

10

Specialist primary healthcare
infrastructure fund
2010 annual results presentation

 **MedicX**
Fund

Agenda

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

Introduction

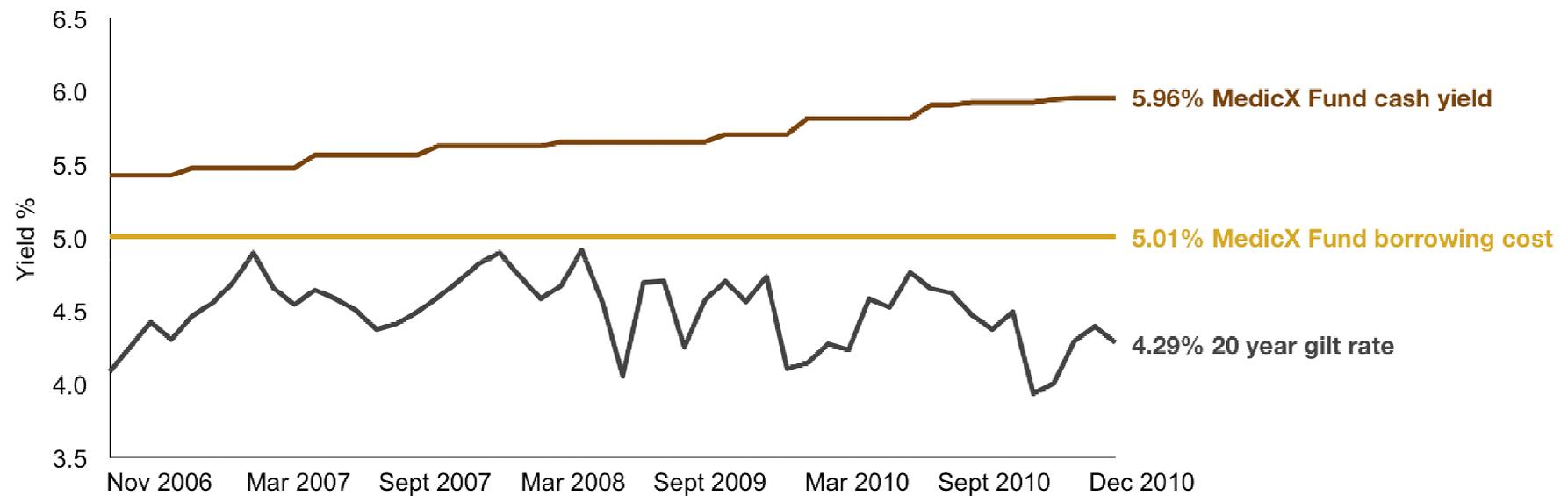
MedicX Fund objectives and overview

- 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%

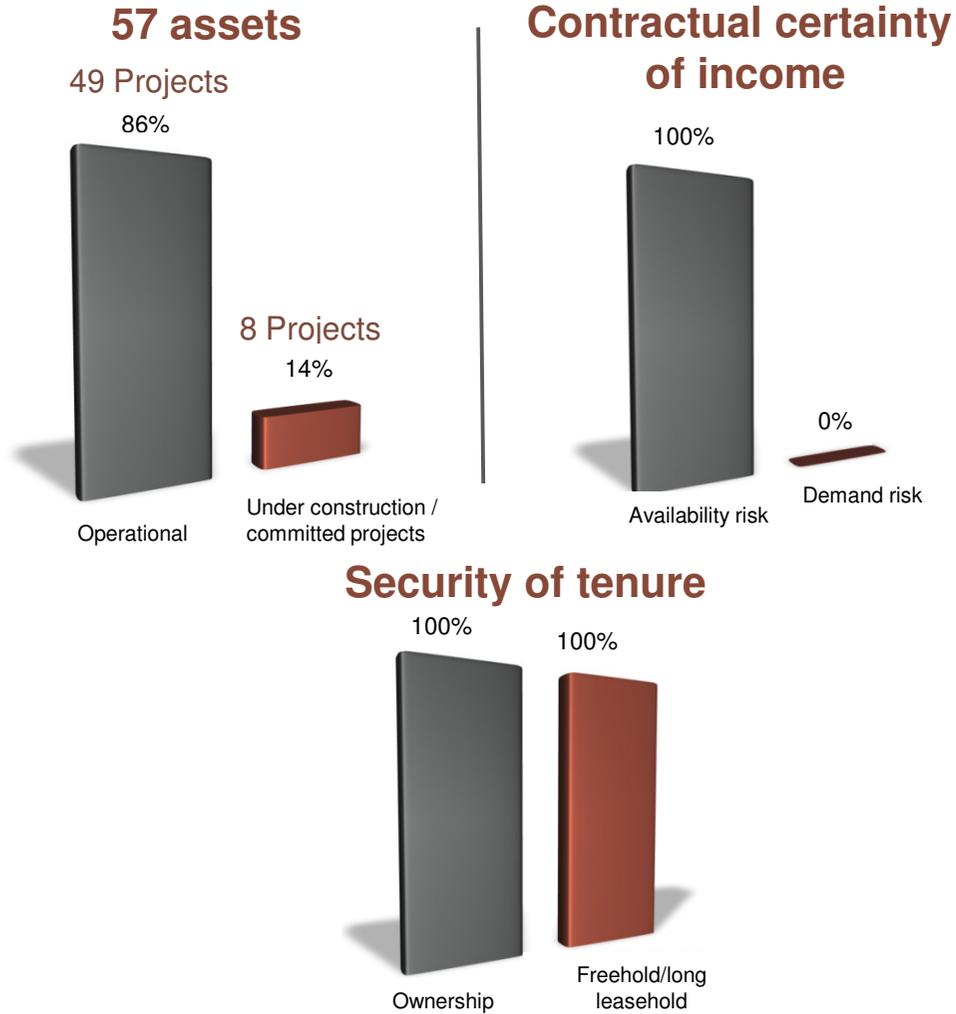
*As at 31 March of each year
**Calculated quarterly

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*



Portfolio geographically spread

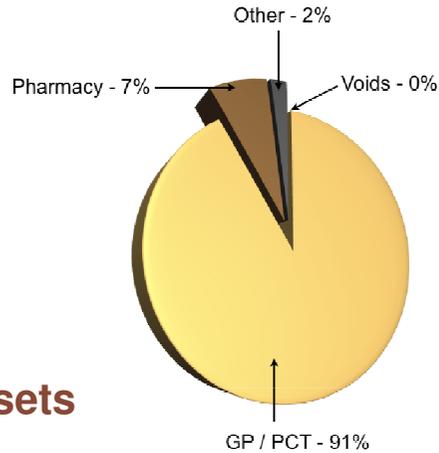
- Completed projects
- Under construction / committed projects



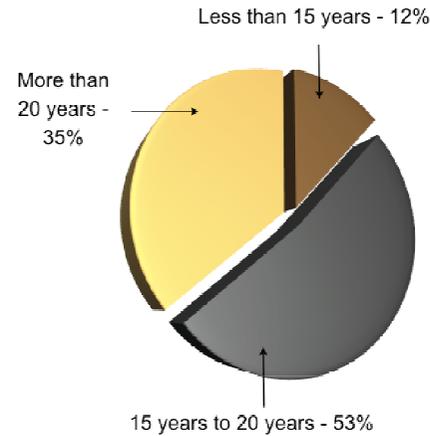
*As at 6 December 2010; includes completed value of properties under construction and terms agreed investments

Portfolio review*

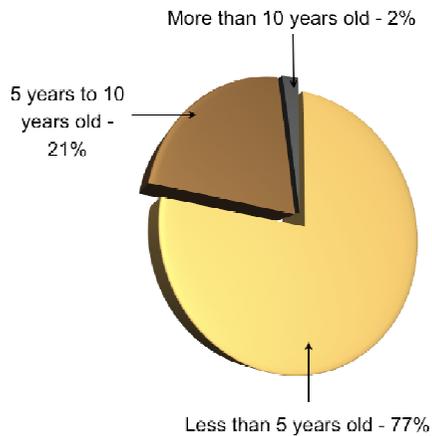
Security of income by tenant type



Security of income by lease expiry



Modernity of assets

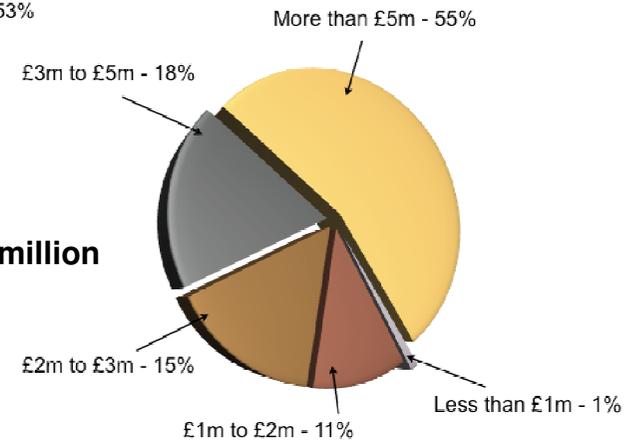


Average unexpired lease term 18.6 years

Average age 3.6 years

Average value £3.8 million

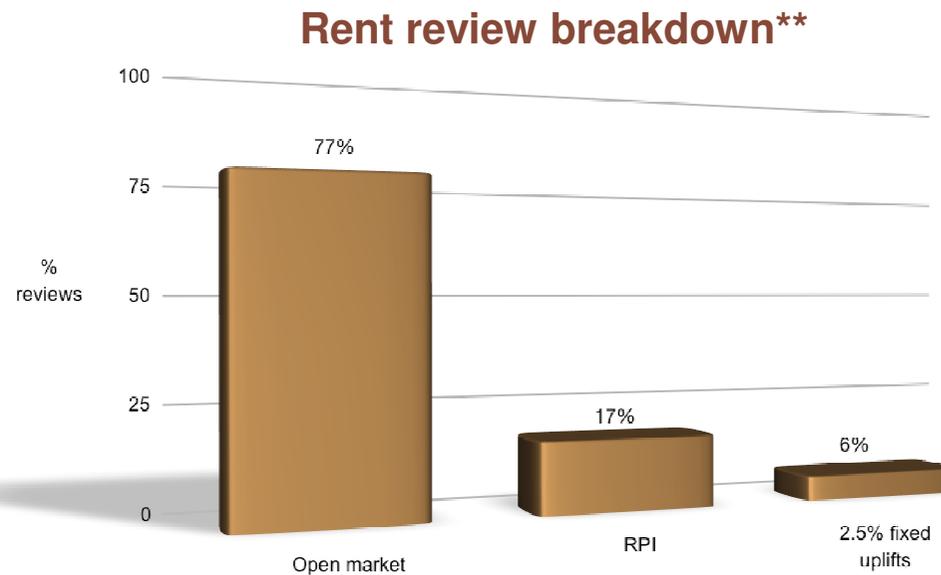
Value per property



*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*

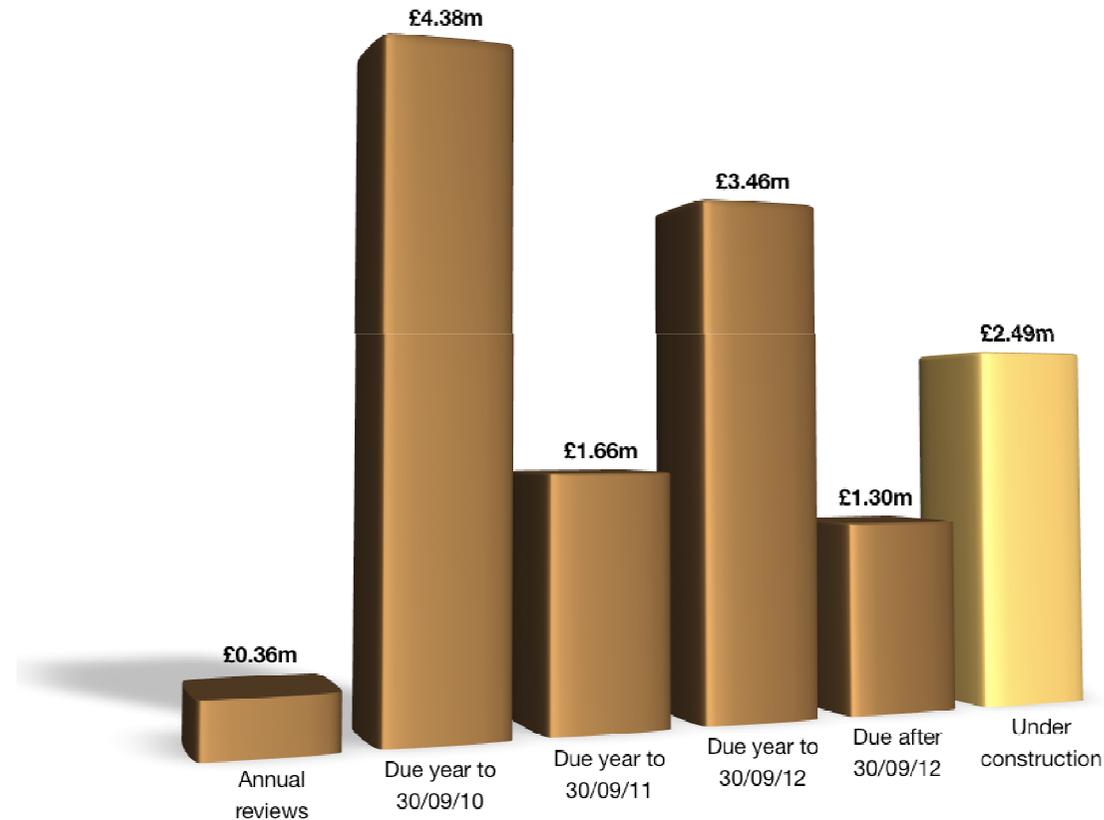
	Year to Sept 07	Year to Sept 08	Year to Sept 09	Year to Sept 10
Number	18	11	25	8
Passing rent	£1,593,059	£839,757	£1,673,024	£323,990
Annualised increase	3.2%	2.9%	1.9%	2.6%
- Open market reviews	3.2%	2.6%	2.0%	2.5%
- RPI	3.8%	3.9%	1.4%	2.6%
- Fixed uplifts	n/a	2.5%	2.5%	n/a

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

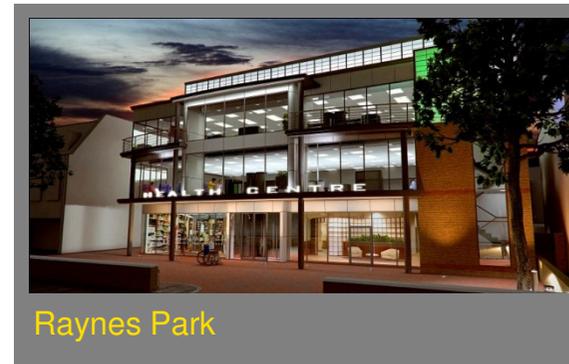


Bermondsey Spa

*As at 30 September 2010

Acquisitions post year-end*

Total committed investment of £14.5 million in two properties



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

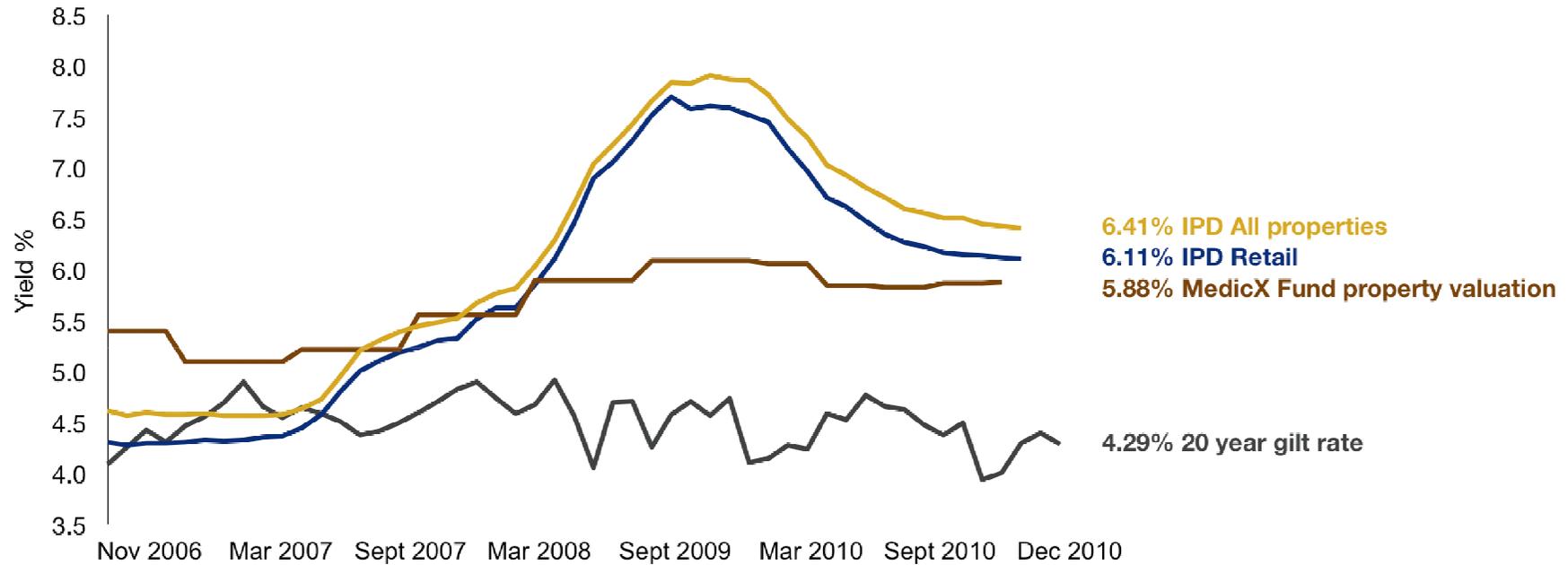
	As at 30 Sept 2010	Restrictions / covenants
Adjusted gearing**	46%	75%
Debt service interest cover***	191%	140%
Loan to value***	66%	75%

*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

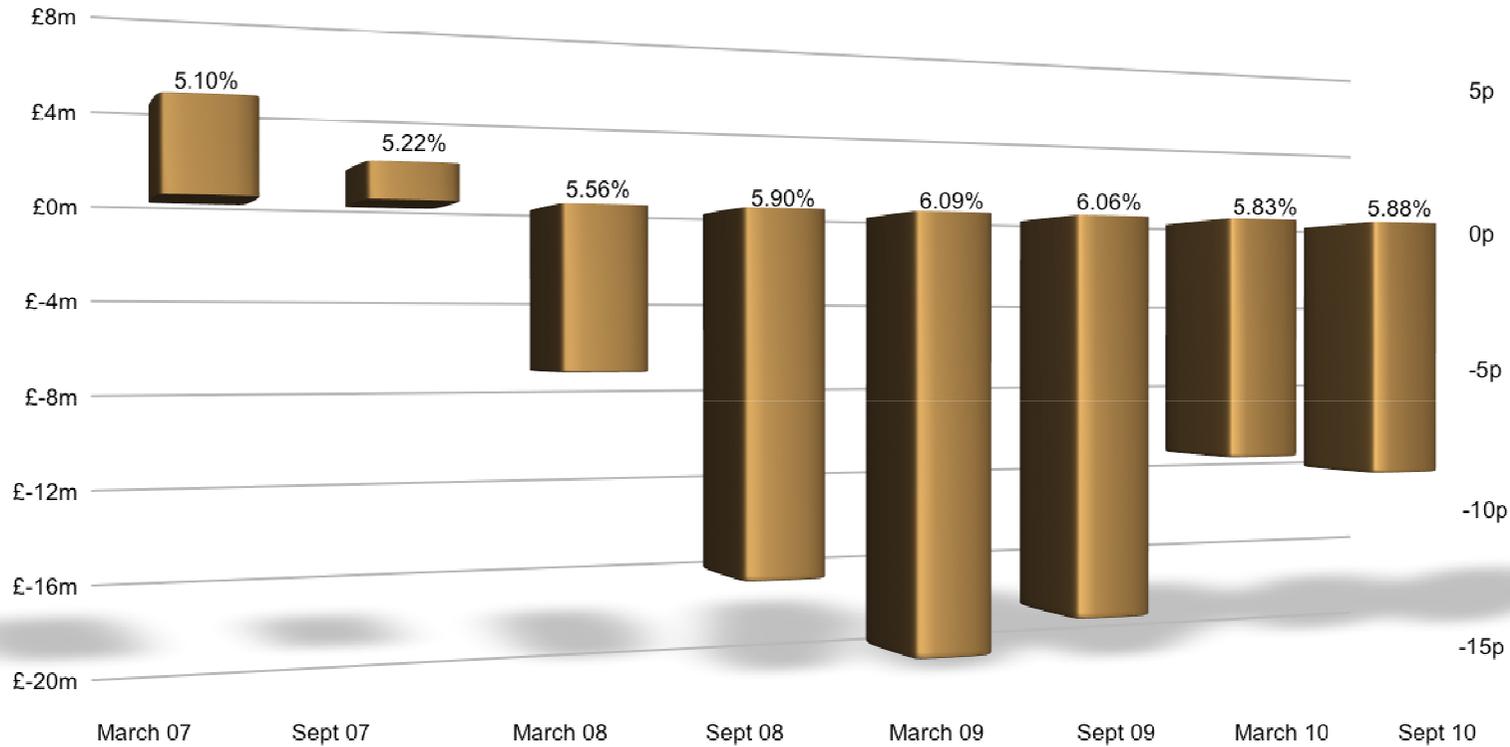
***Relate to £100 million Aviva loan only

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

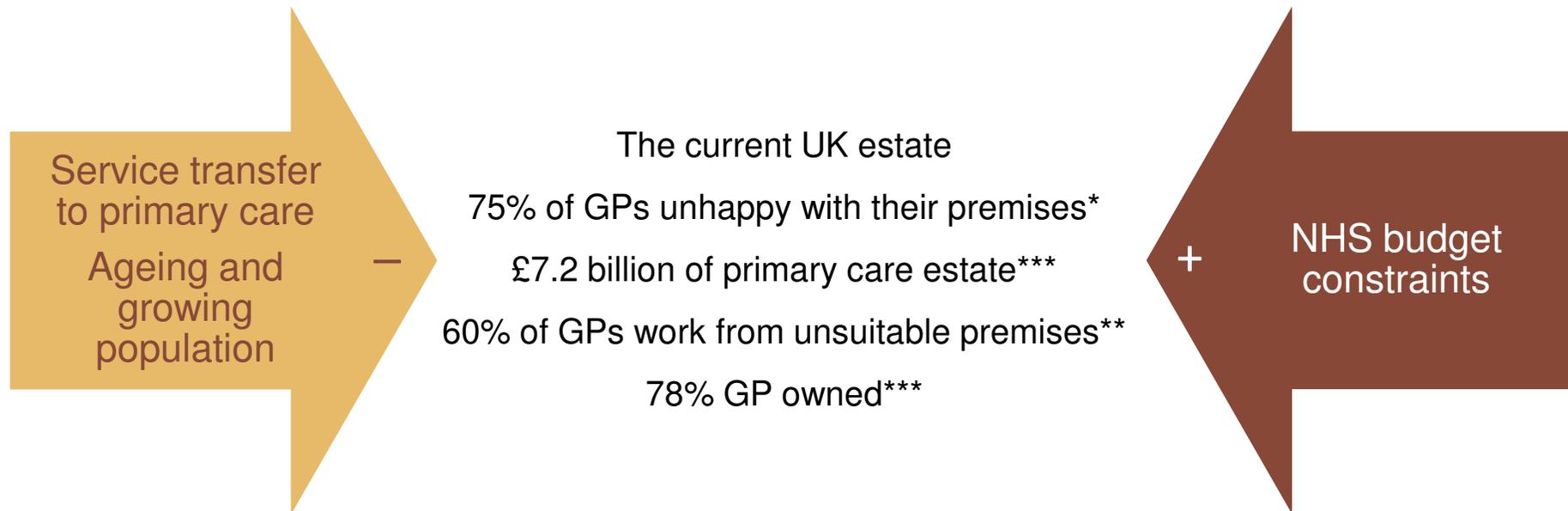
- Substantial pipeline circa £95 million
- Widening role of primary care expanding potential targets
- Government-funded cash flows not to be less than 80% of passing rents of overall portfolio
- Opportunity to buy assets at attractive prices

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

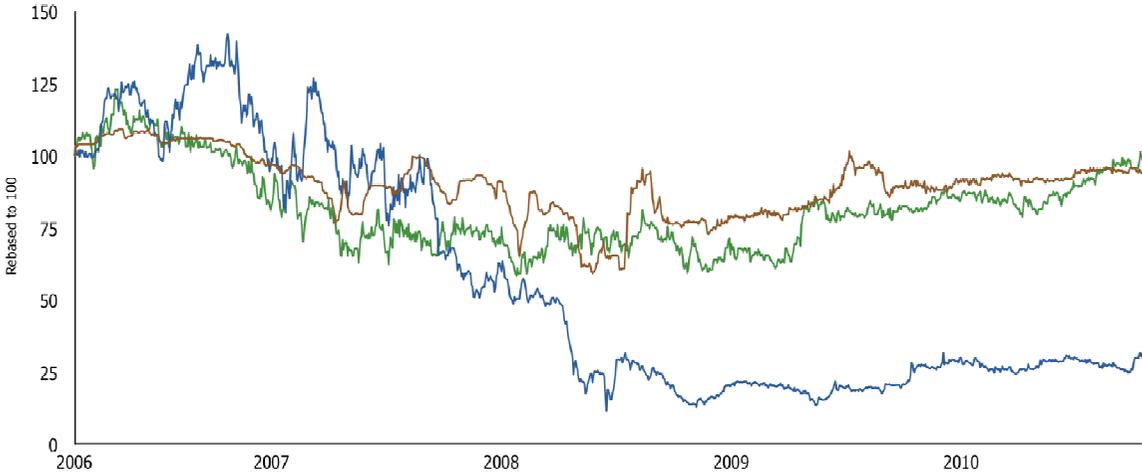
General medical statistics in England*

	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%	-	-

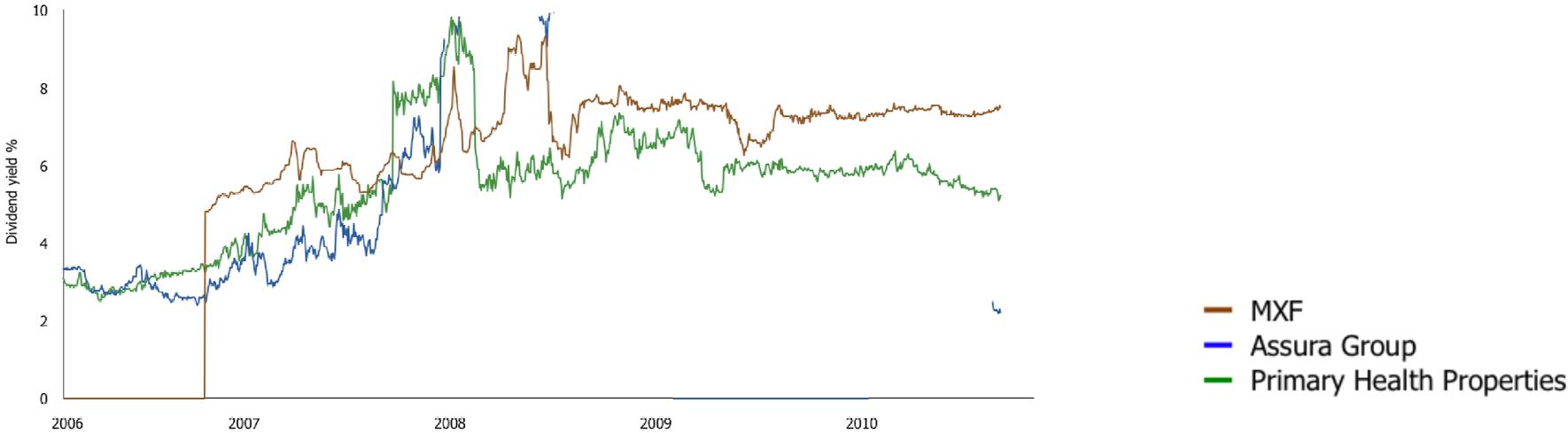
*NHS The Information Centre, General and Personnel Medical Services Report 30 September 2009
 **RCGP UK Annual Survey of GP 2009

Sector comparison*

Share price total return



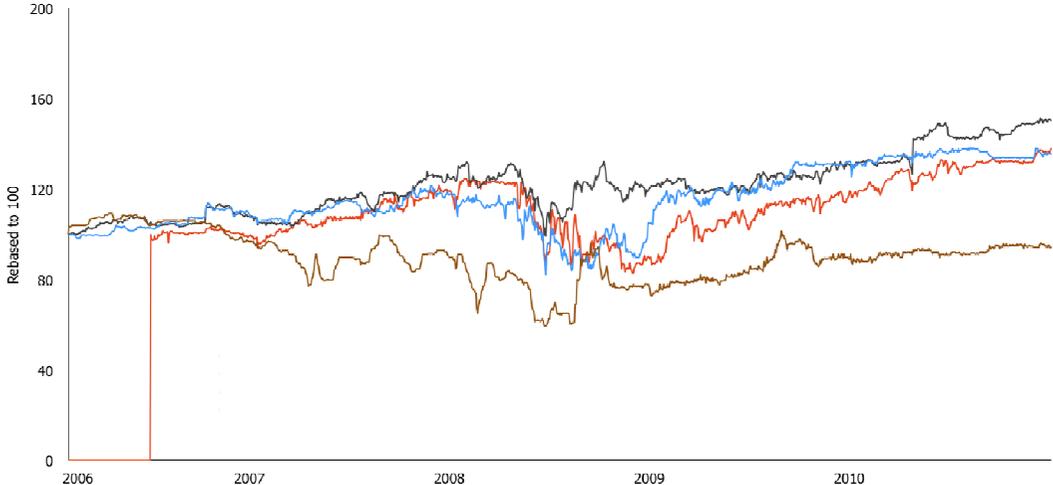
Dividend yield



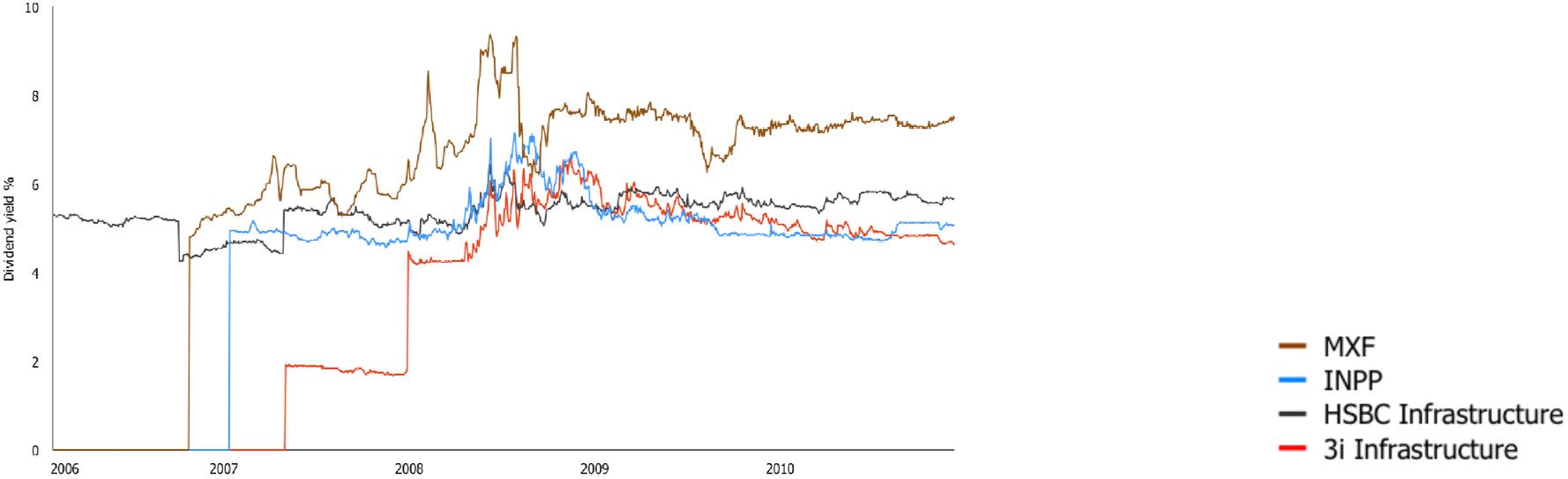
*As at 6 December 2010 – Collins Stewart / DataStream

Infrastructure comparison*

Share price total return



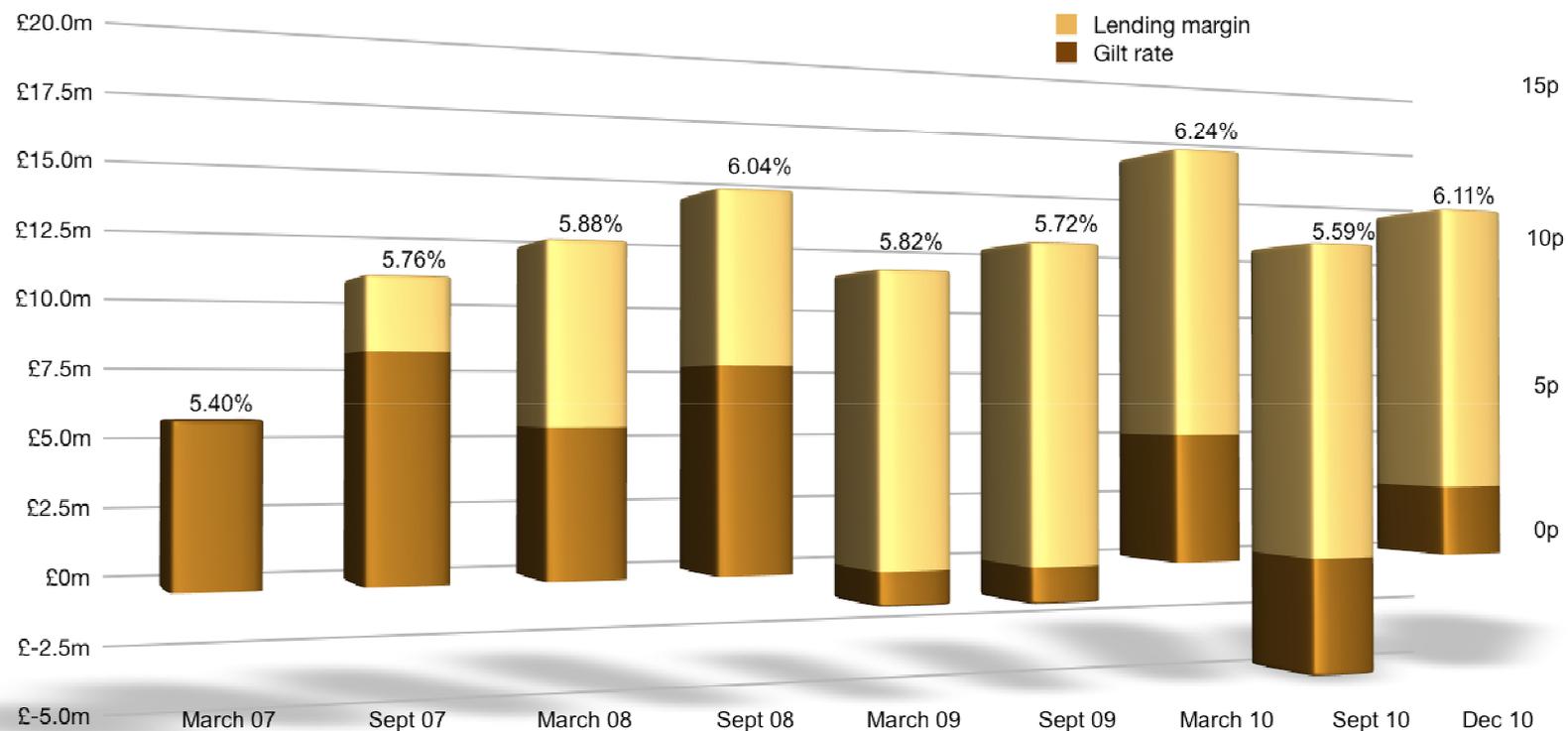
Dividend yield



- MXF
- INPP
- HSBC Infrastructure
- 3i Infrastructure

*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

MedicX Fund Board of Directors

- **David Staples, Chairman**
Guernsey based quoted Fund Director (FCA, CTA)
- **John Hearle, Director**
Chairman and Head of Healthcare Division of Aitchison Raffety (FRICS)
- **Shelagh Mason, Director**
Guernsey based Commercial Property Lawyer and quoted Fund Director
- **Christopher Bennett, Director**
Jersey based Real Estate Financier and quoted Fund Director (MRICS)

Important notice

These presentation materials (the "Presentation Materials") are being solely issued to and directed at persons having professional experience in matters relating to investments and who are investment professionals as specified in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Financial Promotions Order"), to persons who the Company believes on reasonable grounds to be certified high net worth individuals as specified in Article 48(2) of the Financial Promotions Order (being persons who have signed, within the previous 12 months, a statement complying with Part 1 of Schedule 5 of the Financial Promotions Order), to persons who are high net worth companies, unincorporated associations or high value trusts as specified in Article 49(2) of the Financial Promotions Order and to persons who are certified sophisticated investors as specified in Article 50(1) of the Financial Promotions Order (being persons who have signed, within the previous 12 months, a statement in the form set out in Article 50(1)(b) of the Financial Promotions Order) or to persons who are self-certified sophisticated investors as specified in Article 50(A)(1) of the Financial Promotions Order (being persons who have signed, within previous 12 months, a statement complying with Part 11 of Schedule 5 of the Financial Promotions Order) ("Exempt Persons").

This document is exempt from the general restriction on the communication of invitations or inducements to enter into investment activity on the basis that it is only being made to Exempt Persons and has therefore not been approved by an authorised person as would otherwise be required by section 21 of the Financial Services and Markets Act 2000 ("FSMA"). Any investment to which this document relates is available to (and any investment activity to which it relates will be engaged with) only those Exempt Persons described in the above paragraph. Persons who are not Exempt Persons should not rely on this document not take any action upon this document, but should return it immediately to MedicX Fund Limited, Regency Court, Glatigny Esplanade, St. Peter Port, Guernsey, GY1 1WW.

The Presentation Materials do not constitute or form any part of any offer or invitation to sell or issue or purchase or subscribe for any shares in MedicX Fund Limited (the "Company" and/or "MXF") nor shall they or any part of them, or the fact of their distribution, form the basis of, or be relied on in connection with, any contract with MXF relating to securities. Any decision regarding any proposed purchase of shares in MXF must be made solely on the basis of the information issued by MXF at the relevant time. Past performance cannot be relied upon as a guide to future performance. The Presentation Materials are being provided to recipients on the basis that they keep confidential any information contained within them or otherwise made available, whether orally or in writing in connection with MXF or otherwise. The Presentation Materials are not intended to be distributed or passed on, directly or indirectly, or to any other class of persons. They are being supplied to you solely for your information and may not be reproduced, forwarded to any other person or published, in whole or in part, for any other purpose.

This document is not a prospectus prepared in accordance with the Prospectus Rules (being the rules produced and implemented by the Financial Services Authority ("FSA") by virtue of the Prospectus Rules Instrument 2005) and has not been approved as a prospectus by the FSA (as the competent authority in the UK). This document does not contain any offer of transferable securities to the public as such expression is defined in section 102(b) FSMA or otherwise and does not constitute or form part of any offer or invitation to subscribe for, underwrite or purchase securities nor shall it, or any part of it, form the basis of, or be relied upon in connection with, any contract with the Company relating to any securities. This document has not been and will not be filed with the Registrar of Companies.

This document has not been independently verified and no reliance may be placed for any purpose whatsoever on the information contained in this document or on the completeness, accuracy or fairness thereof. Recipients of this document should conduct their own investigation, evaluation and analysis of the business, data and property described in this document. No representation or warranty, express or implied, is made or given by or on behalf of the Company, its Directors and/or MedicX Adviser Ltd or any other person as to the accuracy, fairness, sufficiency, completeness or correctness of the information, opinions or beliefs contained in this document and no responsibility or liability is accepted for any loss, cost or damage suffered or incurred as a result of the reliance on such information. Notwithstanding this nothing in this paragraph shall exclude liability for any representation or warranty made fraudulently.

Certain statements in this document are forward looking statements. All forward looking statements involve risks and uncertainties and are based on current expectations. Forward looking statements and forecasts contained herein are subject to risks, uncertainties and contingencies which may cause actual results, performance or achievements to differ materially from those anticipated. No representation or warranty is given, and no responsibility or liability is accepted as to the achievement or reasonableness of any future projections or the assumptions underlying them, forecasts, estimates or statements as to prospects contained or referred to in this presentation. Past performance of a company or an investment in that company is not necessarily a guide to future performance. Investments may fall in value and income from investments may fluctuate.

Any dispute, action or other proceeding concerning this presentation shall be adjudicated within the exclusive jurisdiction of the courts of England. All material contained in this document (including this disclaimer) shall be governed by and construed in accordance with the laws of England and Wales.

By accepting this presentation you agree to be bound by the above conditions and limitations.