



Press Release
For immediate release
8 February 2019

MedicX Fund Limited

("MedicX", the "Fund" or the "Company")

Trading update incorporating quarterly Net Asset Value ("NAV")

MedicX, the specialist primary care infrastructure UK REIT investor in modern, purpose-built, primary healthcare properties in the United Kingdom and the Republic of Ireland, today publishes a trading update incorporating its quarterly NAV as at 31 December 2018.

Summary of Net Asset Values

	31 December 2018¹	30 September 2018	
NAV (£'000)	358,383	358,717	-0.1%
NAV per share (pence)	80.9	81.0	-0.1%
EPRA NAV (£'000)	360,525	362,219	-0.5%
EPRA NAV per share (pence)	81.4	81.8	-0.5%
EPRA NNNAV (£'000)	320,805	331,793	-3.3%
EPRA NNNAV per share (pence)	72.4	74.9	-3.3%

¹ Unaudited – Includes exceptional expenses of £660,000 incurred in connection with the recommended all-share merger between the Company and Primary Health Properties PLC as announced on 24 January 2019 (the "Merger")

Investment activity

On 5 October 2018, one undeveloped site held by the Group with the benefit of a put option to the developer was sold to a third party because the development project was no longer proceeding. Total proceeds from the sale together with compensation from the developer amounted to £590,663 which covered all costs plus an annualised return of 5.0% for the holding period.

On 11 October 2018, the Group sold its leasehold property located in Harpenden. The sale price was £595,000, exceeding the net book value of £553,000 as at 30 September 2018. Following the sale, MedicX owned 165 investment properties including three properties under construction.

At 31 December 2018, the Group owned three properties under construction with a combined completed value of c.£18.4 million at Vale of Neath and Peterborough in the UK and in Rialto, a suburb of Dublin in the Republic of Ireland. Construction on these three schemes is expected to complete during 2019.

Quarterly Valuation

The quarterly valuation of the UK portfolio as at 31 December 2018 was undertaken by Jones Lang LaSalle LLP and the quarterly valuation of the Republic of Ireland portfolio as at 31 December 2018 was undertaken by Cushman & Wakefield. The aggregate total portfolio value at 31 December 2018 was £807.9 million (30 September 2018: £806.7 million).

The valuation reflected a Net Initial Yield of 4.85% for the UK portfolio (30 September 2018: 4.85%) and a True Equivalent Yield of 6.22% (30 September 2018: 6.29%) in the Republic of Ireland.

Rent Reviews

For the three month period ending 31 December 2018, 31 leases and rents of £2.95 million have been reviewed with a blended 1.63% per annum increase achieved (year to 30 September 2018: 1.64%). Of these reviews, an uplift of 1.16% per annum was achieved through open market reviews and an uplift of 2.39% per annum was agreed for RPI linked rent reviews.

A strong driver for rent review performance will be the final outcome of an independent expert determination of an outstanding open market rent review for one of MedicX's major assets located in Clapham, London. The determination found that the contractual rent due from the applicable rent review date of March 2015 should increase by 35% (equating to a compounded 10.5% per annum uplift over the applicable 3-year rent review period). This determination is awaiting formal NHS ratification and as such this has not been included in the above rent review performance figures.

Dividends and returns

On 31 December 2018, MedicX paid its quarterly dividend of 1.51p per Ordinary Share in respect of the period 1 June 2018 to 30 September 2018 which comprised 30% (0.453p) Property Income Distribution and 70% ordinary dividend (1.057p).

For the quarter ended 31 December 2018 a total return on EPRA NAV of 1.4% was achieved (14.8% year ended 30 September 2018). This return comprised of the dividend of 1.51p and a decrease in EPRA NAV of 0.4p per share compared to the opening EPRA NAV of 81.8 per share.

Funding

As at 31 December 2018, adjusted gearing was 52.9% (30 September 2018: 52.6%) and the weighted unexpired term of all drawn debt was 12.1 years with an average fixed rate of 4.26% (30 September 2018: 12.3 years; 4.26%).

The total number of Ordinary Shares of the Company in issue as at 30 September 2018 was 442,916,140 (excluding treasury shares) with each share holding one voting right. The Company also holds 2,786,259 Ordinary Shares in treasury and has 5,071,668 Ordinary Shares of no par value remaining under its block listing facility.

There have been no share issues during or since the quarter ending 31 December 2018.

Outlook

On 24 January 2019 the Company announced a recommended all-share merger of Primary Health Properties PLC ("PHP") and MedicX Fund Limited, which is intended to be implemented by way of a Scheme of Arrangement (the "Scheme") of the Company, under which PHP will acquire the entire issued and to be issued share capital of the Company. Under the terms of the proposed Merger, the Company's shareholders will be entitled to receive 0.77 new PHP Shares for each MedicX Scheme share held. Announcements regarding the Merger will be made in due course.

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Information on MedicX Fund Limited

MedicX Fund Limited ("MXF", "MedicX", the "Fund" or the "Company", or together with its subsidiaries, the "Group") is the specialist primary care infrastructure investor in modern, purpose-built primary healthcare properties in the United Kingdom and Ireland, listed on the London Stock Exchange, with a portfolio comprising 165 properties.

The Investment Adviser to the Company is Octopus Healthcare Adviser Ltd, which is part of the Octopus Healthcare group. Octopus Healthcare invests in and develops properties as well as creating partnerships to deliver innovative healthcare buildings to improve the health, wealth and wellbeing of the UK. It currently manages over £1.5 billion of healthcare investments across a number of platforms, with a focus on three core areas: GP surgeries, care homes and retirement housing. Octopus Healthcare is part of the Octopus group, a fast-growing UK fund management business with leading positions in several specialist sectors including healthcare property, energy, property finance and smaller company investing. Octopus manages £8.6 billion of funds for more than 65,000 retail and institutional investors as well as supplying energy to more than 450,000 customers.

Octopus Healthcare Adviser Ltd is authorised and regulated by the Financial Conduct Authority.

The Company's website address is www.medicxfund.com. Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website), nor the contents of any website accessible from hyperlinks within this announcement, are incorporated into, or forms part of, this announcement.

The Company's Legal Entity Identifier is 2138008POF35FTNFCB25.