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Specialist primary healthcare
infrastructure fund
2010 interim results presentation



Agenda

- Introduction
- Financial overview
- Portfolio
- Valuation analysis
- Appendix

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Introduction

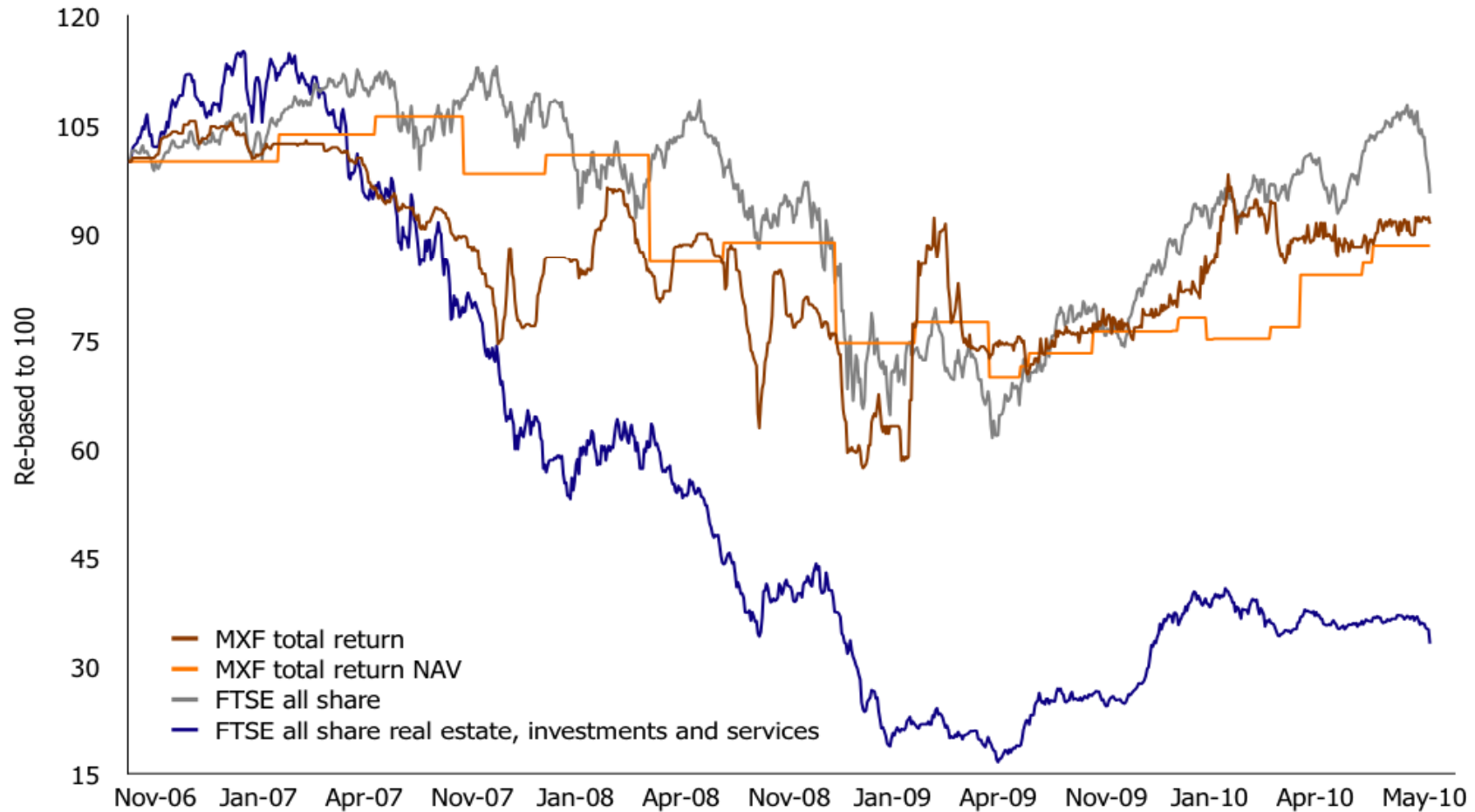
MedicX Fund

- A leading investor in primary healthcare infrastructure
- FTSE All Share Guernsey investment company
- Not a developer or operator
- Strong portfolio of 55 modern purpose-built medical centres: average age 3.5 years; lease length remaining 18.8 years; 92.0% of rents from government funded tenants and no voids
- Property valuation £201.5 million*, market capitalisation £103.8 million** and 7.2% dividend yield**
- £24.7 million gross equity proceeds raised March 2010 at 72p per share
- £25.5 million new debt facility agreed December 2009
- Quarterly dividend increased to 1.35p per share in March 2010

*As at 31 March 2010; includes completed value of properties under construction and terms agreed investments

**As at 24 May 2010

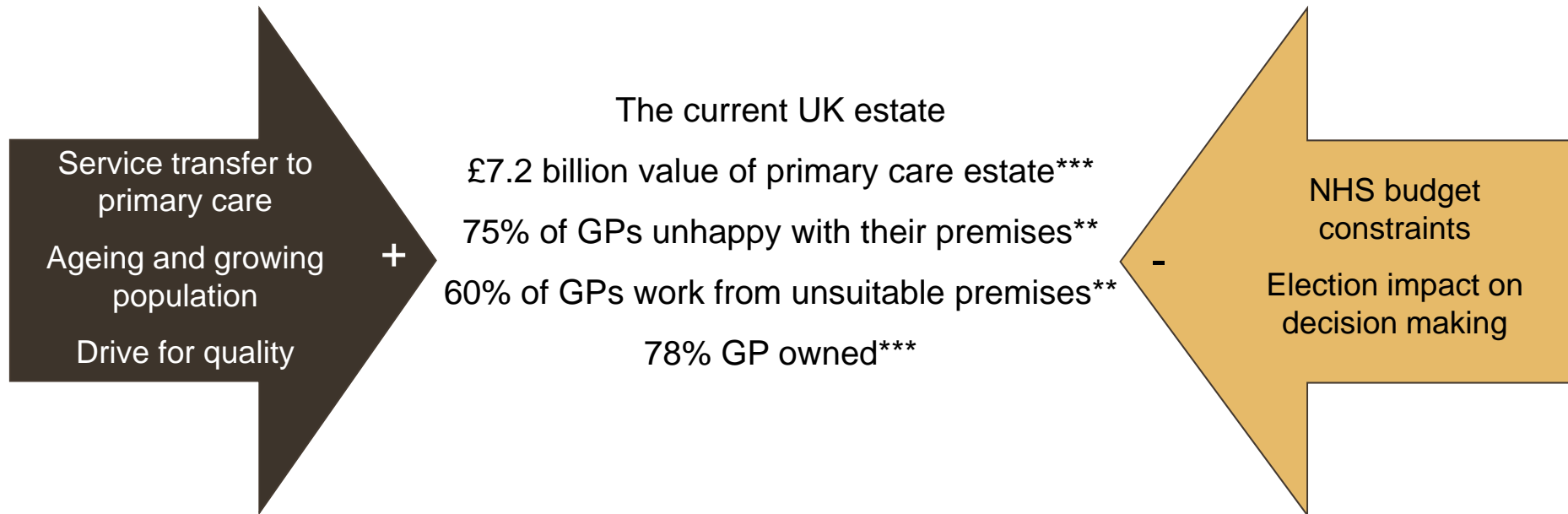
Total return index comparison*



*Collins Stewart / DataStream as at 24 May 2010

Opportunity in primary care

- Primary care is the cornerstone of NHS policy attracting 33% NHS budget*
- New NHS guidelines encouraging multi-use and co-location of services
- Decline of traditional owning GP
- Increasing role for the private sector

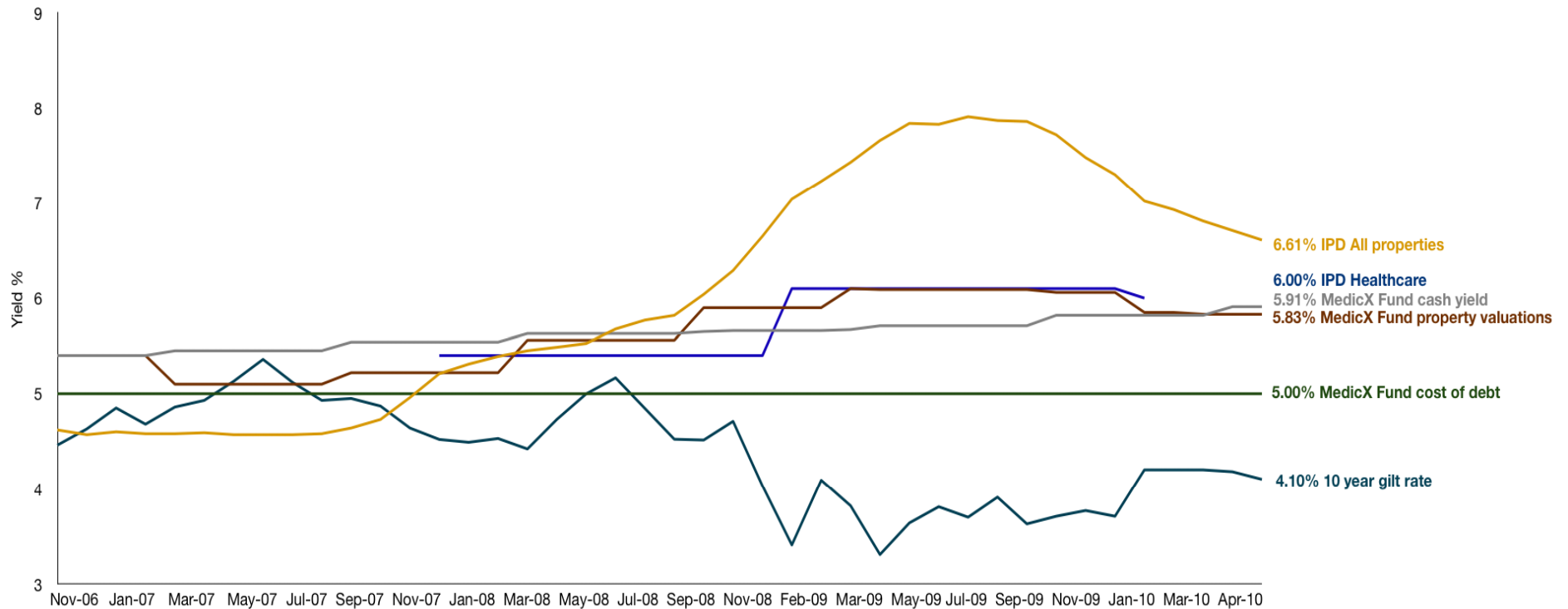


*NHS The Information Centre, General and Personnel Medical Services Report 30 September 2009

**BMA survey of GP practice premises 30 March 2010

***RCGP UK Annual Survey of GP 2009

Property yields*



*MedicX Fund property valuations and cash yield as at 31 March 2010; IPD All properties data and 10 year gilt as at 30 April 2010; IPD Healthcare data as at 30 December 2009

Financial overview

Key financials – income statement

	6 months to 31 March 10 £000	6 months to 31 March 09 £000	Change
Rent receivable	5,515	4,254	30%
Other income	158	361	(56)%
Total income	5,673	4,615	23%
Direct property costs*	227	233	(2)%
Investment advisory fee	1,125	1,069	5%
Overheads	325	349	(7)%
Total expenses*	1,677	1,650	2%
EBITDA**	3,996	2,965	35%
Finance income	8	293	(97)%
Finance costs	2,526	2,537	(1)%
Adjusted earnings**	1,478	721	105%
Revaluation	7,033	(3,684)	291%
Adjusted earning including revaluation**	8,511	(2,963)	387%

*Including property management fees

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

Dividend cover

	6 months to 31 March 10 £000	6 months to 31 March 09 £000	Change
Dividends paid	2,817	2,070	36%
Adjusted earnings excluding revaluation	1,478	721	105%
Dividend cover	52%	35%	49%
Adjusted earnings including revaluation gain	8,511	(2,963)	387%
Dividend cover including revaluation gain	302%	(143%)	311%
Adjusted net asset value	94,945	50,953	86%
Number of ordinary shares	139,312	79,621	75%
Adjusted new asset value pence per share	68.2	64.0	6%

Key financials – balance sheet

	As at 31 March 10	
	£000	Pence per share
Gross assets excl cash	182,432	131.0
Debt	100,776	72.3
Cash	27,108	19.5
Net debt	73,668	52.9
Adjusted NAV*	94,945	68.2
Adjusted NAV plus debt benefit*	111,152	79.8

	As at 31 March 10	Restrictions/ covenants
Adjusted gearing*	42%	75%
Debt service interest cover**	190%	140%
Loan to value**	66%	75%

*Adjusted to exclude goodwill and deferred tax not expected to crystallise

**Relate to £100 million Aviva loan only

Updated debt financing

	Aviva facility	Deutsche Postbank facility
Facility size	£100 million	£25.5 million
Drawn	£100 million	£0.5 million
Expiry	December 2036	April 2015
Margin	0.9%	2.0%
Interest rate	5.0%	4.24%*
Hedging activities	N/A	Swap
Loan to value drawdown	65%	65%
Repayment terms	Interest only	Amortises 1% per annum
Interest cover covenant	140%	140%
Loan to value covenant**	75%	70%

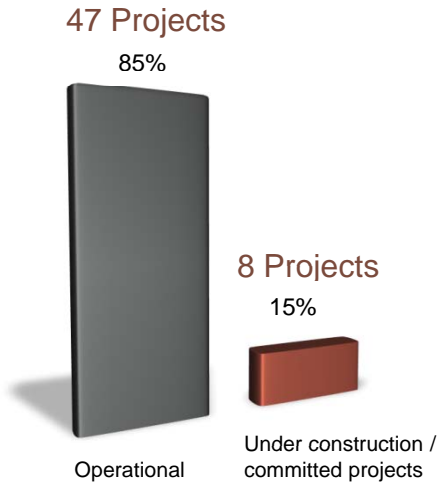
*Based on five year swap rate 24 May 2010

**Tested after years two and four for Deutsche Postbank

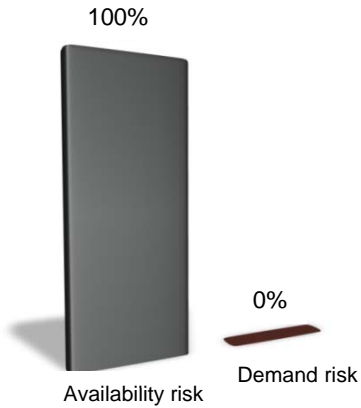
Portfolio

Portfolio review*

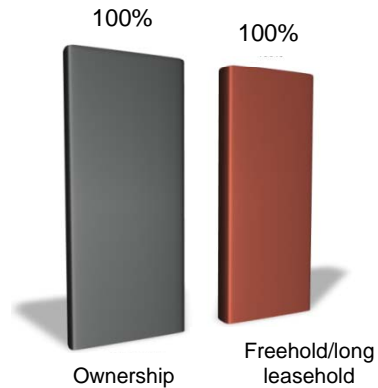
Asset status



Contractual certainty of income



Security of tenure



Portfolio geographically spread

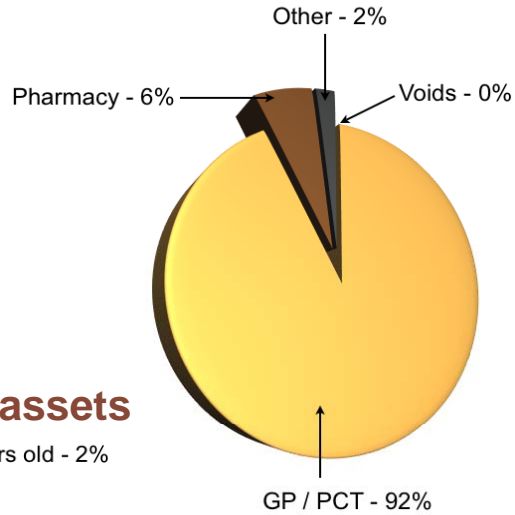
- Completed projects
- Under construction / committed projects



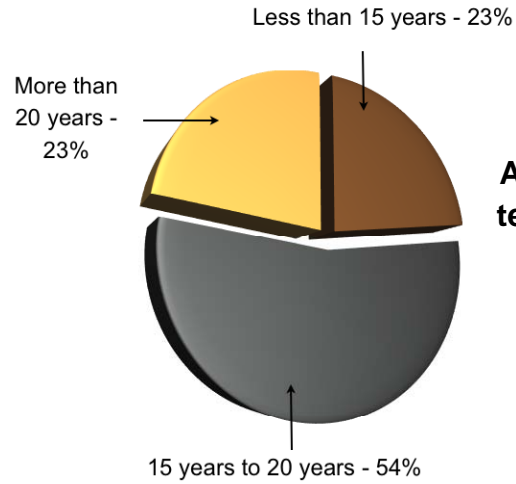
*As at 24 May 2010; based on rents on completed properties under construction and terms agreed investments

Portfolio review*

Security of income by tenant type

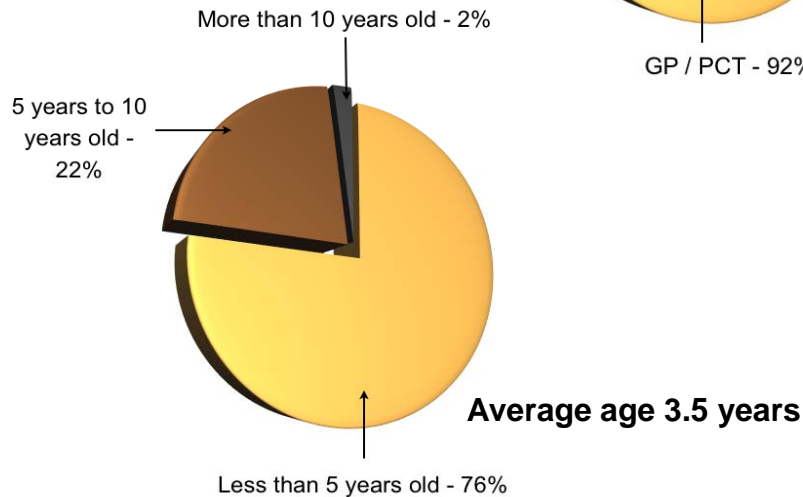


Security of income by lease expiry



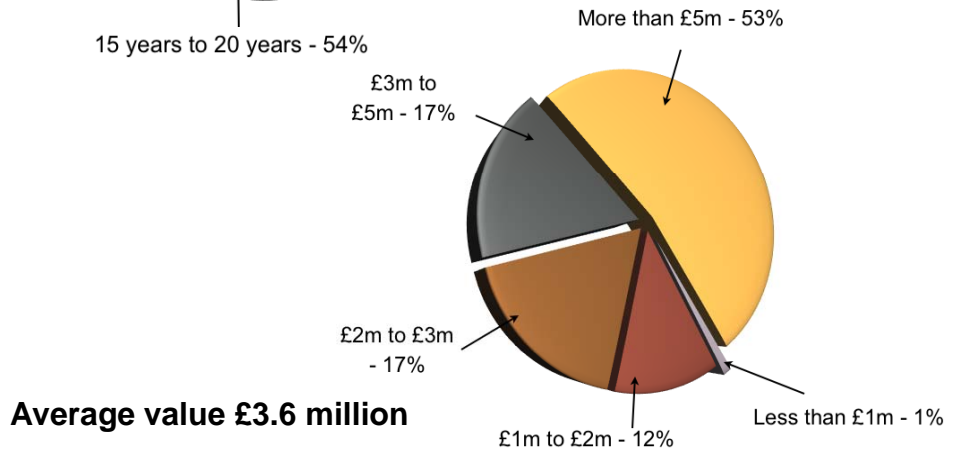
Average unexpired lease term 18.8 years

Modernity of assets



Average age 3.5 years

Value per property

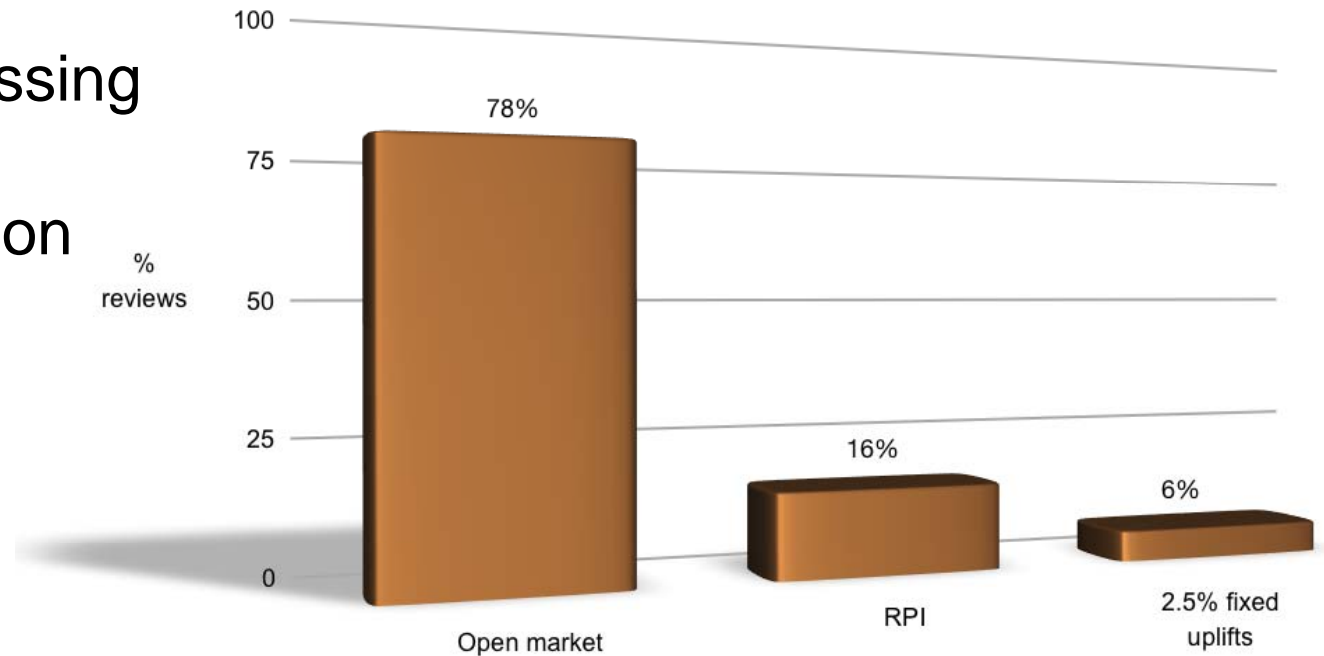


Average value £3.6 million

*As at 24 May 2010; based on rents on completed properties under construction and terms agreed investments

Rental uplifts*

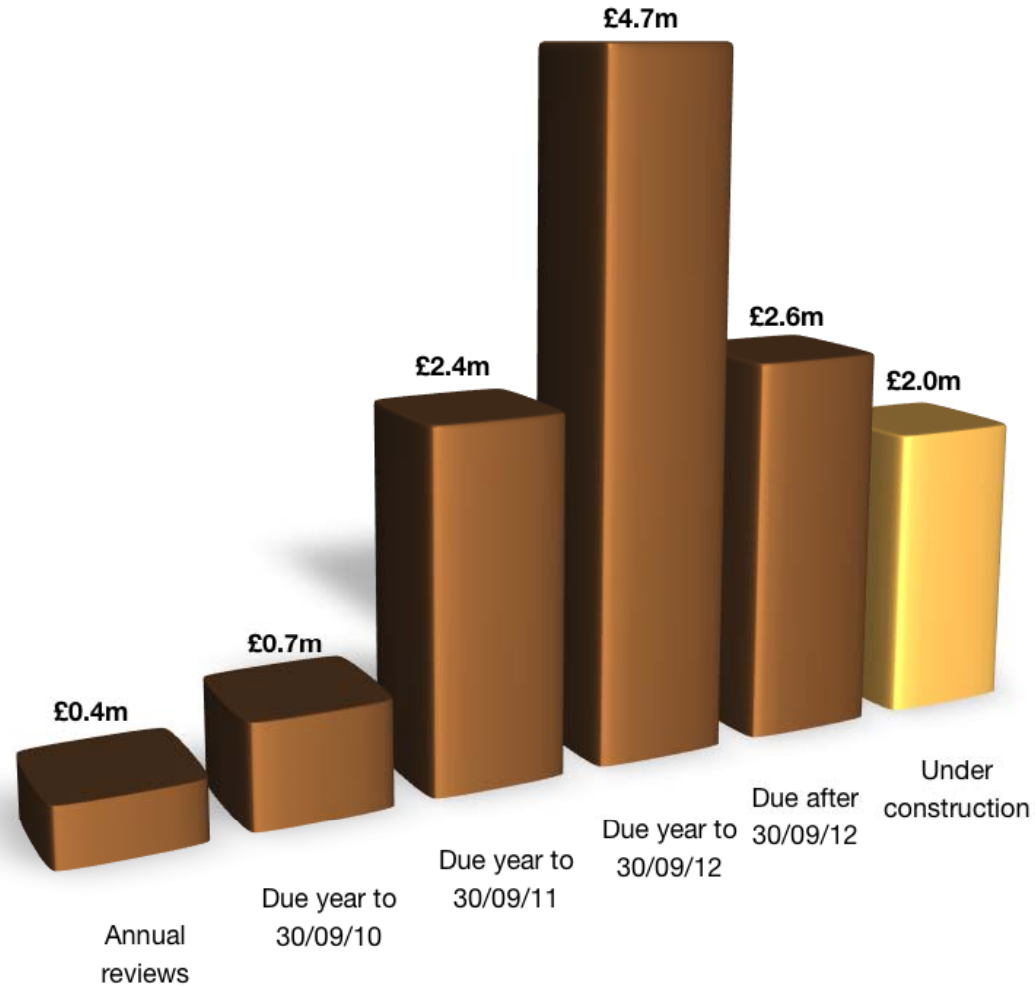
- £0.9 million rent reviews agreed during the period
- Equivalent to 2.3% per annum increase achieved
 - 2.2% open market reviews
 - 2.5% RPI based
- £4.0 million passing rents currently under negotiation



*As at 24 May 2010

Rent review profile

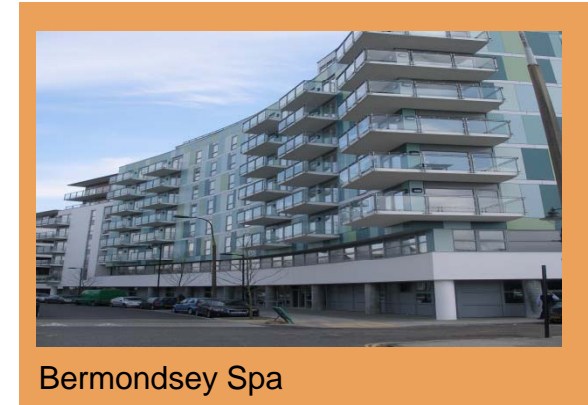
- £12.8m annualised current rent falling due for review by year*



*As at 24 May 2010; based on rents

Latest acquisitions*

- Combined investment £30.9 million at a 6.24% cash yield
- 3-yearly reviews and over 22 years average lease length



*Since 30 September 2009

Acquisition vs disposal



Gwrych Medical Centre

Abergele

Acquired 2010

Investment value £3.3m

Cash yield 6.3%



Aird Medical Centre

Beaully

Disposed 2008

Sale price £1.4m

Cash yield 5.3%

Valuation analysis

Valuation analysis

	Explanation	NAV	PPS
Market capitalisation*		£103.8m	74.5p
Adjusted NAV**	IFRS basis adjusted to exclude goodwill and deferred tax not expected to crystallise. Based on 5.83% net initial yield.	£94.9m	68.2p
Adjusted NAV plus debt**	Market valuation of the fixed rate debt. Based on 6.26% versus 5.0%.	£111.2m	79.8p
DCF NAV**	Discounted cashflow value of assets and debts. Based on 7.02% discount rate and 2.84% risk premium to 10 year gilt.	£121.3m	87.1p

*As at 24 May 2010

**As at 31 March 2010 unaudited adjusted to exclude goodwill and deferred tax not expected to crystallise

DCF NAV sensitivities*

Discount rate

NAV p per share	Completed					
	%	6.0	6.5	7.0	7.5	8.0
Under construction	6.0	95p	91p	87p	84p	81p
	7.0	95p	91p	87p	84p	80p
	8.0	95p	91p	87p	84p	80p
	9.0	95p	91p	87p	83p	80p
	10.0	95p	91p	87p	83p	80p

Rental and capital value increases p.a

NAV p per share	Rental					
	%	0.5	1.5	2.5	3.5	4.5
Capital	-1.0	64p	69p	75p	81p	88p
	0.0	70p	75p	80p	87p	94p
	1.0	76p	82p	87p	93p	100p
	2.0	84p	89p	95p	101p	108p
	3.0	93p	98p	103p	109p	116p

*As at 31 March 2010

DCF NAV sensitivity

	DCF	Share price
Pence per share	87.1p	73.5p*
Weighted discount rate	7.0%	9.1%
Rental growth per annum	2.5%	(0.1)%
Capital appreciation per annum	1.0%	(1.2)%

Adjusted NAV plus debt sensitivity

	Adjusted NAV plus debt	Share price
Pence per share	79.8p	73.5p*
Net initial yield	5.83%	6.14%

Entry level

	Pence per share
Adjusted NAV	68.2p
Purchasers costs at 5.75%	8.3p
Debt benefit	11.6p
Total entry cost assuming property acquisitions at current valuation of 5.83%	88.1p

*As at 31 March 2010

Conclusion

- Strategy implementation and performance on track
- Prime assets with secure long term income
- Strong pipeline with capital available for growth
- Continuing to grow dividends plus increase in net asset value

Appendix

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

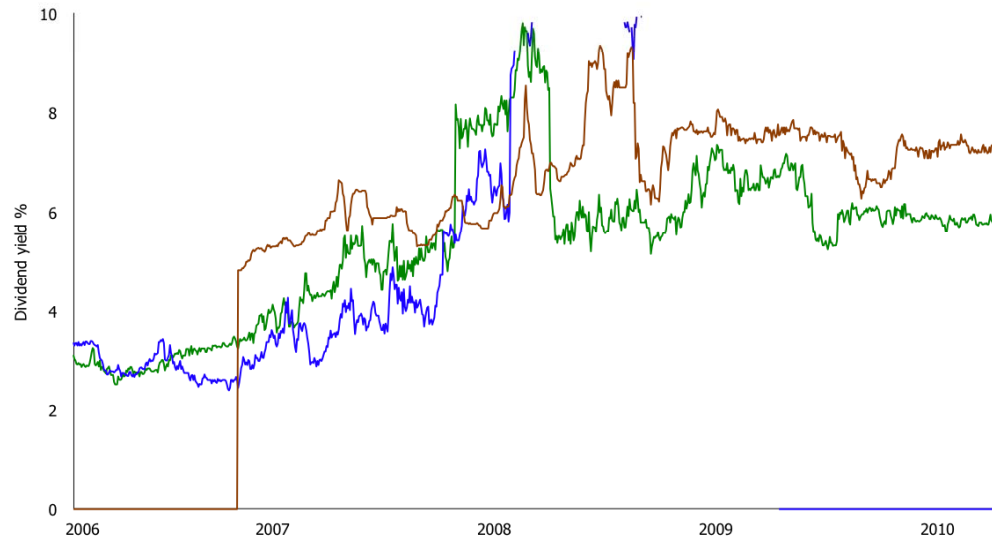
**RCGP UK Annual Survey of GP 2009

Sector comparison*

Share price total return



Dividend yield

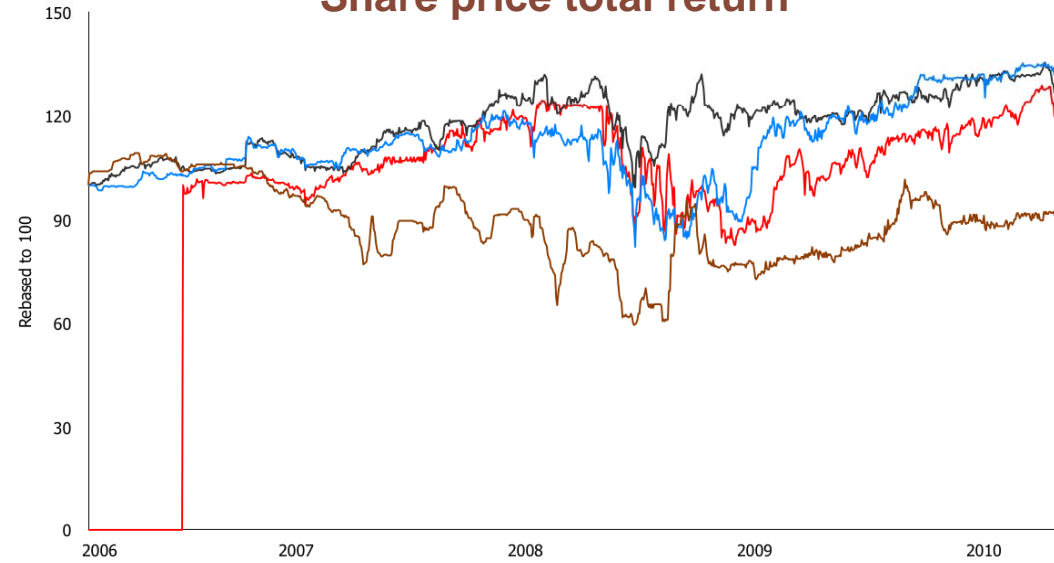


- MXF
- Assura Group
- Primary Health Properties

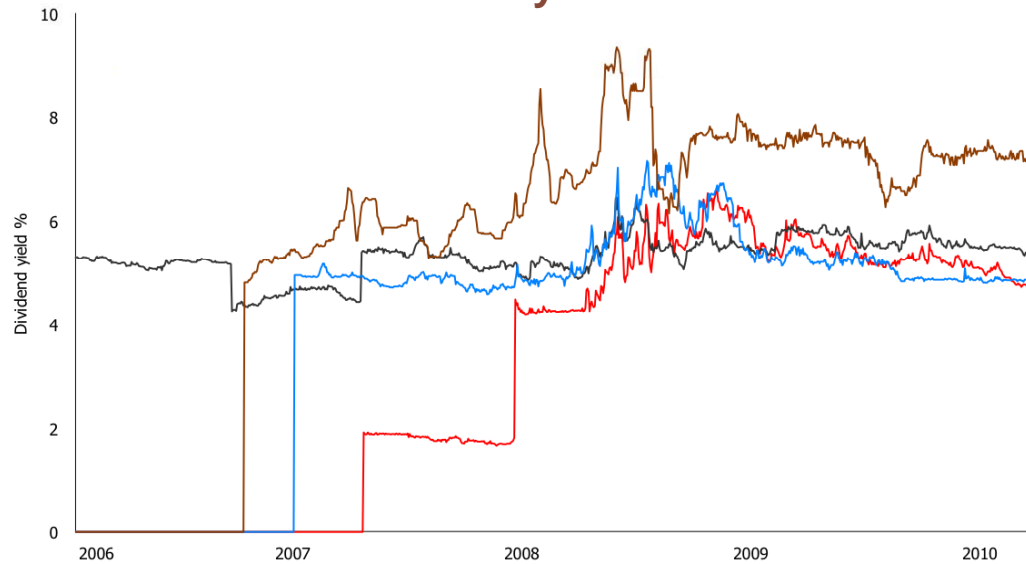
*Collins Stewart / DataStream as at 24 May 2010

Infrastructure comparison*

Share price total return



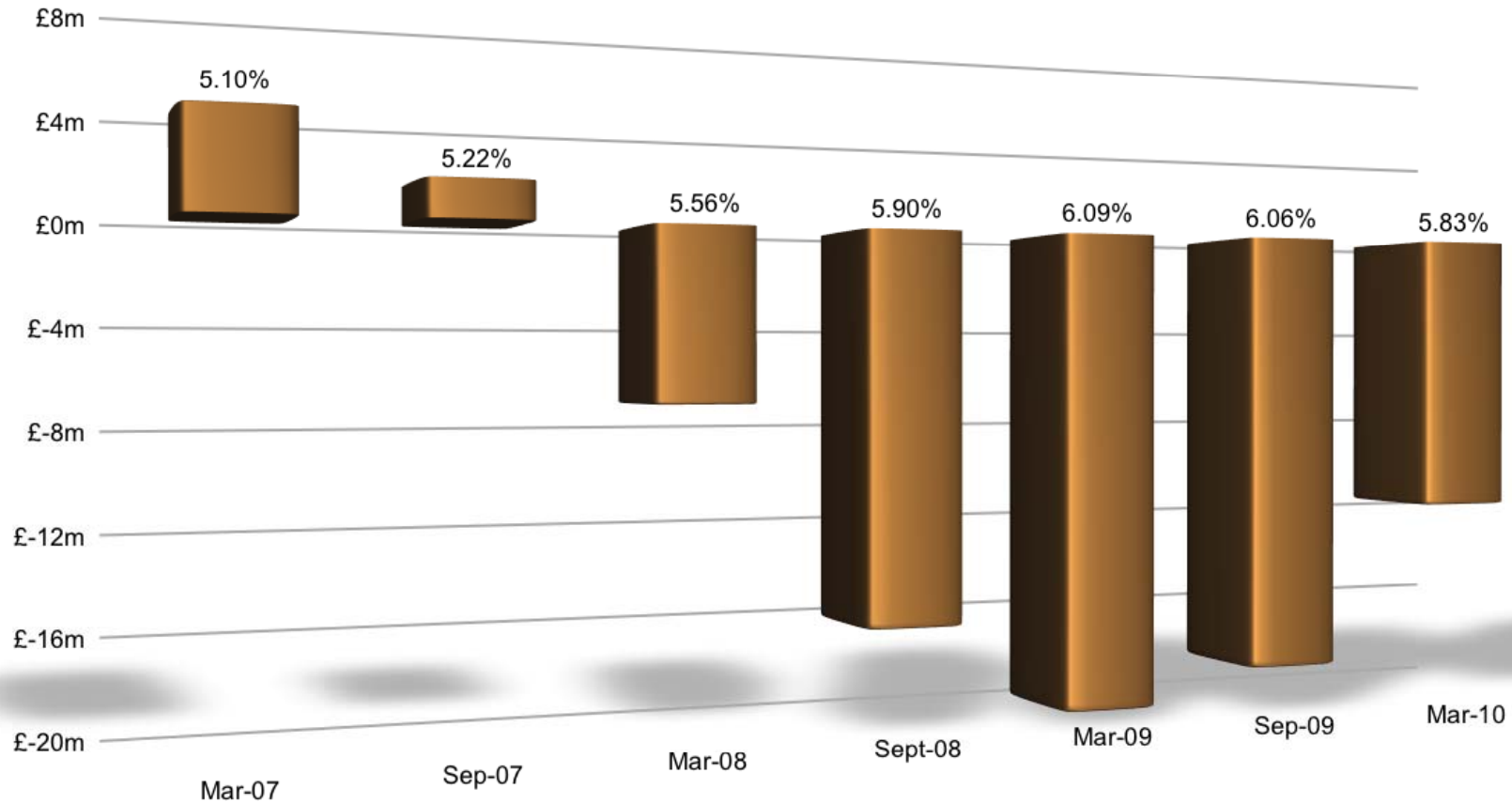
Dividend yield



- MXF
- INPP
- HSBC Infrastructure
- 3i Infrastructure

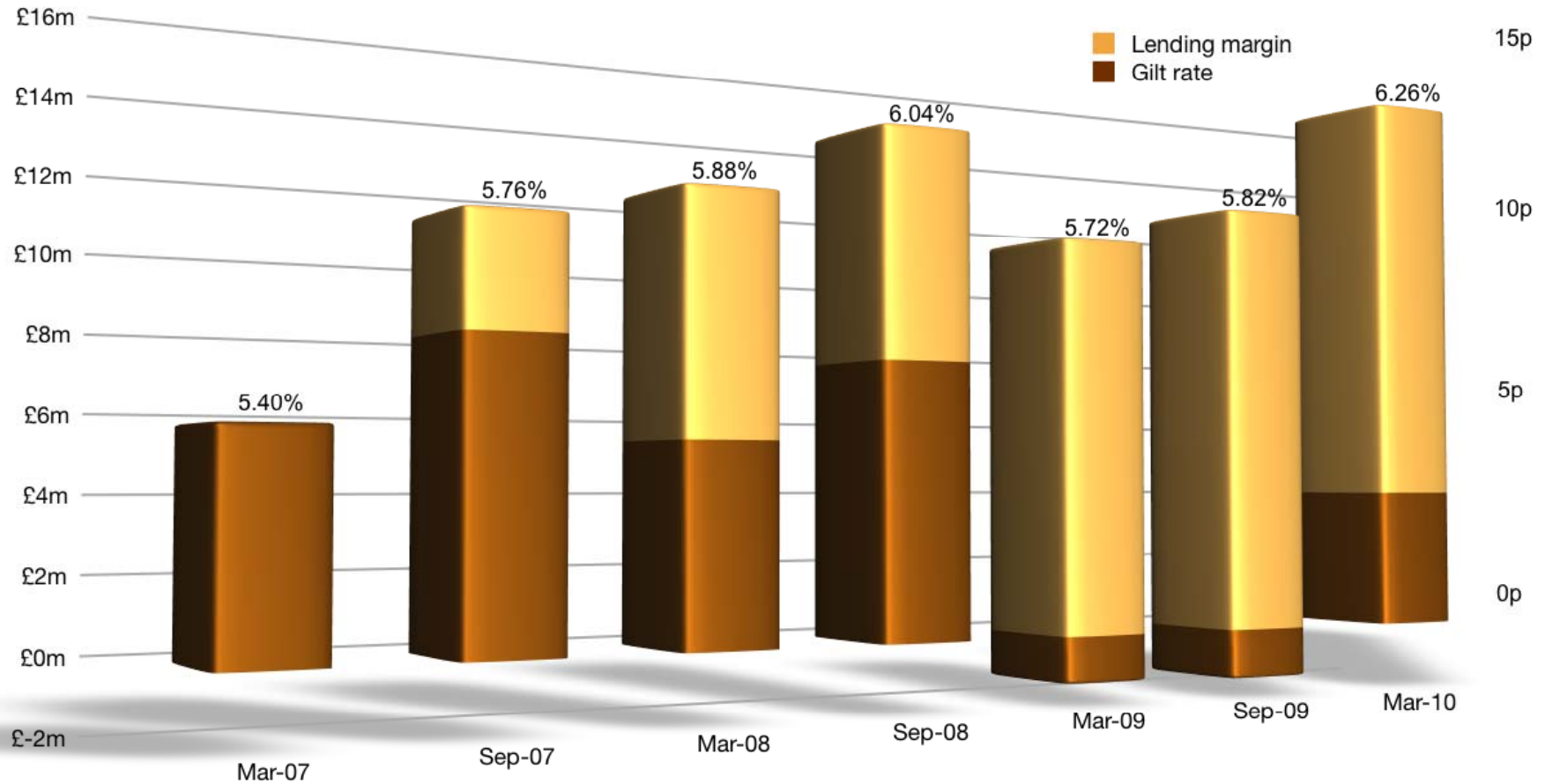
*Collins Stewart / DataStream as at 24 May 2010

Impact of property revaluations*



*Cumulative impact of property revaluation gain/loss and impairment provision compared to November 2006 valuation

Debt mark to market*



*Compared to 5% all in fixed rate £100 million 30 year interest only loan and based on 139,312,243 shares

Rent reviews for period*

	Year to Sept 07	Year to Sept 08	Year to Sept 09	6 months to Mar 10
Number	15	9	14	3
Passing rent	£1,186,309	£653,207	£810,198	£78,703
Annualised increase	3.7%	3.1%	2.0%	2.6%
- Open market reviews	3.7%	3.0%	2.5%	n/a
- RPI	3.8%	4.0%	1.2%	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

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