

27th June 2017

Dear Investor,

Host Capital UK Student Accommodation Fund (the Fund) / Feeder Trust – Update

It is now just under 8 months since we suspended dealing in the Fund / Feeder Trust (the dealing in the Fund and the Feeder Trust was suspended with effect from the close of business on the 27th October 2016) and I thought it helpful to provide a further update on progress achieved since our last update in April 2017:

- Following a process of incredibly thorough and detailed due diligence undertaken by the institutional purchaser and supported throughout by Host Capital, we are pleased to confirm that we have now exchanged contracts to dispose of the Fund's two remaining property assets, Haigh Court and Heritage Court in Liverpool.
- Completion of the property portfolio sale is set for mid-July 2017.
- Upon completion, in late July / early August 2017, it is the intention of the Fund to return to investors the majority of the sale proceeds by way of an interim return of capital distribution. In practice, we envisage this should be at least 90% of the prevailing net asset value.
- Shortly prior to the interim return of capital distribution being made, we will be circulating a letter advising investors of the date of the distribution and requesting they confirm their current payment details as well as send any outstanding AML documentation to the Transfer Agent of the Fund.
- All costs of property portfolio disposal, technical, taxes and legal fees will now be accrued within the Fund and reflected within the share price.
- Once the Fund completes the sale, there will be no property assets remaining in the Fund so no further rental income will be accrued in the Fund.
- The sale of the Fund's two remaining property assets will mark the beginning of the wind-up and termination process for the Fund. During this period, the Fund will discharge all remaining liabilities and settle all remaining costs. Upon Depository and regulatory authorisation, the Fund will then be given permission to wind up and at or near to this point a final distribution will be made of all remaining monies left in the Fund net of liabilities. We expect the Fund termination to be complete by the New Year.
- We continue liaising with the Fund Depository and the FCA on the progress of the property assets' sale.

I hope the above is helpful. Once again can I take this opportunity to thank you most sincerely for all your patience and understanding. Further updates will be sent as developments occur.

Yours sincerely

A handwritten signature in black ink, appearing to read "Christopher Finch". The signature is fluid and cursive, with a large, stylized initial "C" and "F".

Christopher Finch
Managing Director