

To: Shareholders in: Mansion Student Accommodation Fund (GBP) (the "Fund" and "MSAF"), Mansion Student Accommodation Sterling Fund, Mansion Student Accommodation Euro Fund, Mansion Student Accommodation US Dollar Fund, Mansion Student Accommodation Singapore Dollar Fund, Mansion Student Accommodation Fund Swiss Franc Fund (collectively the "Feeder Funds") being protected cells of The International Mutual Fund PCC Limited

9 February 2015

Dear Shareholders,

Introduction

As you know, the Board of the Fund has been working on a strategy to restore liquidity to the Fund in order to be able to re-open the Fund for dealing. In doing so, the Board have been taking into account the significant level of redemption requests that have been received, whilst also noting the interests of those shareholders who have not placed such instructions, and the level of liquidity that would be robust enough to be able to meet redemption requests over the long term whilst also meeting the liquidity strategy outlined in the Scheme Particulars.

As we advised in our letter dated 17 November 2014, the Fund appointed Knight Frank LLP "...to undertake a strategic review of the portfolio and to consider all options in achieving liquidity", to enable the Board to consider whether it should look to proceed with a series of further individual property sales, the sale of a group of properties, or the sale of the portfolio as a whole.

We also refer to our most recent correspondence with shareholders sent on 18 December 2014 (largely to address and provide a response to the Extraordinary General Meeting proposed by Mansion Equity Investment Ltd) where we stated that "...the Board will continue to progress the strategic review being undertaken by Knight Frank and will report the outcome together with the Board's decision on the strategy for the Fund as soon as possible. This is expected early in the New Year given the intervening holiday period".

The Fund is pleased to advise shareholders that Knight Frank have now concluded that independent strategic review.

Knight Frank's Strategic Review

Knight Frank were instructed to provide a strategic review of the MSAF property portfolio including recommendations for achieving 'best value' for the Fund and its shareholders. Intrinsic to this appointment, Knight Frank provided the Fund with an overview of the occupational and investment market together with an assessment of the MSAF assets. Based upon this assessment they were then able to make their recommendations as to the strategy which should be adopted to obtain that best value. Key areas of the review are summarised below.

(a) Occupational Market

Knight Frank have noted that although University applications fell in 2012 when tuition fees were introduced, each subsequent year has seen annual increases in the volume of student applications. They went on to state that September 2015 looks like being a record year for University applications and that observers anticipate that we will see more new University places created this year than in any preceding year.

The continued high demand for University places has ensured similar high demand for purpose built student accommodation. A pronounced feature of the provision of student accommodation by the private sector is high occupancy combined with rental growth and the student accommodation sector has remained the only commercial or residential asset class that has had rental growth every year since the economic downturn.

The MSAF portfolio managed to achieve effective full occupancy in September 2014 and lettings are now underway for the forthcoming academic year.

(b) Investment Market

Knight Frank report that the highly attractive underlying characteristics of the occupational market within the student accommodation sector have attracted the interest of institutional and international investors. In 2014 there were over £2 billion worth of transactions in the sector. They observed that over 65% of the investment was made by parties that had not previously acquired stock in the sector before 2014 and that the strongest investors in the sector come from UK financial institutions, US Equity Houses and high net worth individuals. Knight Frank further observe that values in the sector increased in 2014.

They advise that this is a product of rental growth and yield compression, and that whilst it is true to say that the sector has received more focus on operational cost than was previously the case, the underlying trend is still of rising value.

Finally they also observe that investors are keen to obtain quantum and accordingly the portfolios that have become available are more attractive to investors as a single investment opportunity than as individual assets. Overseas investors are particularly keen to obtain London based assets partly because of the attractiveness of London as a "Global City". All investors are focused on securing stock in strong University cities.

(c) The MSAF Portfolio

The MSAF portfolio comprises 25 assets located in 12 University cities. Knight Frank advises that the 'lot size' of the portfolio is attractive to the key investors in the sector because of the scale of investment required. The geographic diversity of the portfolio is also highly attractive to investors. Knight Frank observes that nearly 50% of the value of the portfolio is located in the strong University locations of London, Edinburgh and Manchester which is a further demonstration of the strength of the portfolio.

Knight Frank has undertaken inspections of every asset. The report provided to the Fund indicates that the portfolio presents well to institutional investors, who will be attracted by the good level of specification generally observed. The portfolio is predominantly 'en-suite' although it has been noted that there are some assets that whilst having been refurbished remain 'non en-suite'. We are told by Knight Frank that institutional appetite remains for en-suite stock, however they do not anticipate that the proportion of non en-suite stock will be a barrier to interest.

(d) Knight Frank's Recommendation

Taking all of this into account and the various options open, it is Knight Frank's recommendation to the Fund that the MSAF portfolio be brought to market as a single portfolio. It is their opinion that this competitive open market approach will generate 'best value' for the Fund and its shareholders and will achieve higher value than transacting individual elements separately. Knight Frank have confirmed that market conditions are such that they are confident that a sum at or in excess of book value / valuation will be achieved through an open and competitive bidding process.

The Board's strategy for the Fund

Following the receipt of Knight Frank's strategic review, the Board of the Fund have discussed the review in detail and have also taken account of the feedback and opinions of the Fund Manager, the Investment Adviser and the Property Manager. They have taken into account the significant level of redemption instructions already received together with the interests of shareholders who have not yet given an indication of wishing to redeem, and they have also taken into account the investment objectives of the Fund together with its liquidity mechanisms as referred to in the introduction.

As a result of their considerations thereof, the Board have concluded to follow the recommendation of Knight Frank and look to bring the MSAF portfolio to the market as a single portfolio. This disposal process will be known as "Project Ardent". The long term future of the Fund will be considered further once the disposal process has completed.

Timing and Process

Knight Frank have provided an indicative timetable for the proposed disposal of the portfolio. The process is methodical and is designed to generate "best value". As such it is not a quick process, but more of a measured and calculated one. Knight Frank have confirmed to the Fund the clear distinction between (1) the Fund being able to make this announcement to its shareholders that Knight Frank have completed its strategic review and that the Fund has decided to look to sell the assets, and (2) Knight Frank making a later announcement to prospective institutional and overseas buyers that Knight Frank are now ready to bring those assets to the market.

Based upon this information and advice, the Fund's Board has instructed the Fund's property manager, Mansion Property Management Limited (and other Mansion Group Companies where appropriate) together with the Fund's investment adviser, Dartmoor Capital Management Limited, to work with Knight Frank in order to bring Knight Frank to a position where they can progress with the sale of the portfolio as a whole on the open market.

As we trust you will appreciate, there is a significant amount of work required prior to the start of the marketing process in the form of data collection, information gathering and documentation provision / preparation, and we expect to be able to provide an update as to the progress in the coming weeks.

The start of the marketing campaign as referred to in (2) above remains dependent on the continuing cooperation of all parties, and good progress has already been made in this regard.

As you would also expect, once the portfolio has been brought to the market there will be a further sales process. We are not able to place a time limit on the completion of this process, but advice received suggests that if there are no complications in the pre-marketing process then this could feasibly be before the start of the 2015/16 academic year. In any event, the Fund will not rush this process and will be continually guided by its professional advisors as to the best and most effective route to achieving best value for the Fund and its shareholders.

The Board appreciates the significance of the outcome of this review and the importance of acting in the best interests of the shareholders as a whole as opposed to the particular interests of individual shareholders. As such, the Board has been concerned to ensure that this independent review has been properly conducted, not rushed and supported by a further independent second opinion. We appreciate that this has taken some time, and with this in mind we would like to thank you for your patience over the last few months. An updated set of FAQ's will be issued shortly.

Yours faithfully,



Graham Basham
Director
Active Fund Services Limited