

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@vistra.com

IMMEDIATE ANNOUNCEMENT

Fund Update – September 2017

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

UK Portfolio

With the 2017/18 academic year now underway occupancy across the three UK assets is at 98%, which is the same as last year.

The occupancy level achieved positions the assets favourably to achieve best value as the Fund continues to actively market all three UK assets via appointed agent Savills. Sales brochures for the properties have been updated to reflect the 2017/18 academic year and Savills continue to liaise with several interested parties and are also following up on new enquiries. Savills expect the sale process to be concluded during the first quarter of 2018.

European Portfolio

Bookings for the German assets for 2017/18 are both on target to be fully let with Oldenburg currently at 98% occupancy and Osnabruck at 85% occupancy. Bookings for 2017/18 Winter semester at the Bordeaux asset are currently 94%. There is a head lease holding over the Chambery asset.

Savills are also the appointed sales agent for the four European assets, which are being actively marketed as a combined portfolio, and they are preparing sales brochures for these properties to reflect the 2017/18 academic year. The VESAF Board are considering the separate sale of the two German assets due to receiving particularly strong interest in these assets and they are assessing if it would deliver best value to shareholders. It is expected that the sale of the European assets will be concluded during the first quarter of 2018.

The VESAF Board are also reviewing an enquiry to acquire the entire VESAF portfolio by a single purchaser.

Fire Risk Assessment

Crosslane Property Advisor (Guernsey) Limited ("CPAGL") recommended and arranged full fire safety reviews by independent 3rd party experts on all the VESAF assets. The overall independent Fire Risk Assessments (FRA's) for the three UK properties were deemed to be compliant with a small number of improvements to the existing fire risk strategies identified. Plans are in place to implement the recommended improvements by the end of the fourth quarter of 2017. In terms of the German and French assets, the FRA's are expected to be completed in late September with remedial plans submitted for consideration by the Board in October 2017.

Audit Update

As outlined in previous investor updates, the Fund is unable to deal with redemptions for dealing day 3 May 2016 and 2 June 2016 until completion of the audit process for accounts for the year ended 31 August 2016 in line with the conditions imposed by the Guernsey Financial Services Commission ('GFSC'). The audit process is in the final stages and is expected to be concluded in October.

Future Strategy

The VESAF Board is undertaking a review and soliciting external legal and tax advice on the possibility of re-domiciling the Fund in a different jurisdiction. Advice has been received from PwC which is currently being evaluated. Once all advice has been considered, the Fund will prepare a proposal with the possibility of re-domiciling the Fund in Luxembourg as a Reserved Alternative Investment Fund (RAIF). This proposal would require shareholder consent and an EGM will be convened at the appropriate time to discuss this. The consent of the GFSC will also be required and they have advised that the outstanding audit and associated matters will need to be completed prior to consent being granted. Assuming the proposal is subsequently approved, the Fund would appoint a third-party Alternative Investment Fund Manager to administer the Fund for AIFMD purposes and the Fund would be re-opened for investment with a plan to acquire additional assets in mainland Europe.

The VESAF Board will continue to keep investors updated on all the above matters and remains committed to providing investors with the best value proposition as soon as is practicable. All enquiries should be forwarded to the Fund's Secretary at the Fund'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