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Specialist primary healthcare
infrastructure fund
2011 interim results presentation



Agenda

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

Introduction

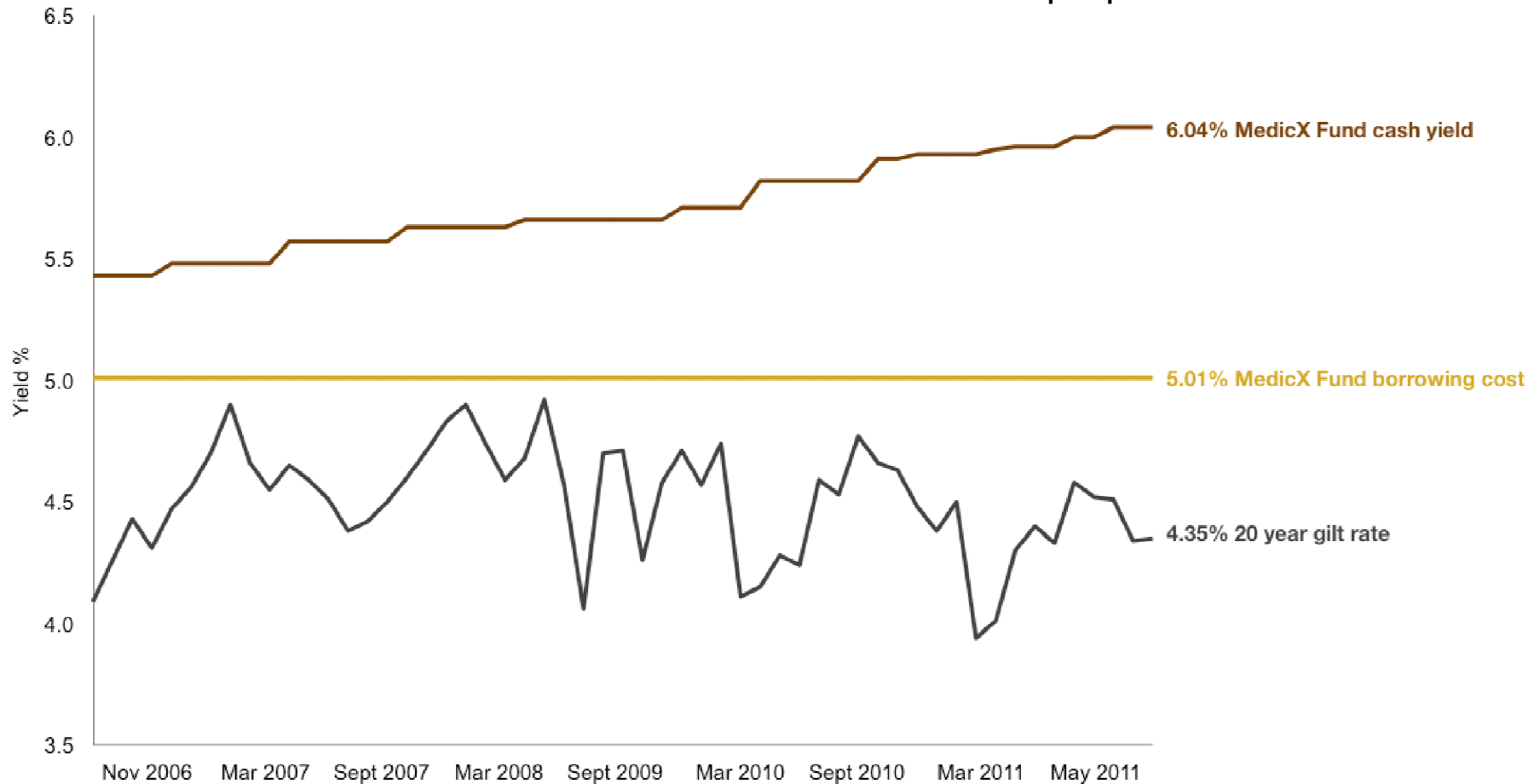
MedicX Fund objectives and overview

- Launched November 2006
- 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 £147 million* market capitalisation Guernsey based investment company
- Not a developer or operator
- External Investment Adviser
- Objective dividend and capital growth

*As at 24 May 2011

Attractive asset class

£235.5 million committed investment in 58 properties



*MedicX Fund cash yield, as at 31 March 2011, borrowing cost on £100m Aviva debt facility and 20 year gilt rate at 24 May 2011

Successful fund raising

- March 2011 MedicX Fund issued 47.7 million shares at 72 pence per share by way of placing open offer and offer
- Issue generated net proceeds of £33.4 million
- Largest fundraising since IPO in November 2006
- £32.7 million* of acquisitions approved following the fundraising
- Market capitalisation of MedicX Fund now £147 million*

*As at 24 May 2011

Total return analysis

	Dividend p	Sept 2010 p	May 2011* p	Movement p	Total return p	Total return %**
Share price	2.725p	73.75p	77.00p	3.25p	5.975p	16.4%

	Sept 2007	Sept 2008	Sept 2009	Sept 2010	Sept 2011	To date
Dividend declared per share	5.00p	5.20p	5.33p	5.40p	5.50p	26.43p
Increase		4.0%	2.5%	1.3%	1.9%	10.0%

Approved quarterly dividend 31 March and 30 June 2011 1.375 pence per share

Expected total dividend for year ended 30 September 2011 5.5 pence per share

*As at 24 May 2011

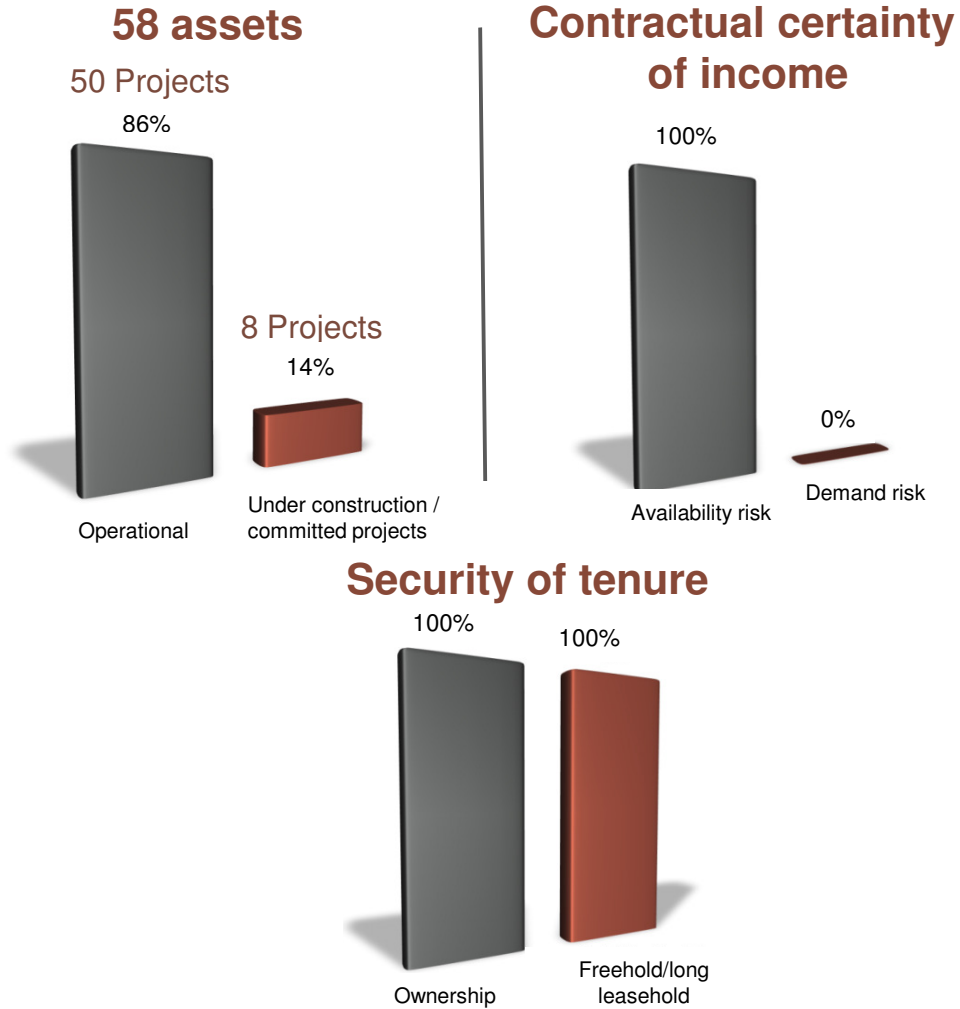
**Annualised: includes dividends received and receivable in the period

NHS and primary care update

- NHS Bill progress slow and now in a “listening exercise”
- Concerns about GPs alone commissioning services
- Timetable now extended into the Autumn
- Strong pressure to increase services at a local level likely to increase demand for modern, purpose built premises
- Confirmation received that there are no current proposals to change the system for reimbursement of GP premises costs
- GP leased premises consistent with direction of travel

Portfolio review

Portfolio review*



Portfolio geographically spread

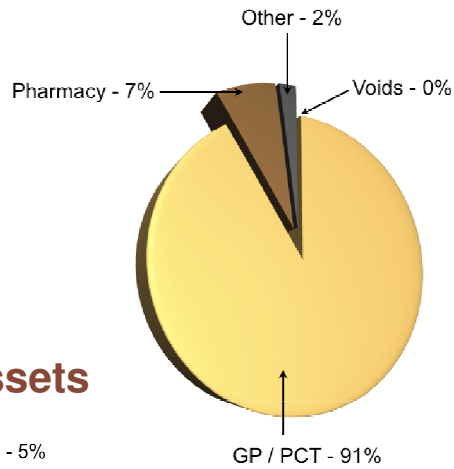
- Completed projects
- Under construction / committed projects



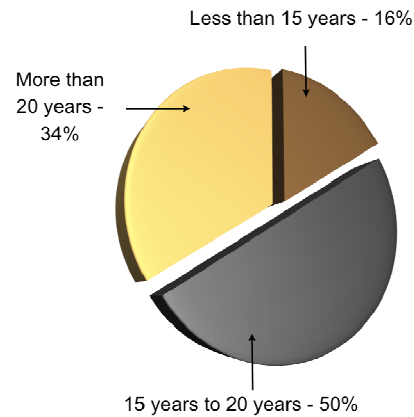
*As at 24 May 2011 ; includes completed value of properties under construction and terms agreed investments

Portfolio review*

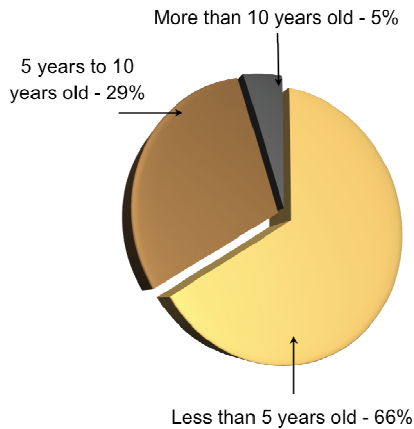
Security of income by tenant type



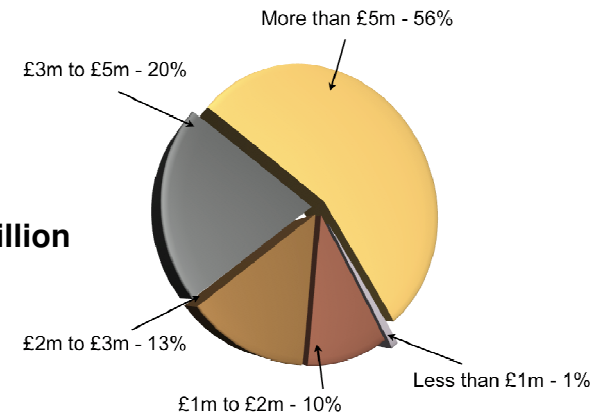
Security of income by lease expiry



Modernity of assets



Value per property



Average unexpired lease term 18.4 years

Average age 3.8 years

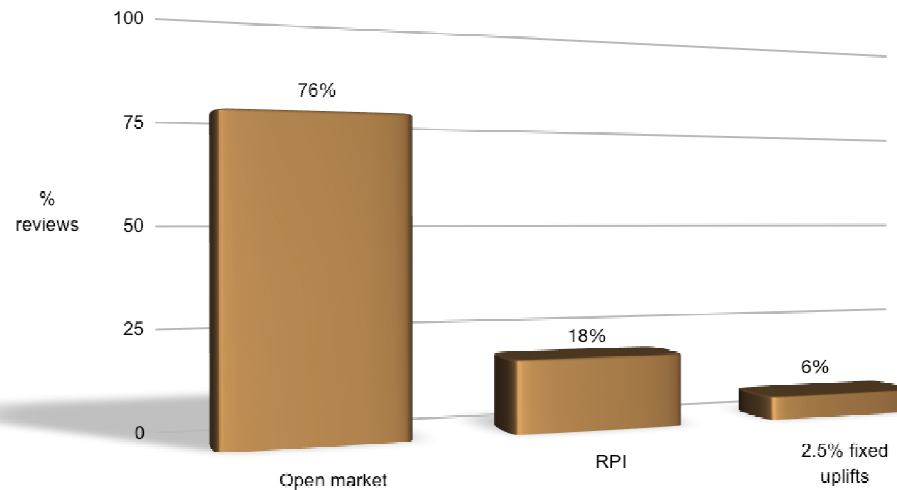
Average value £3.8 million

*As at 31 March 2011 ; includes completed value of properties under construction and terms agreed investments

Rental uplifts*

- Total rent roll £14.3 million
- £1.6 million rent reviews agreed during the period
- Equivalent to 2.6% per annum increase achieved
 - 1.9% open market reviews
 - 2.5% fixed uplifts
 - 4.2% RPI based
- £4.3 million passing rents currently under negotiation

Rent review breakdown



*Period to 24 May 2011

Rent reviews by period*

	Year to Sept 07	Year to Sept 08	Year to Sept 09	Year to Sept 10	6 months to Mar 11
Number	19	11	29	11	5
Passing rent	£1,683,809	£839,757	£2,136,274	£387,490	£496,689
Annualised increase	3.1%	2.9%	1.8%	2.5%	3.3%
- Open market reviews	3.1%	2.6%	1.8%	2.1%	n/a
- RPI	3.8%	3.9%	1.4%	2.6%	4.4%
- Fixed uplifts	n/a	2.5%	2.5%	n/a	2.5%

DCF rental growth assumption 2.5%

*Based on review date falling due in the year ending as at 31 March 2011

Acquisitions mid-year*

Total committed investment of £24.3 million in four properties at average cash yield of 6.21%



*As at 31 March 2011

Key financials

Key financials – income statement

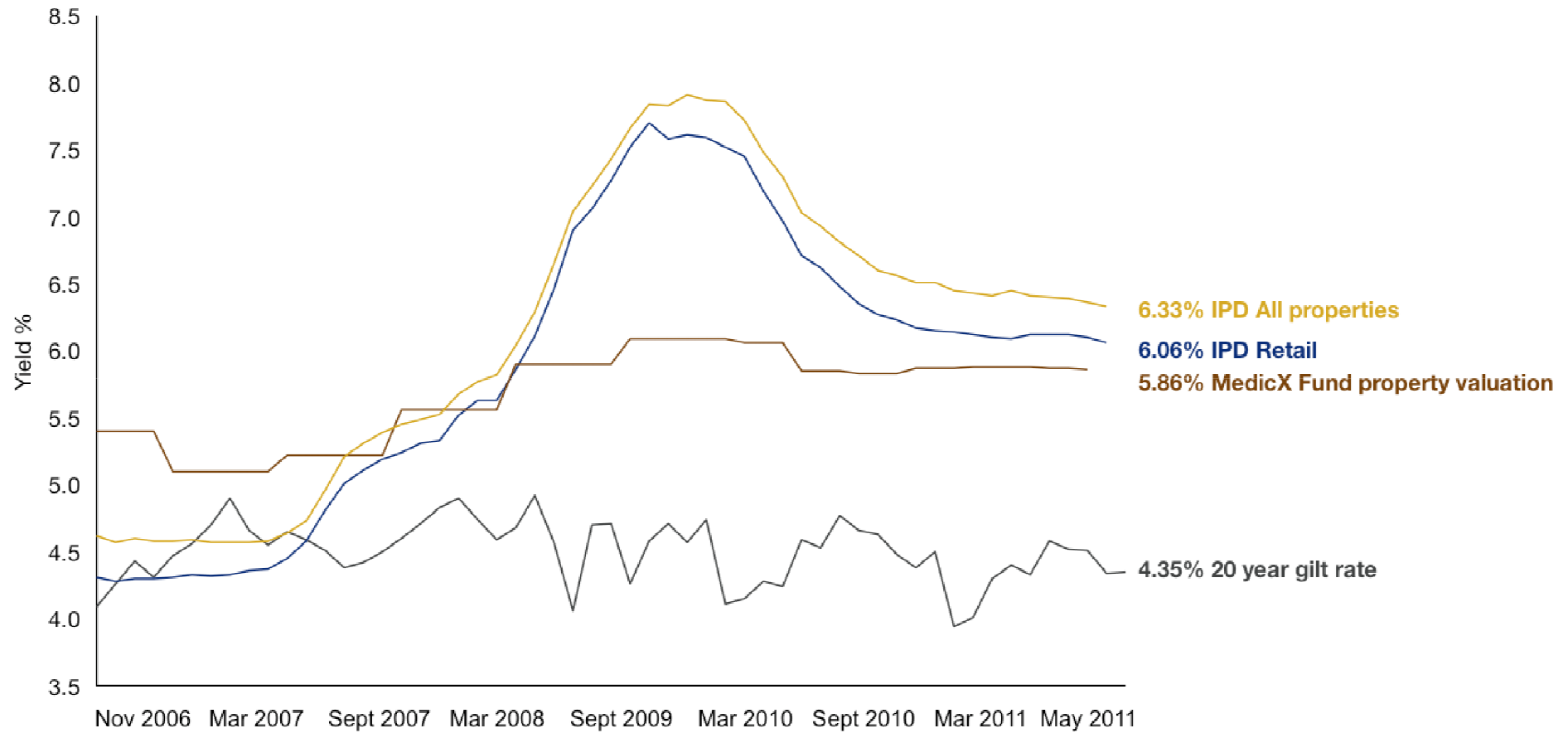
	6 months to 31 Mar 2011 £000	6 months to 31 Mar 2010 £000	Change
Rent receivable	5,890	5,515	7%
Other income	257	158	63%
Total income	6,147	5,673	8%
Direct property costs*	281	227	23%
Investment advisory fee**	1,125	1,125	0%
Overheads	337	325	4%
Total expenses*	1,742	1,677	4%
EBITDA	4,405	3,996	10%
Finance income	74	8	825%
Finance costs	2,515	2,526	0%
Adjusted earnings***	1,964	1,478	33%
Revaluation	1,283	7,033	(82)%
Adjusted earnings including revaluation***	3,247	8,511	(62)%

*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

Property valuation yields*



*MedicX Fund property valuation as at 31 March 2011, IPD data as at 30 April 2011 and Gilt rate data as at 24 May 2011

Dividend cover

	6 months to 31 Mar 2011 £000	12 months to 30 Sep 2010 £000	12 months to 30 Sep 2009 £000
Dividends paid	3,868	6,593	6,146
Adjusted earnings excluding revaluation	1,964	2,674	1,383
Dividend cover	51%	41%	22%
Revaluation	1,283	6,180	(1,499)
Adjusted earnings including revaluation	3,247	8,854	(116)
Dividend cover including revaluation	84%	134%	(2)%

£0.6 million of the £1.3 million capital uplift realised through the sale of Gorseinon

	Mar 2011 dividend	Dec 2010 dividend	Sept 2010 dividend	Jun 2010 dividend
Scrip take up	4%	6%	7%	3%

*Sale of property

Key financials – balance sheet

	As at 31 Mar 2011 £000	As at 31 Mar 2011 Pence per share
Gross assets excluding cash*	207,372	109.0
Debt	100,973	53.1
Cash	32,844	17.3
Net debt	68,129	35.8
Adjusted NAV**	126,625	66.5
Adjusted NAV plus debt benefit**	141,058	74.1
DCF	164,848	86.6

	As at 31 Mar 2011	Restrictions / covenants
Adjusted gearing**	34%	75%
Debt service interest cover***	192%	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.

***Relate to £100 million Aviva loan only

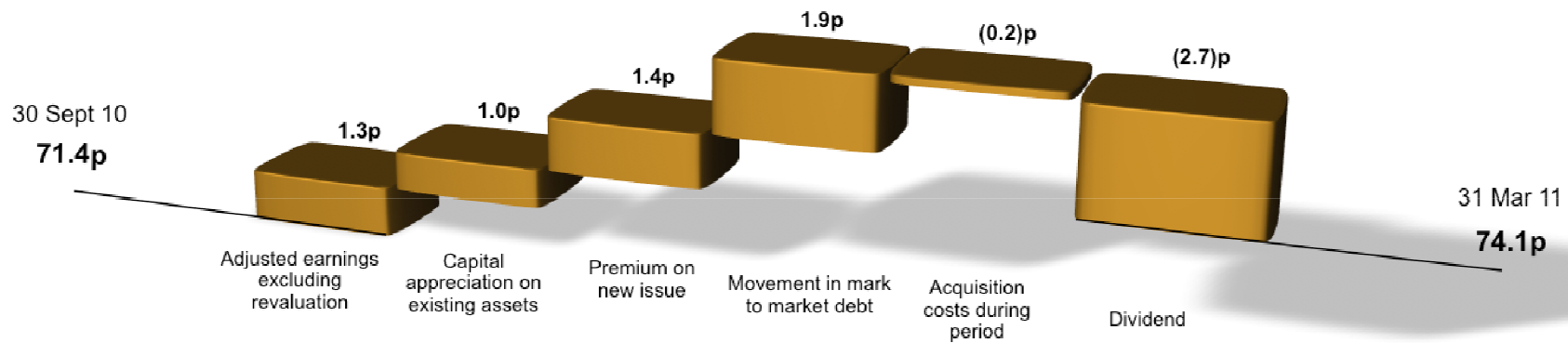
Additional debt funding

	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%	4.3%*
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%

£29.8 million of property currently not secured against debt facilities

*Based on five year swap rate 24 May 2011
 **Tested after years two and four for Deutsche Postbank

Adjusted NAV plus debt benefit



DCF NAV sensitivity*

	DCF	Share price
Pence per share	86.6p	73.5p
Weighted discount rate	7.2%	9.2%
Risk premium to 20 year gilt rate	2.7%	n/a
Rental growth per annum	2.5%	(0.3)%
Capital appreciation per annum	1.0%	(1.3)%

	DCF reconciliation
Adjusted NAV plus debt benefit	74.1p
Purchasers costs at 5.80%	+6.9p
Implied yield shift to 5.59%**	+5.6p
DCF NAV	86.6p

*As at 31 March 2011

**Implied yield shift as at 31 March 2011 is to 5.59% assuming debt benefit of 7.6p

DCF NAV sensitivities*

Discount rate

NAV pence per share	Completed					
Under construction	%	6.0	6.5	7.0	7.5	8.0
	6.0	97	93	90	87	84
	7.0	95	91	88	85	82
	8.0	93	90	87	84	81
	9.0	92	88	85	82	80
	10.0	91	87	84	81	79

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	70	75	81	87
	0.0	70	75	80	86	93
	1.0	77	81	87	92	99
	2.0	84	89	94	100	106
	3.0	92	97	102	108	114

*As at 31 March 2011

Investment opportunity

Investment opportunity

- Approved acquisitions of £33 million
- Strong pipeline approximately £59 million
- Opportunity to buy assets at attractive prices
- Borrowing costs remain below asset yields
- No increase in investment adviser fees expected until 2012*
- Earnings enhanced as the fund grows

*Base fees are capped up to £300m gross assets

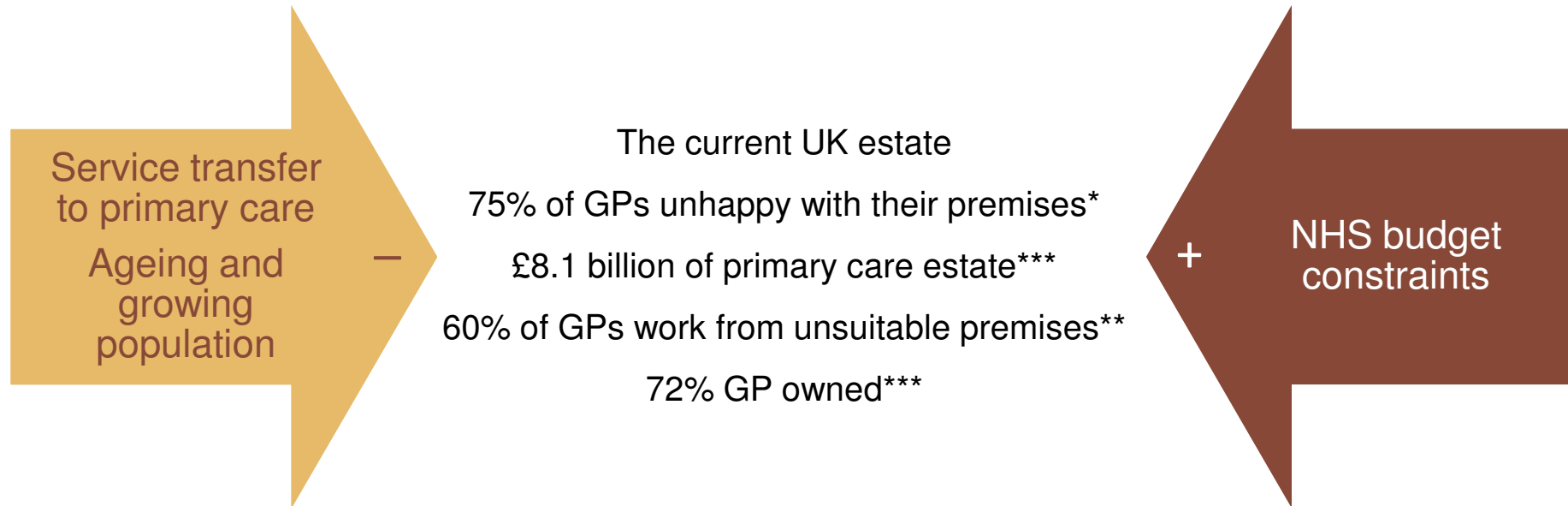
Conclusion

- 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
 - 7.1% dividend yield*
 - 25 basis point shift in property yield adds 5.3p to 74.1p Adj NAV + debt benefit

*As at 24 May 2011

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 2010

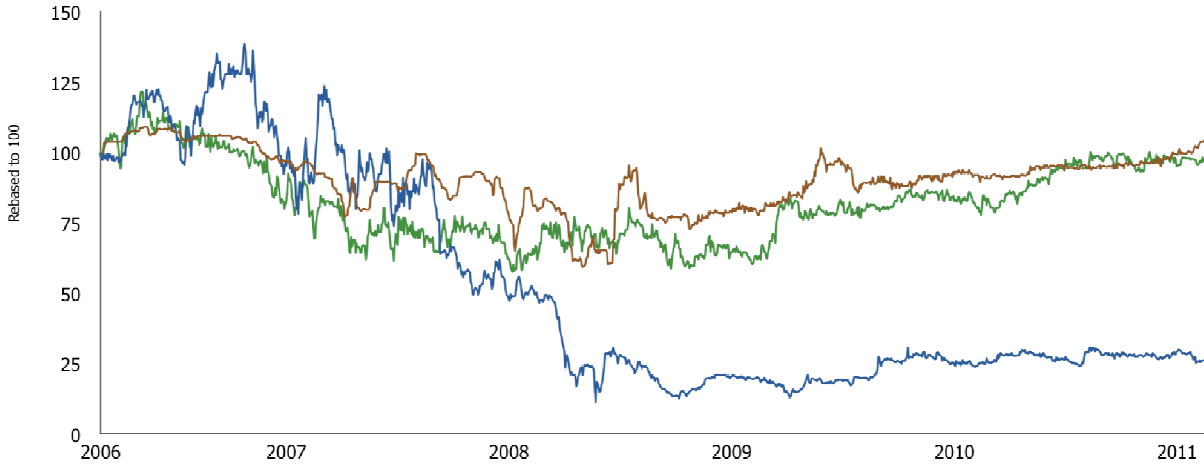
General medical statistics in England*

	2010	1995	Change
• Number of practices	8,230	9,188	-9%
• Single-handed practices	1,203	2,919	-59%
• Number of GPs	35,120	27,465	+28%
• 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%	-	-
• % Female	61%**	-	-

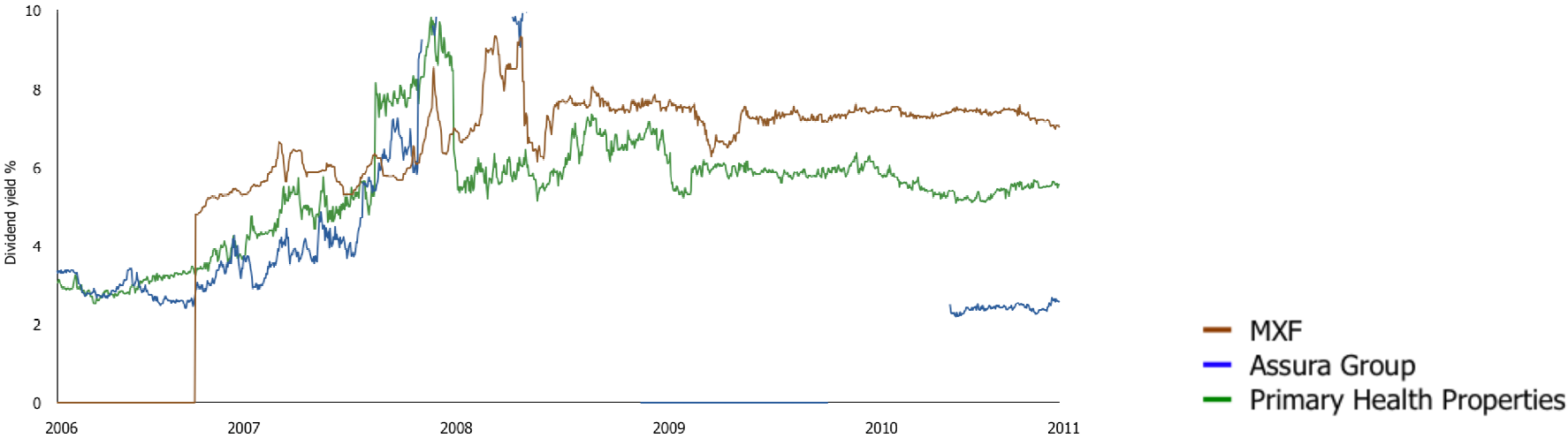
*NHS The Information Centre, General and Personnel Medical Services Report 22 March 2011
**RCGP UK Annual Survey of GP 2010

Sector comparison*

Share price total return



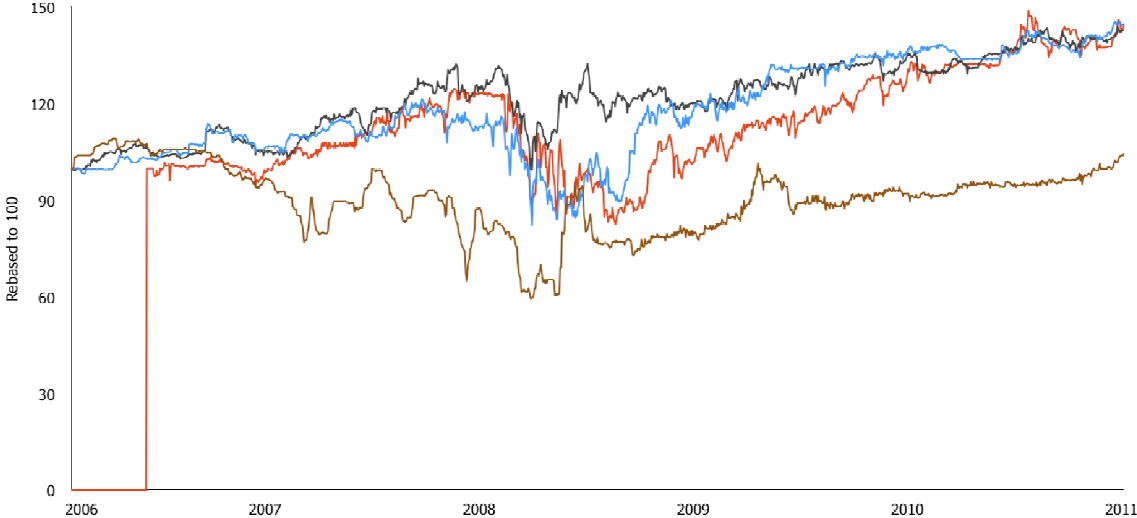
Dividend yield



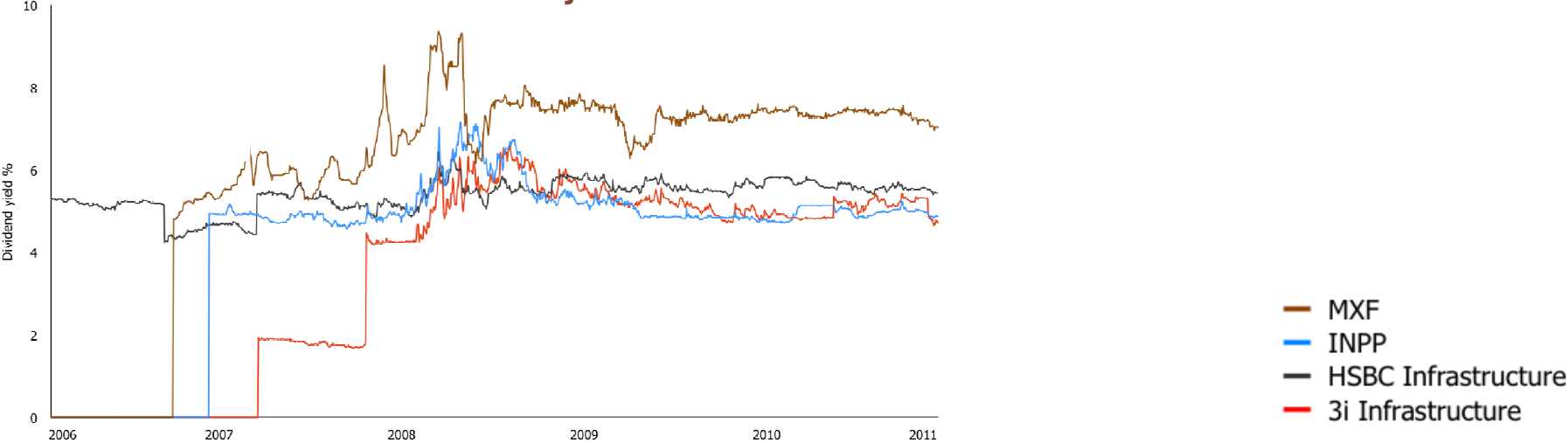
*As at 24 May 2011 - Collins Stewart / DataStream

Infrastructure comparison*

Share price total return



Dividend yield



*As at 24 May 2011 – Collins Stewart / DataStream

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