

20 February 2018

**CIRCULAR TO ALL REGISTERED SHAREHOLDERS**

**RE: The International Mutual Fund PCC Limited**  
**Registration Number 40354**  
**Mansion Student Accommodation Fund (GBP) (In Cellular Liquidation)**  
**Mansion Student Accommodation Sterling Fund (In Cellular Liquidation)**  
**Mansion Student Accommodation US Dollar Fund (In Cellular Liquidation)**  
**Mansion Student Accommodation Euro Fund (In Cellular Liquidation)**  
**Mansion Student Accommodation Singapore Dollar Fund (In Cellular Liquidation)**  
**Mansion Student Accommodation Swiss Franc Fund (In Cellular Liquidation)**  
**(each a "Cell", together "the Fund")**

We write in our role as "the Cell Liquidator" of the Fund further to our letter dated 9 October 2017. Please see below an update with regards to the progress of the liquidation, specifically in relation to the two main outstanding issues that we had previously advised require resolution before the payment of the final distribution:-

**a. Settlement of the Fund's Tax Positions with HM Revenue & Customs ("HMRC")**

We are pleased to advise that the Fund's outstanding VAT tax position has been resolved, and the Fund has received a rebate from HMRC of £221,504. This is in addition to the rebates the Fund has received with regards to the Non-Resident Landlord tax positions of the Fund's 21 SPVs (as advised in our letter of 9 October 2017), which totalled £1.67 million since the appointment of the Cell Liquidator. The Cell Liquidator believes that this settles the Fund's obligations with HMRC.

**b. Post-Termination Reconciliation of accounts with Mansion Property Management Limited ("MPM") and Mansion Capital Partners Epsilon Limited ("MCPEL")**

As previously advised, the Fund and MPM/MCPEL had agreed to appoint an independent Expert to determine the post-termination reconciliation of accounts for the period from 1 September 2015 to 7 March 2016 (the "15/16 Academic Year"), being the date of termination of the services of the former property manager of the Fund. Submissions on behalf of the Fund and MPM/ MCPEL had been made to the independent Expert for determination pursuant to the terms of the relevant agreements and a final determination was expected to be made by the Expert in the next few months.

However, MPM/MCPEL's legal advisors have now advised that they intend to make an application to Court seeking rectification of the Agreement between the Fund and MPM/MCPEL which specifies how the 15/16 Academic Year should be reconciled. MPM/MCPEL's legal advisors have advised that it is now their belief that this Agreement does not give full effect to the intention of the parties. MPM/MCPEL have a legal right to seek rectification of the Agreement as this process falls outside of the Expert Determination process.

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As a result of this election by MPM/MCPEL, the Expert Determination will now be halted pending the outcome of the MPM/MCPEL's Court application.

The Fund's legal advisors have sought further clarification from MPM/ MCPEL's legal advisors in respect of what will form the subject matter of the rectification application and to establish an agreed timetable for the application.

It remains the case that we are unable to provide further detail for reasons of legal professional privilege but will endeavour to advise further as appropriate and permissible when a response is received from MPM / MCPEL. We will continue to work closely with the Fund's advisors to achieve an acceptable resolution as swiftly as possible.

Once matter (b.) (and any other residual matters) have been successfully concluded, it will take approximately a further three months to conclude the liquidation of the Fund structure and allow a final distribution to be made.

The amount of the final distribution will be based on the remaining balance of the Indicative NAV as at 28 January 2016, after all costs to complete the liquidation of the Fund have been provided for. For the avoidance of doubt, shareholders will not receive all of the remaining 10% of the Indicative NAV because the 10% will have decreased once all final liabilities are settled, as has been previously advised.

Please note this letter does not require any action on behalf of registered shareholders or investors; the purpose of the correspondence is to keep investors informed of the latest available information. The Cell Liquidator will release another update in due course when further material information is available. Any further correspondence will be sent to all registered direct shareholders of the Fund, and will also be published on the website of The International Stock Exchange at [www.tisegroup.com](http://www.tisegroup.com).

If you have any queries directly in relation to the Cell Liquidation, please contact Oliver Beaton at [Oliver.Beaton@KRyS-Global.com](mailto:Oliver.Beaton@KRyS-Global.com) or by telephone on +44 1481 711 211.

If you have any questions or concerns in relation to your shareholding, please contact Apex Fund Services (IOM) Limited at [active@apex.im](mailto:active@apex.im).

Yours faithfully

For and on behalf of

**Mansion Student Accommodation Fund (GBP) (In Cellular Liquidation)**

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**KRyS Global (Guernsey) Limited**

Cell Liquidator