

VICTUS EUROPEAN STUDENT ACCOMMODATION FUND IC LIMITED
(the “Company”)

(Registered Number 56015)

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IMMEDIATE ANNOUNCEMENT

16 March 2017

Fund Update – March 2017

This is the latest in a series of updates with the purpose of informing investors of the progress of the sales process to date, and to provide an update on other material matters arising.

1. Sales update

The Board of the Victus European Student Accommodation Fund IC Limited (‘VESAF’ or the ‘Fund’) continues to seek offers and market the remaining UK assets for sale during Q2 2017.

As at the end of February 2017: Keiller Court

The Share Purchase Agreement (SPA) is in final discussions for completion which is expected during March 2017.

Remaining UK Portfolio

The Fund Board are considering the marketing strategy. This is being considered in parallel to a standalone interest shown by a renowned student accommodation provider on the remaining UK assets. The approach will be determined during March 2017.

European Portfolio

Having liaised with the sales agents on the marketing strategy of the European assets, the Fund Board have decided to market the European assets as a combined package, as a single entry to the market. This will be on completion of the negotiations currently being undertaken on the Chambery asset head lease. It is in the Board’s opinion that this will achieve best value, with assets taken to the market formally during Q2 2017.

Sales of the remaining portfolio will be considered alongside the alternative proposal for the future of the Fund referred to at 3. below.

The domicile of the Fund is Guernsey

The Legal Representative of the Fund in Switzerland is: OpenFunds Investment Services AG, Seefeldstrasse 35, CH-8008 Zurich

Publications in respect of the Shares are effected on the electronic platform www.fundinfo.com

The Paying Agent in Switzerland is Società Bancaria Ticinese SA, Piazza Collegiata 3, 6501 Bellinzona.

Tel.: +41 91 821 51 21. Fax: +41 91 825 66 18. web: www.bancaria.ch.

2. GFSC Conditions

It is estimated that the audit process for the year ended 31 August 2016 will not be completed until next month. Due to this delay the Guernsey Financial Services Commission (GFSC) has notified the Fund Board that it proposes to impose the following conditions on the regulatory registration of the Fund:

1. No new cells/share classes of the Fund will be launched until further notice.
2. No further subscriptions into the existing cells/share classes of the Fund should be accepted.
3. No further redemption requests from the existing cells/share classes of the Fund should be accepted nor should any payments be made for redemption requests already requested but not yet fulfilled.

The conditions will remain in place until submission to the GFSC of satisfactorily completed audited accounts, with unmodified opinion, for the year ended 31 August 2016 and the submission of a copy of the auditors management letter in respect of their audit of the accounts for the year ended 31 August 2016, which provides the GFSC with reasonable assurance that the books and records of the Fund are being appropriately maintained.

The above proposed conditions are already in effect in practice due to the Board taking action to suspend dealings in the shares of the Fund last July. The Board have made request of the GFSC that the latter part of condition 3, relating to payment of redemption requests already requested, is not imposed, in order to allow payment of outstanding redemption proceeds on redemptions in May and June last year. The Board have further requested that the conditions only remain in place until the audit has been signed off, rather than waiting for the auditors management letter. However, the GFSC have indicated that their intention remains to impose the conditions as they have proposed.

In the Board's view factors which contributed to the delay of the current audit have included:

- Change in auditor for the current year. Saffrey Champness Chartered Accountants were appointed on 15 November 2016.
- During the current year there have been exceptional circumstances including the Fund suspension and the decision to wind down the Fund and sell all remaining assets

In addition to these factors the Board have had to work with and find solutions to the following issues in relation to administration of the Fund and its Luxembourg SPVs:

- Resignation of Vistra (Guernsey) – Vistra will remain in place until replaced/the migration of the Fund to Luxembourg
- Resignation of Vistra (Luxembourg), namely Orangefield (Luxembourg) S.A. – Vistra is to be replaced by Capita Fiduciary S.A.

The Fund Board is liaising with the GFSC to address the audit issues to the GFSC's satisfaction as soon as practicable.

3. Future strategy

Investors will be aware that the Fund strategy since the summer of 2016 has been to effect a sale of all the Fund's assets as part of a managed wind down of the Fund, followed by a proposed compulsory redemption of shareholders.

As reported in the last investor update, the Board has been reviewing the possibility of continuing the Fund, re-domiciling it in a different jurisdiction such as Luxembourg and appointing a third party alternative investment fund manager for AIFMD purposes. In this case the Fund would be re-opened for investment and plan to acquire additional assets. This proposal has the indicative support of a majority of investors in the Fund as reported to the Fund by Horizon, the major marketing agent of the Fund Promoter, and therefore the Fund has sought appropriate associated legal and tax advice on its suitability (the costs of which will be an expense of the Fund). Such a move would require shareholder consent, as well as consent of the GFSC, and for the time being is impacted by the audit issues described above.

The Fund Board will continue to keep investors updated on all of the above matters and remains committed to providing investors with the best value proposition as soon as practicable.

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