 2017.

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