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Specialist primary healthcare
infrastructure fund
2010 annual results presentation



Agenda

1. Introduction
2. Portfolio review
3. Key financials
4. Investment opportunity

Introduction

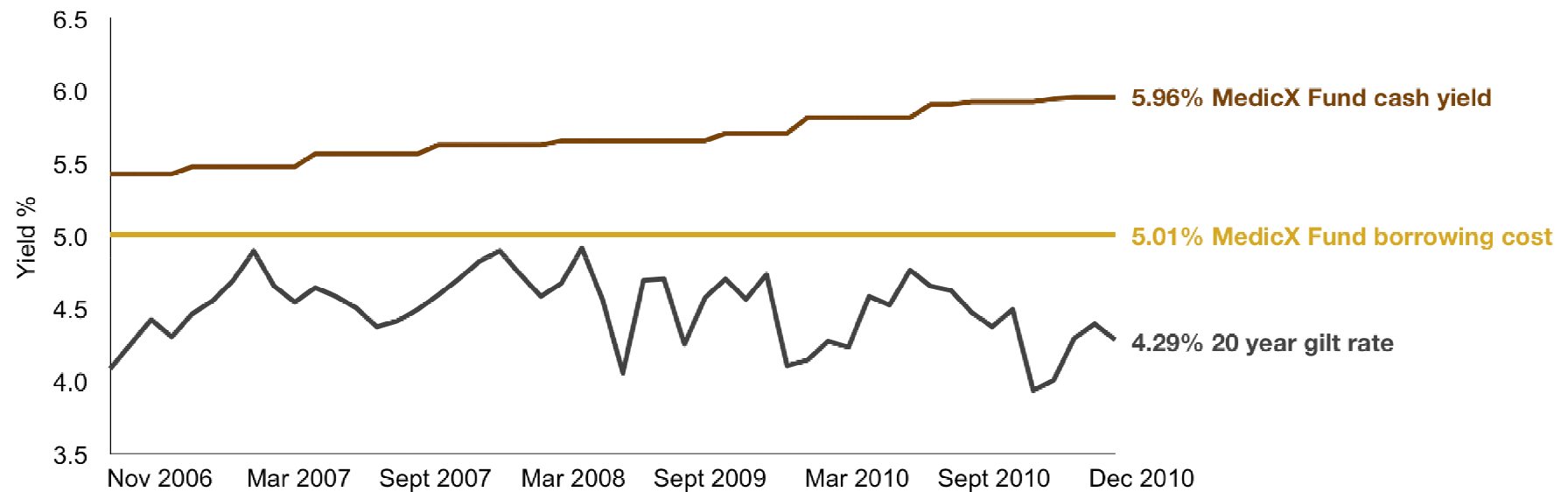
MedicX Fund objectives and overview

- Leading investor in modern purpose-built primary healthcare properties leased to doctors and the NHS generating government-funded long term secure cash flow
- FTSE All Share £103 million* market capitalisation Guernsey based investment company
- Not a developer or operator
- External Investment Adviser
- Objective dividend and capital growth

*As at 6 December 2010

Attractive asset class

£226.6 million committed investment in 57 properties



*MedicX Fund cash yield, borrowing cost on £100m Aviva debt facility and 20 year gilt rate at 6 December 2010

Total return analysis

	Dividend p	Sept 2009 p	Sept 2010 p	Movement p	Total return p	Total return %**
Share price	5.38p	73.00p	73.75p	0.75p	6.13p	8.6%

	Sept 2007	Sept 2008	Sept 2009	Sept 2010	To date
Dividend declared per share	5.00p	5.20p	5.33p	5.40p	20.93p
Increase		4.0%	2.5%	1.3%	8.0%
RPI annual increase*		3.8%	(0.4)%	4.4%	7.8%

*As at 31 March of each year

**Calculated quarterly

Opportunity in primary care

- Real terms increase in NHS funding in each year confirmed in Government Spending Review 2010
- Primary care remains the cornerstone of NHS policy:
NHS White Paper Equality and Excellence – Liberating the NHS
- Shift from secondary care in hospitals to primary care centres
- Majority of premises still not fit for purpose
- Role of private sector expected to increase

Portfolio review

Portfolio review*

57 assets

49 Projects

86%



Operational

8 Projects

14%



Under construction /
committed projects

Contractual certainty of income

100%



Availability risk

0%



Demand risk

Security of tenure

100%



Ownership

100%



Freehold/long
leasehold

Portfolio geographically spread



Completed projects



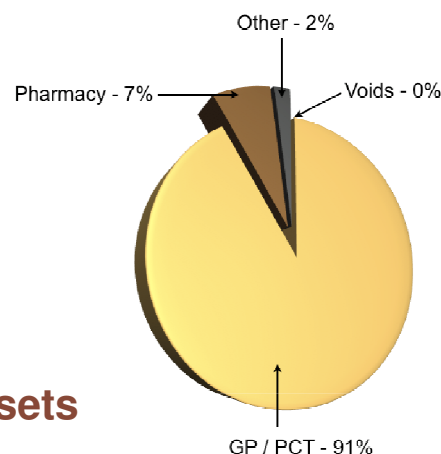
Under construction / committed projects



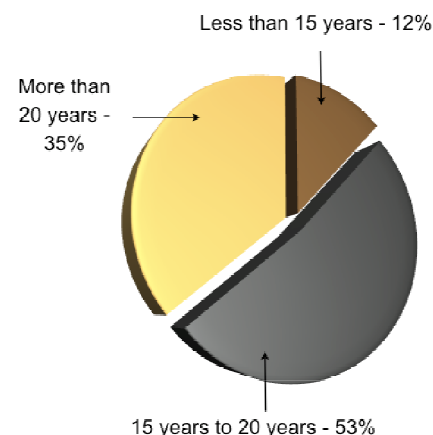
*As at 6 December 2010; includes completed value of properties under construction and terms agreed investments

Portfolio review*

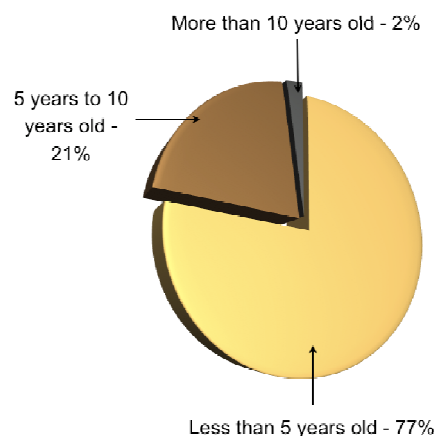
Security of income by tenant type



Security of income by lease expiry



Modernity of assets

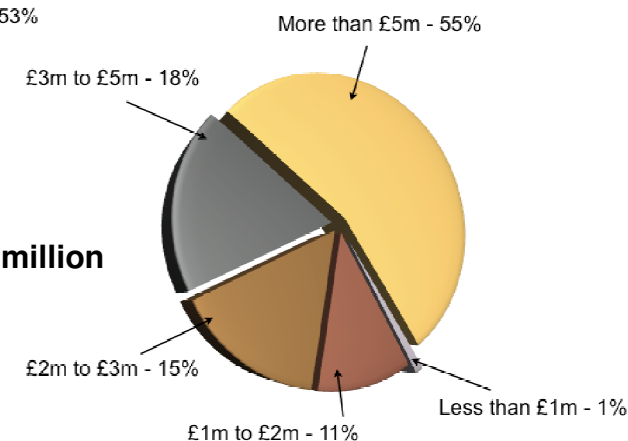


**Average unexpired lease
term 18.6 years**

Average age 3.6 years

Average value £3.8 million

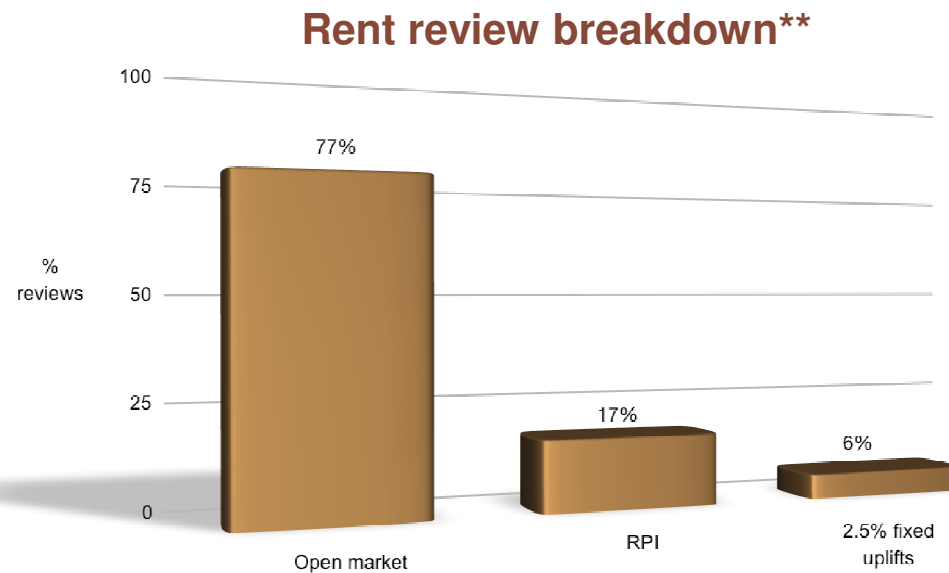
Value per property



*As at 6 December 2010; includes completed value of properties under construction and terms agreed investments

Rental uplifts*

- £1.8 million rent reviews agreed during year
- Equivalent to 2.1% per annum increase achieved
 - 1.8% open market reviews
 - 2.5% fixed uplifts
 - 2.6% RPI based
- £4.4 million passing rents currently under negotiation**



*As at 30 September 2010

**As at 6 December 2010

Rent reviews by period*

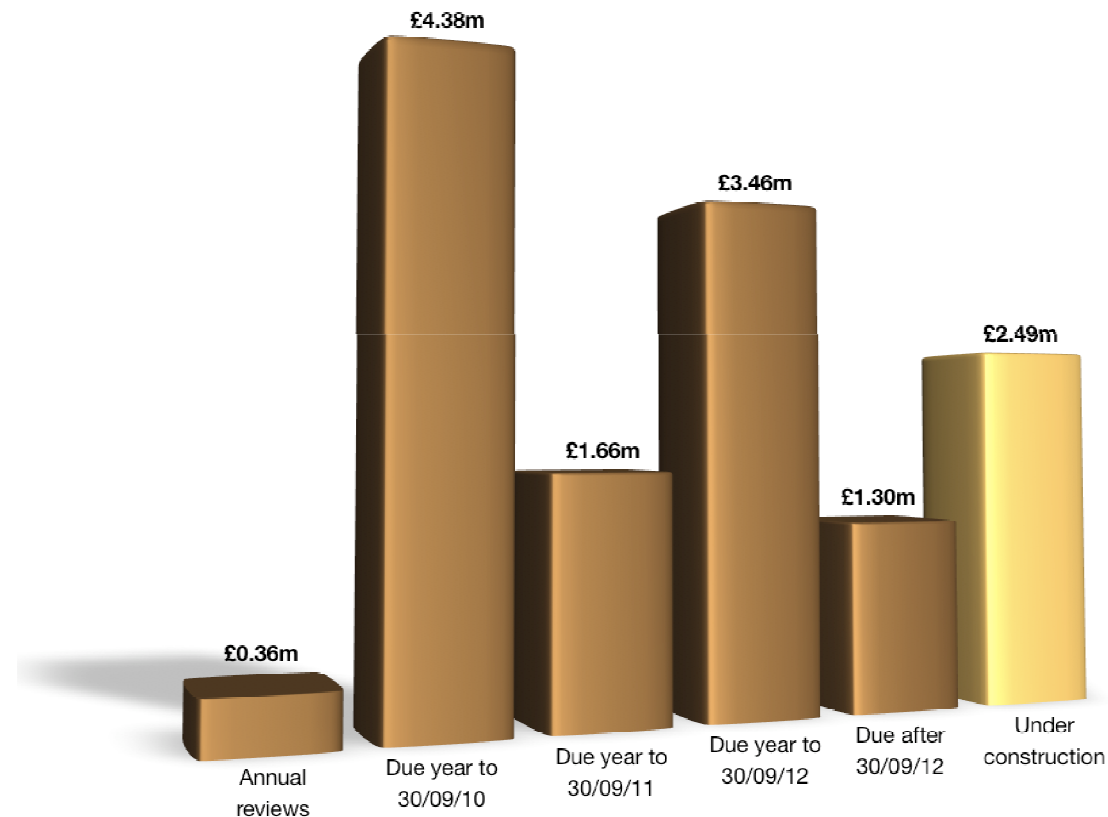
	Year to Sept 07	Year to Sept 08	Year to Sept 09	Year to Sept 10
Number	18	11	25	8
Passing rent	£1,593,059	£839,757	£1,673,024	£323,990
Annualised increase	3.2%	2.9%	1.9%	2.6%
- Open market reviews	3.2%	2.6%	2.0%	2.5%
- RPI	3.8%	3.9%	1.4%	2.6%
- Fixed uplifts	n/a	2.5%	2.5%	n/a

DCF rental growth assumption 2.5%

*Based on review date falling due in the year ending as at 30 September 2010

Rent review profile*

- Total rent roll £13.6 million
- Total rent under negotiation £4.4 million



*As at 6 December 2010; includes completed value of properties under construction and terms agreed investments

Acquisitions in year*

Total committed investment of £27.3 million in seven properties



Halifax



Hounslow



Apsley



Clapham



Bilborough



Bermondsey Spa

*As at 30 September 2010

Acquisitions post year-end*

Total committed investment of £14.5 million in two properties



West Wirral



Raynes Park

Total committed investment since 1 October 2009 £41.9 million at an average cash yield of 6.22%

*As at 6 December 2010

Asset management

- Three properties under construction completed during the year
- Value enhancements completed during the year included –
 - Fit out of expansion space
 - Lease re-gear
 - Addition of a pharmacy
 - Addition of a podiatry suite

Key financials

Key financials – income statement

	12 months to 30 Sept 2010 £000	12 months to 30 Sept 2009 £000	Change
Rent receivable	10,825	8,804	23%
Other income	249	633	(61)%
Total income	11,074	9,437	17%
Direct property costs*	521	435	20%
Investment advisory fee**	2,250	2,226	1%
Overheads	649	645	1%
Total expenses*	3,420	3,306	3%
EBITDA	7,654	6,131	25%
Finance income	43	348	(88)%
Finance costs	5,024	5,097	(1)%
Adjusted earnings***	2,673	1,383	93%
Revaluation	6,180	(2,211)	360%
Adjusted earnings including revaluation***	8,854	(828)	1,169%

*Including property management fees

**Investment advisory fee fixed up to £300 million gross assets excluding cash

***Adjusted to exclude performance fee, goodwill and deferred tax not expected to crystallise

Key financials – balance sheet

	As at 30 Sept 2010 £000	As at 30 Sept 2010 Pence per share
Gross assets excluding cash*	189,811	134.3
Debt	100,908	71.4
Cash	17,289	12.2
Net debt	83,619	59.2
Adjusted NAV**	92,860	65.7
Adjusted NAV plus debt benefit**	100,901	71.4
DCF	129,252	91.5

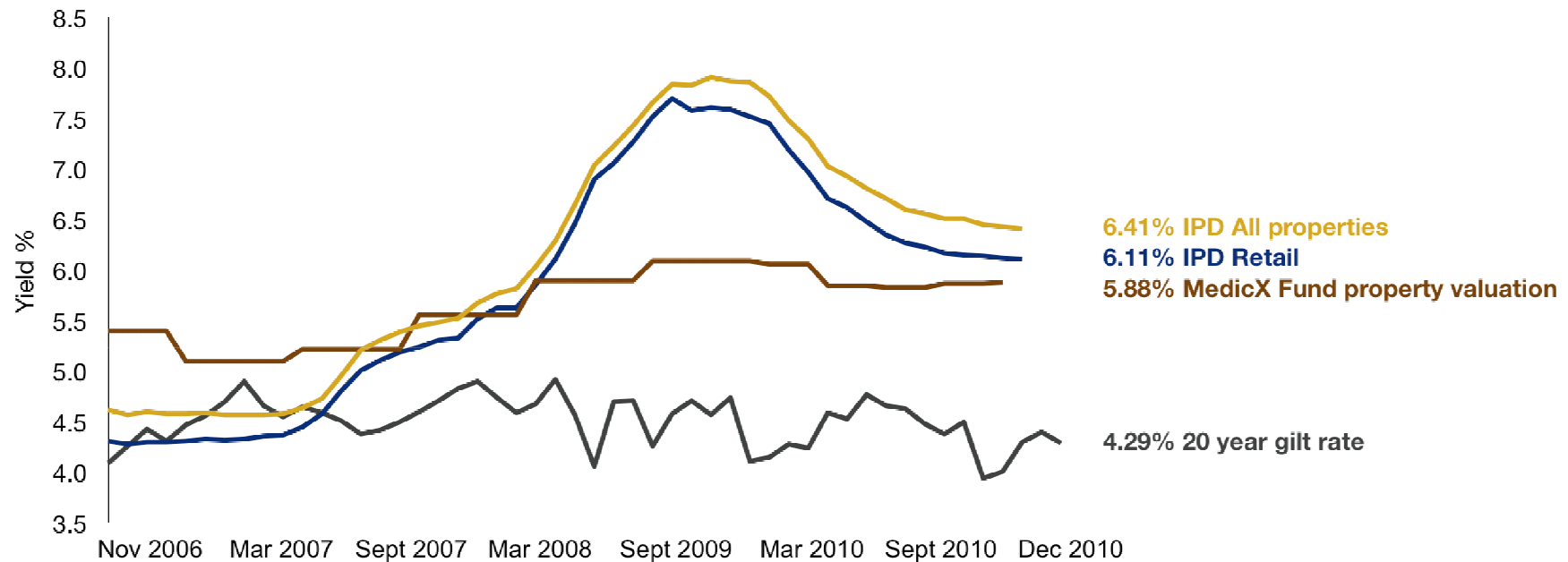
	As at 30 Sept 2010	Restrictions / covenants
Adjusted gearing**	46%	75%
Debt service interest cover***	191%	140%
Loan to value***	66%	75%

*Investment advisory fee fixed up to £300 million gross assets excluding cash

**Adjusted to exclude goodwill and deferred tax not expected to crystallise. Adjusted NAV plus 6 December 2010 debt benefit of 75.7p

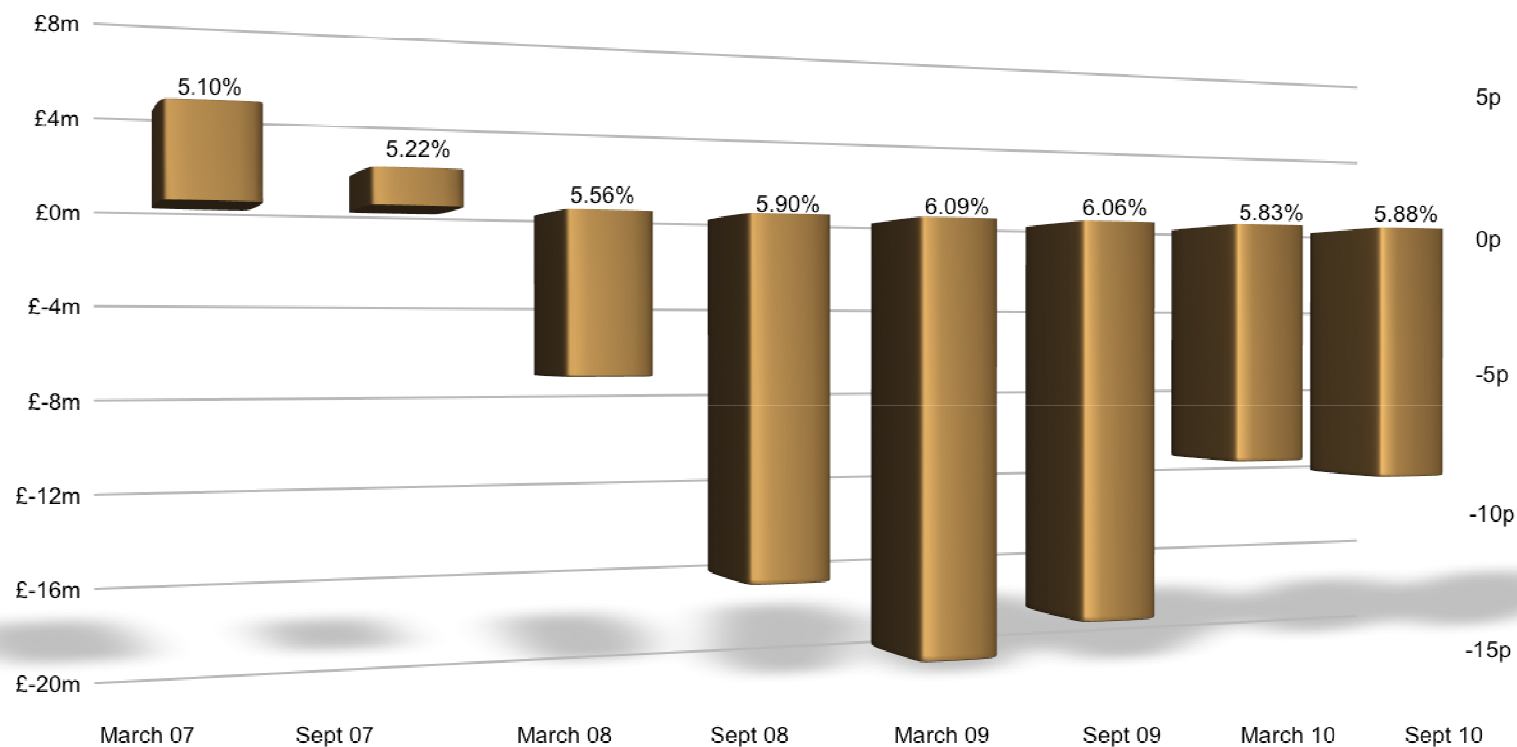
***Relate to £100 million Aviva loan only

Property valuation yields*



*MedicX Fund property valuation as at 30 September 2010, IPD data as at 31 October 2010 and Gilt rate data as at 6 December 2010

Impact of property revaluations*



*Cumulative impact of property revaluation gain/loss and impairment provision compared to November 2006 valuation and based on 142,417,110 shares as at 6 December 2010. A yield shift to 5.55% would eliminate the £11.9 million cumulative loss

Non-dilutive equity raising

Month	Number of shares 000's	Price p	Net funds raised £m
October 2009	500	72.50	0.4
March 2010	34,291	72.00	24.1
June 2010	500	72.50	0.4
August 2010	500	72.50	0.4
September 2010	750	72.50	0.5
November 2010	1,100	72.75	0.8
Total / average*	37,641	72.05	26.5

Committed investment of £41.9 million since March equity financing**

Period	Number of shares in issue 000's	Market capitalisation £m
Pre-October 2009 issue	104,521	77.9
Current issue**	142,417	102.9

*Excludes scrip share issues

**As at 6 December 2010

Additional debt funding

	Aviva facility	Deutsche Postbank facility
Facility size	£100 million	£25.5 million
Committed	December 2006	December 2009
Drawn	£100 million	£0.5 million
Expiry	December 2036	April 2015
Margin	0.9%	2.0%
Interest rate	5.0%	4.2%*
Hedging activities	n/a	Swap
Loan to value draw down	65%	65%
Repayment terms	Interest only	Amortises 1% per annum
Interest cover covenant	140%	140%
Loan to value covenant**	75%	70%

*Based on five year swap rate 6 December 2010

**Tested after years two and four for Deutsche Postbank

Dividend cover

	12 months to 30 Sept 2010 £000	12 months to 30 Sept 2009 £000	Change
Dividends paid	6,593	6,146	7%
Adjusted earnings excluding revaluation	2,673	1,383	93%
Dividend cover	41%	22%	80%

Adjusted earnings including revaluation	8,854	(828)	1,169%
Dividend cover including revaluation	134%	(13)%	148%

	Sept 2010 dividend	Jun 2010 dividend	Mar 2010 dividend	Dec 2009 dividend
Scrip take up	7%	3%	n/a	n/a

DCF NAV sensitivity*

	DCF	Share price
Pence per share	91.5p	73.8p
Weighted discount rate	7.2%	9.7%
Risk premium to 20 year gilt rate	3.2%	n/a
Rental growth per annum	2.5%	(0.6)%
Capital appreciation per annum	1.0%	(1.7)%

	DCF reconciliation
Adjusted NAV plus debt benefit	71.4p
Purchasers costs at 5.75%	+8.1p
Implied yield shift to 5.42%**	+12.0p
DCF NAV	91.5p

*As at 30 September 2010

**Implied yield shift as at 6 December 2010 is to 5.58% assuming debt benefit of 10.0p

DCF NAV sensitivities*

Discount rate

NAV pence per share	Completed					
Under construction	%	6.0	6.5	7.0	7.5	8.0
	6.0	102	98	94	91	88
	7.0	100	96	93	89	86
	8.0	99	95	91	88	85
	9.0	98	94	90	87	84
	10.0	97	93	89	86	83

Rental and capital value increases per annum

NAV pence per share	Rental					
Capital	%	0.5	1.5	2.5	3.5	4.5
	-1.0	65	71	77	85	92
	0.0	72	78	84	91	99
	1.0	79	85	91	99	106
	2.0	88	94	100	107	115
	3.0	98	104	110	117	125

*As at 30 September 2010

Investment opportunity

Acquisition opportunities

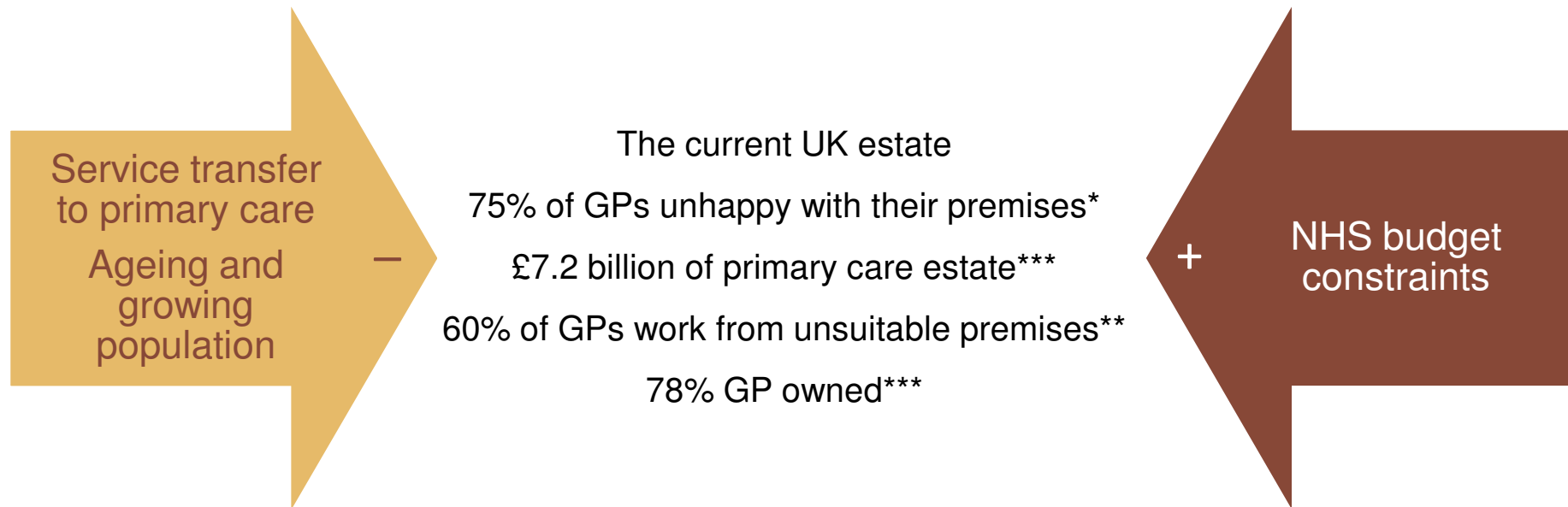
- Substantial pipeline circa £95 million
- Widening role of primary care expanding potential targets
- Government-funded cash flows not to be less than 80% of passing rents of overall portfolio
- Opportunity to buy assets at attractive prices

Conclusion

- Attractive asset class
- Stable and growing cash flows
- Strong pipeline and market access
- Management well placed to take advantage of opportunities
- Attractive total return proposition and dividend yield
- Considering fund raising in the New Year

Appendix

Pressure on primary care estate



*NHS The Information Centre, General and Personnel Medical Services Report 30 September 2009

**BMA Survey of GP practice premises 30 March 2010

***RCGP UK Annual Survey of GP 2009

General medical statistics in England*

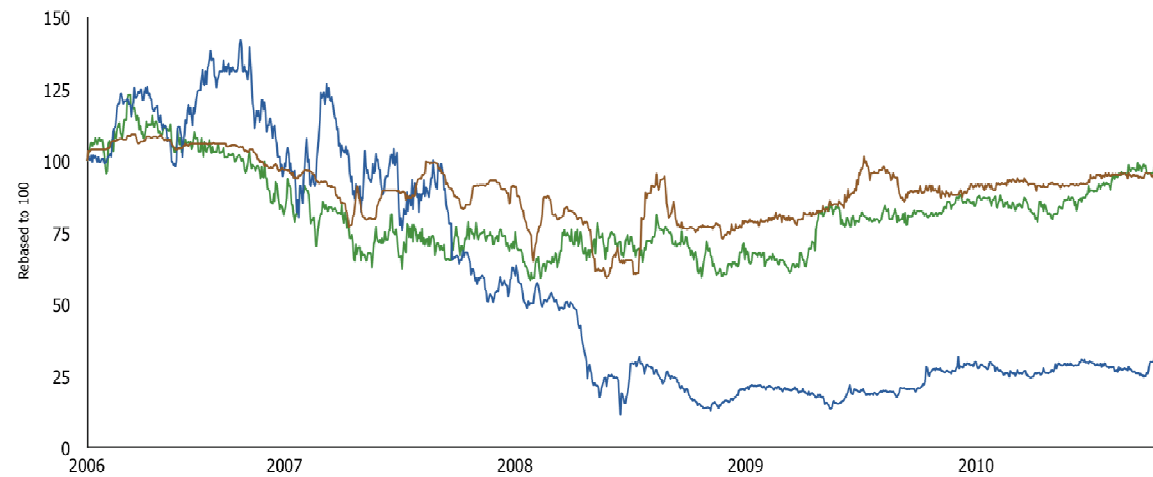
	2009	1995	Change
• Number of practices	8,228	9,188	-10%
• Single-handed practices	1,266	2,919	-57%
• Number of GPs	35,917	27,465	+31%
• Number of part-time GPs	31%**	14%	+17%
• GPs aged 60 and over	10%	6%	+4%
• Contracted GPs (GMS)	50%	98%	-48%
• Salaried GPs (PMS)	45%	-	-

*NHS The Information Centre, General and Personnel Medical Services Report 30 September 2009

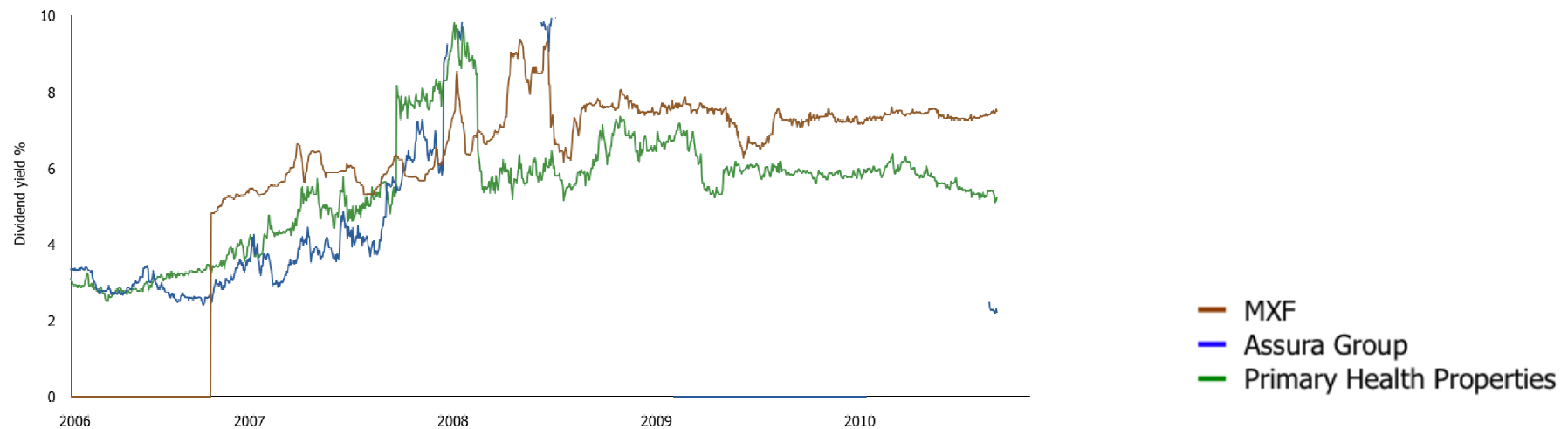
**RCGP UK Annual Survey of GP 2009

Sector comparison*

Share price total return



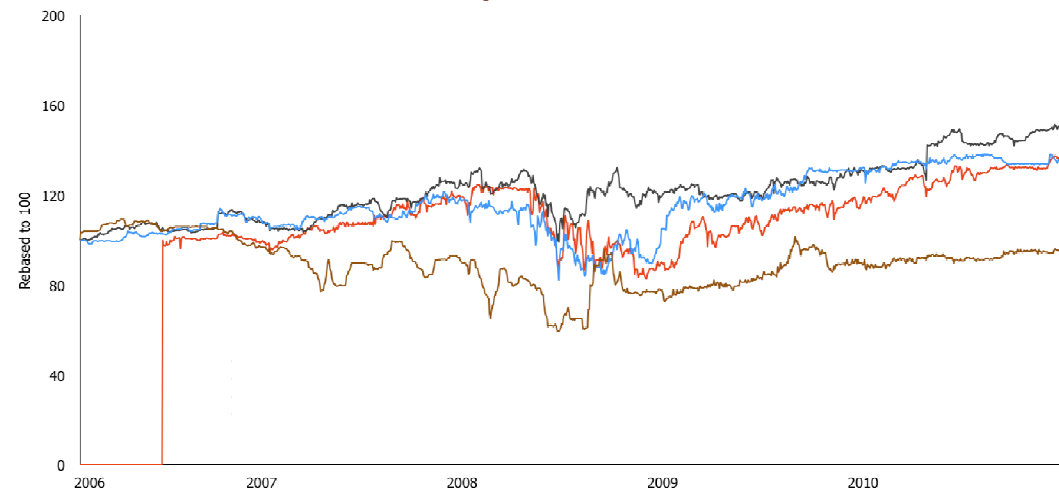
Dividend yield



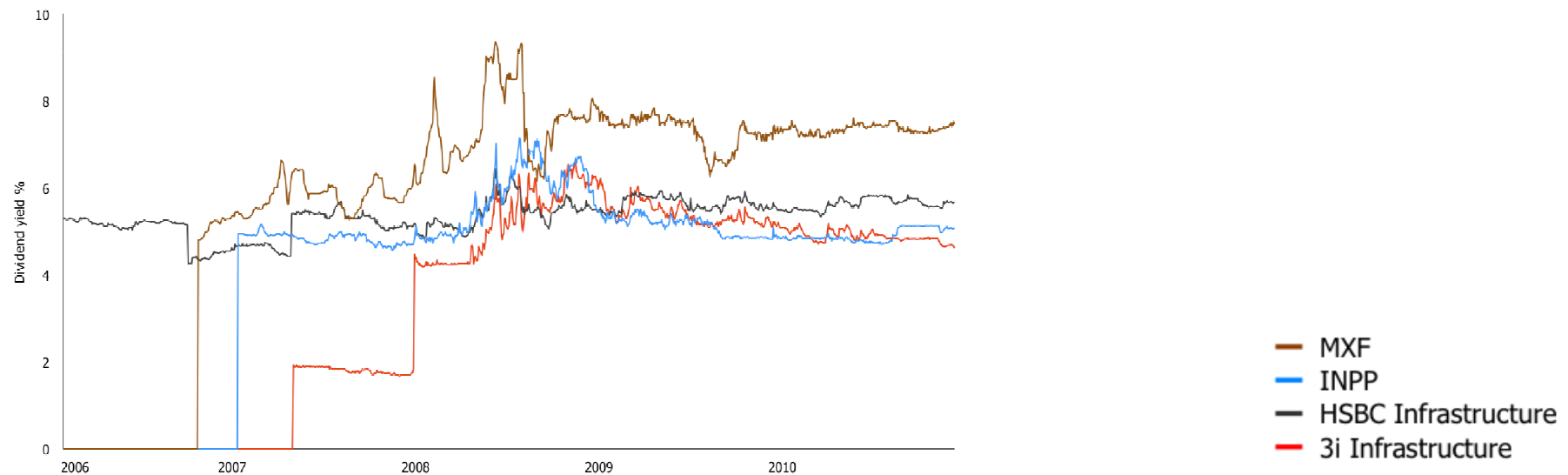
*As at 6 December 2010 – Collins Stewart / DataStream

Infrastructure comparison*

Share price total return

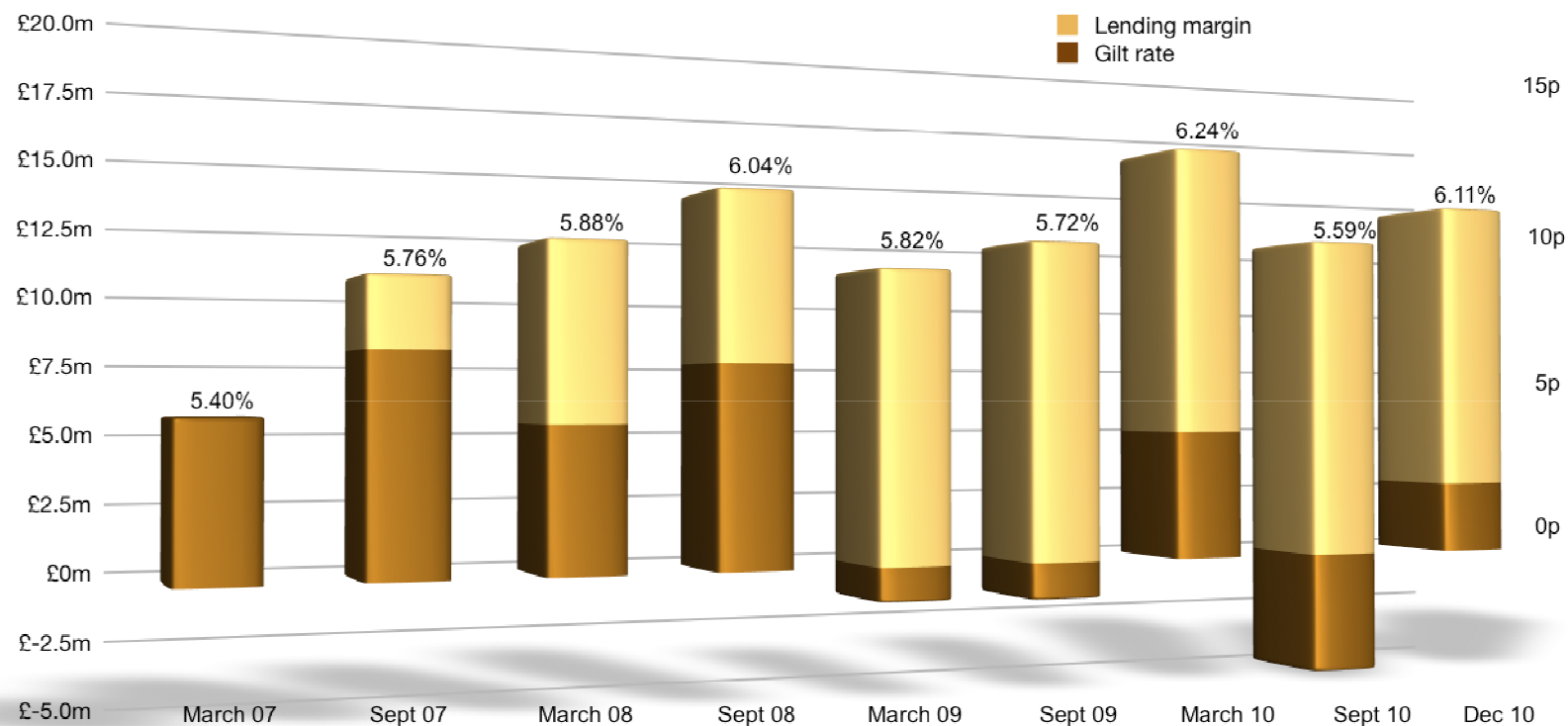


Dividend yield



*As at 6 December 2010 – Collins Stewart / DataStream

Debt mark to market*



*Compared to 5% all in fixed rate £100 million 30 year interest only loan and based on 142,417,110 shares as at 6 December 2010

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