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Specialist primary healthcare infrastructure fund
2013 interim results presentation



1. Introduction
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3. Key financials
4. Investment opportunity

1. Introduction



Hirwaun Medical Centre, Wales

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 £206 million¹ market capitalisation
- Fund not a developer or operator
- External investment adviser
- Guernsey based investment company
- Objective dividend and capital growth

¹As at 24 May 2013

MedicX Fund

Underlying value drivers

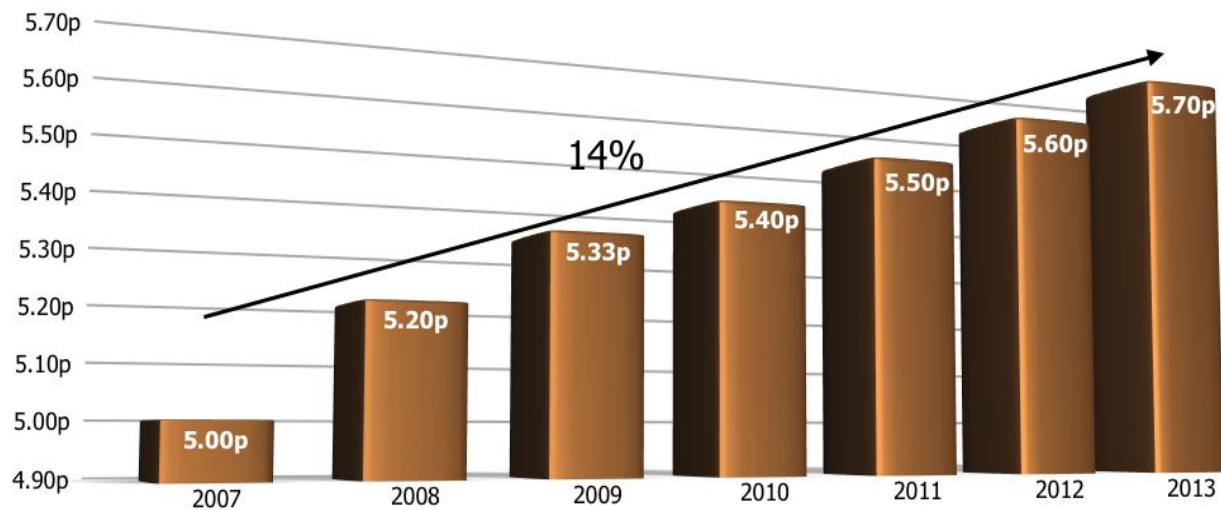
Investment quality	✓	Market leading modern primary care portfolio created through value-adding property acquisitions
Financing capability	✓	Sector leading financing structure
Asset management	✓	Proactive approach to asset enhancement
Cost control	✓	Culture of reducing costs over time
Scale	✓	Operating expenses reduce with increased scale
Performance record	✓	MedicX Fund has consistently delivered in line with stated strategy
Transparency and clarity	✓	Low risk model is clearly understood by investors, building confidence and enhancing valuation
Dividend	✓	Performance and financing flexibility permits payment of higher, progressive dividends

Shareholder returns¹

Continuing to deliver consistent returns

- Revised Investment Adviser performance fee hurdle 10% compound total shareholder return from 1 October 2012

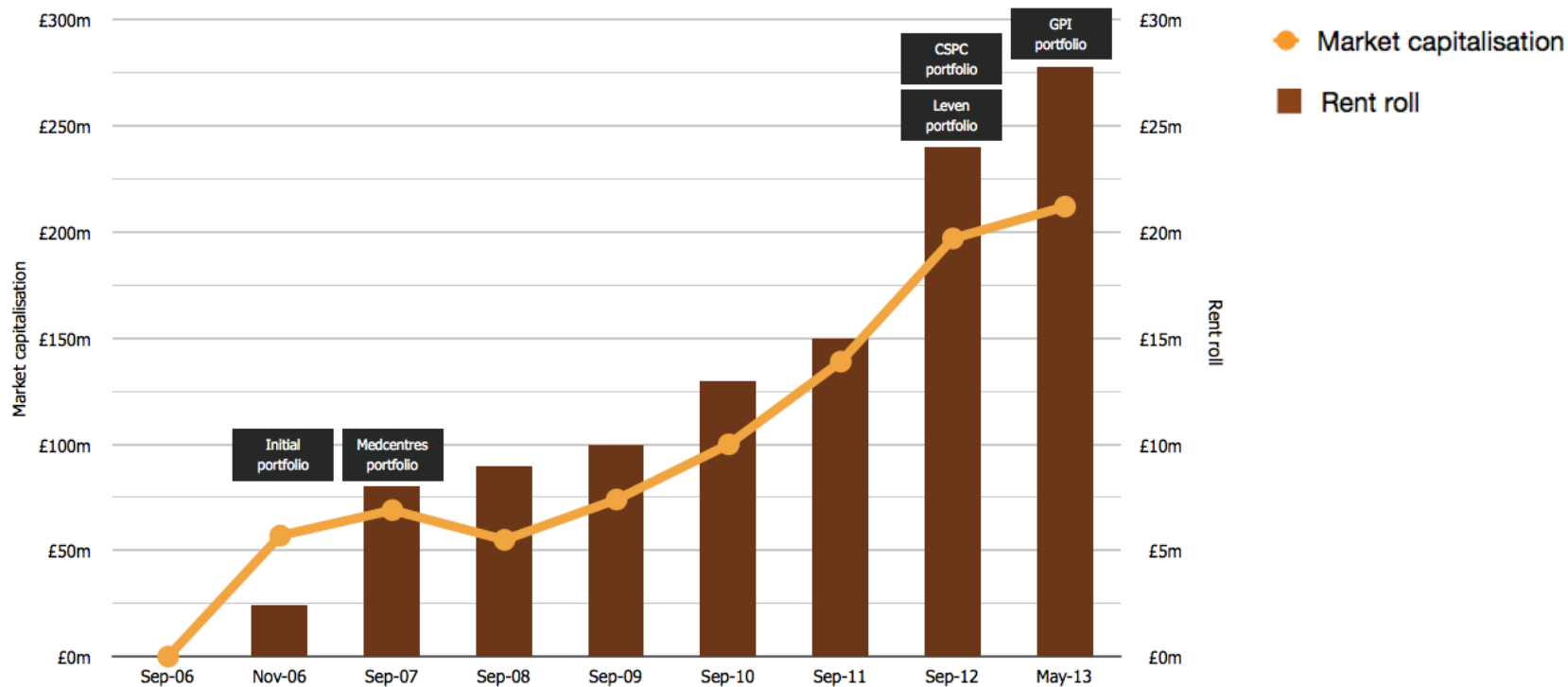
	Total shareholder returns
May 2013 ¹	9.7%
Sept 2012	9.0%
Sept 2011	9.4%
Sept 2010	8.6%
Sept 2009	11.4%



¹As at 24 May 2013 and including the declared June dividend based on dividends paid plus share price growth

MedicX Fund

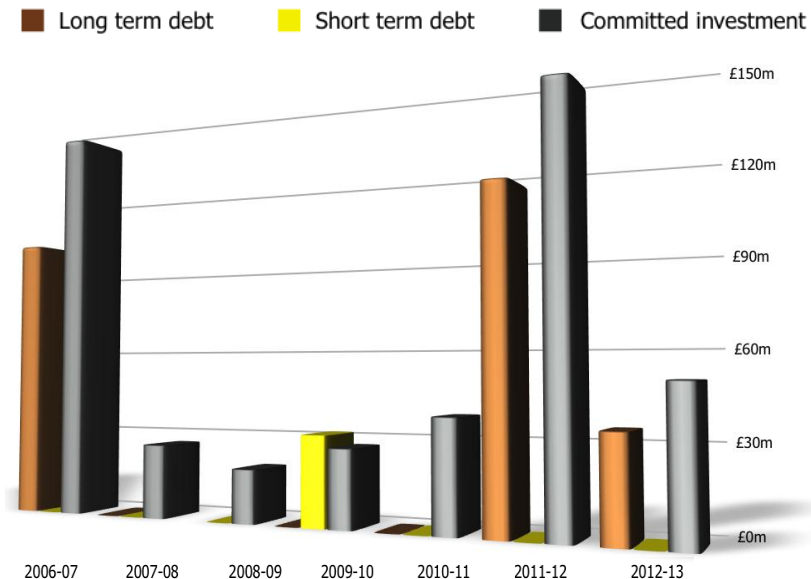
Timeline of events



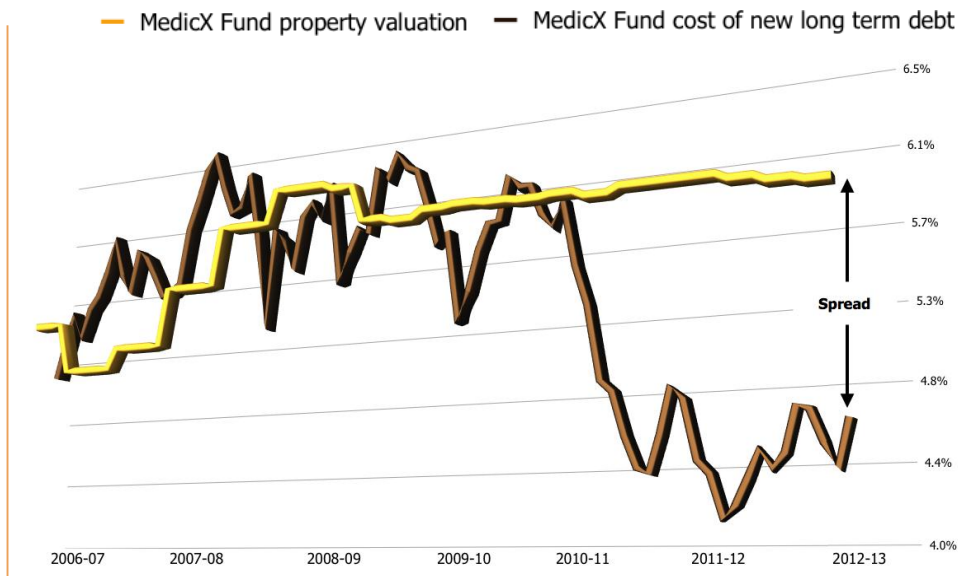
Accelerating growth

Locking into positive spread between property yields and borrowing costs

- £444 million committed investment at 5.87% cash yield and £280.2 million debt secured at 4.45%, average lease life 17.2 years, average debt life 16.2 years



Committed investment and debt

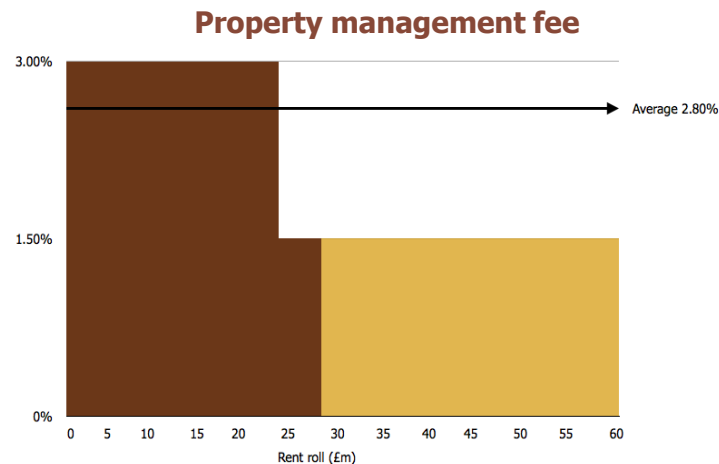
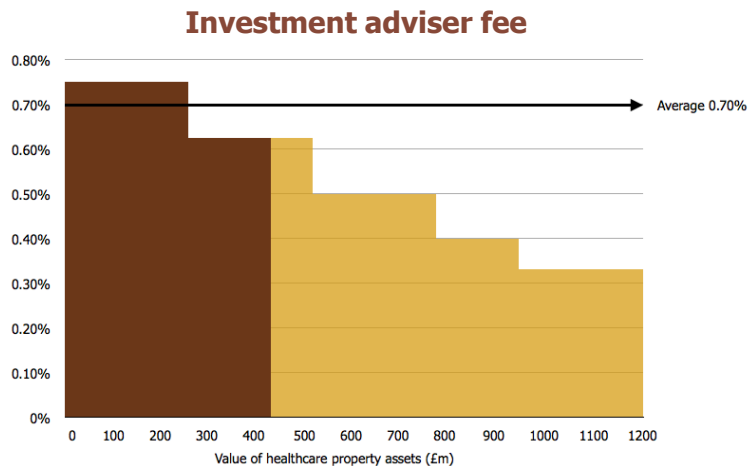


Property yield vs borrowing cost

Investment adviser and property management fee structure

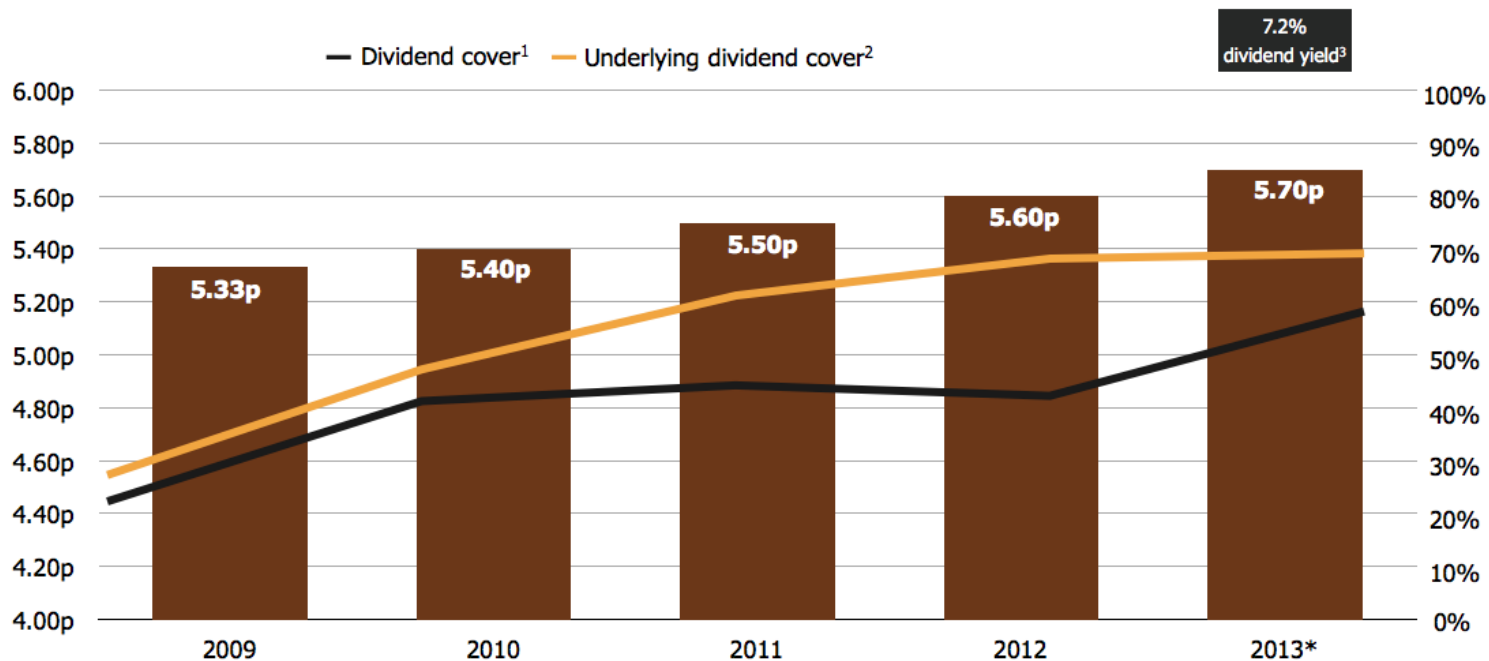
Further reductions

- Lower investment adviser and property management fees
 - Fees on healthcare property assets only rather than gross assets (excluding cash)
 - Reduced investment adviser fee of 0.33% above £1 billion gross assets
 - Property management fees reduced from 3% to 1.5% above £25 million
- Incremental fees reduced further as portfolio grows



Dividends

Progressive dividend policy and cover



*2013 data based on six months

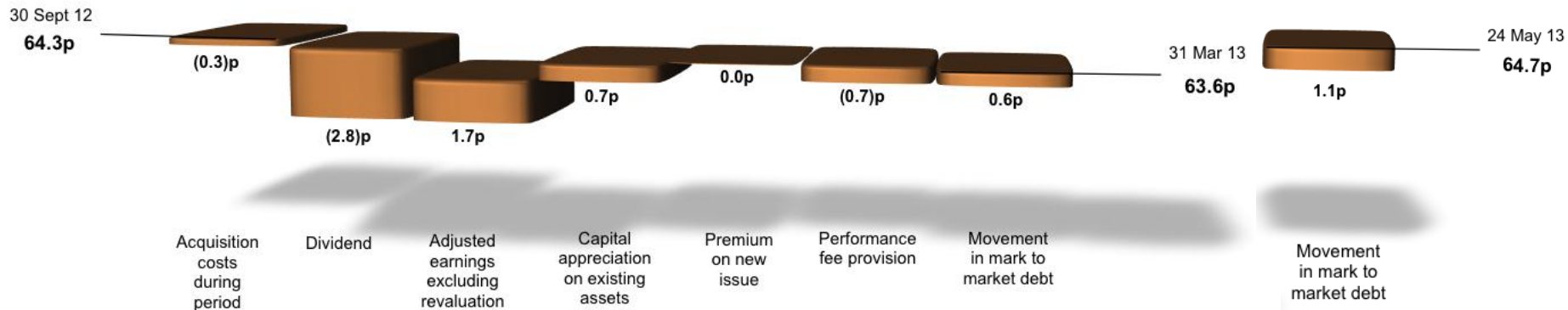
¹Percentage of dividends paid covered by adjusted earnings excluding valuation gains

²Underlying dividend cover assume all projects are complete with associated debt requirement

³Total expected dividends divided by share price as at 24 May 2013

Key financials

Adjusted NAV plus debt benefit



2. Portfolio review

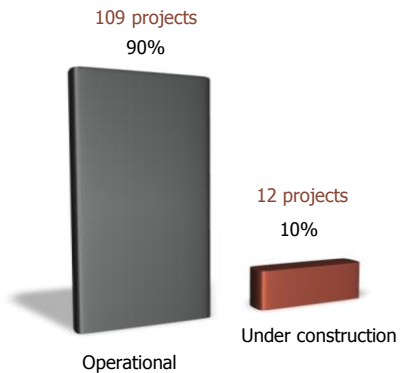


Raynes Park Health Centre, London

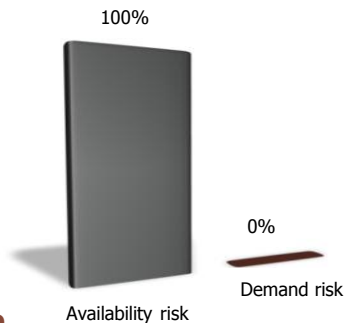
Portfolio of modern purpose built assets

Portfolio review¹

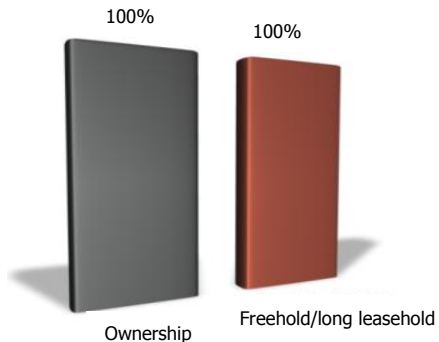
121 assets



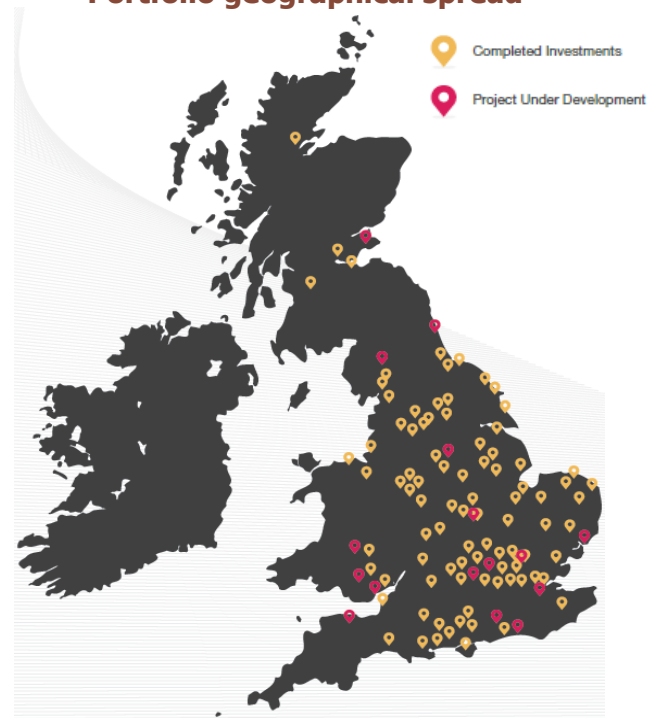
Contractual certainty of income



Security of tenure

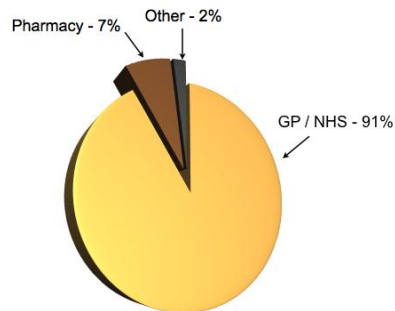


Portfolio geographical spread

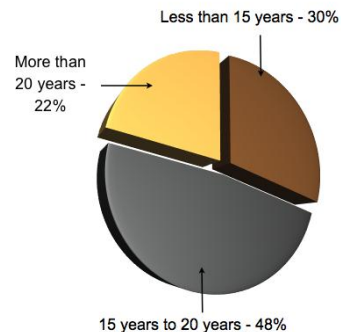


¹As at 24 May 2013

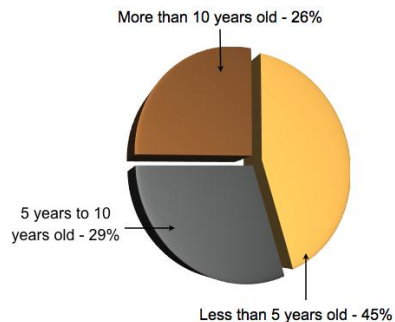
Security of income by tenant type



Security of income by lease expiry

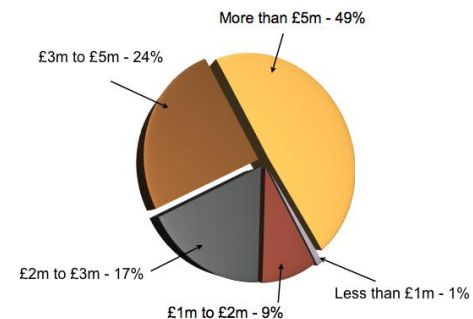


Modernity of assets



- Average unexpired lease term 16.9 years
- Average age 6.5 years
- Average value £3.7 million

Value per property

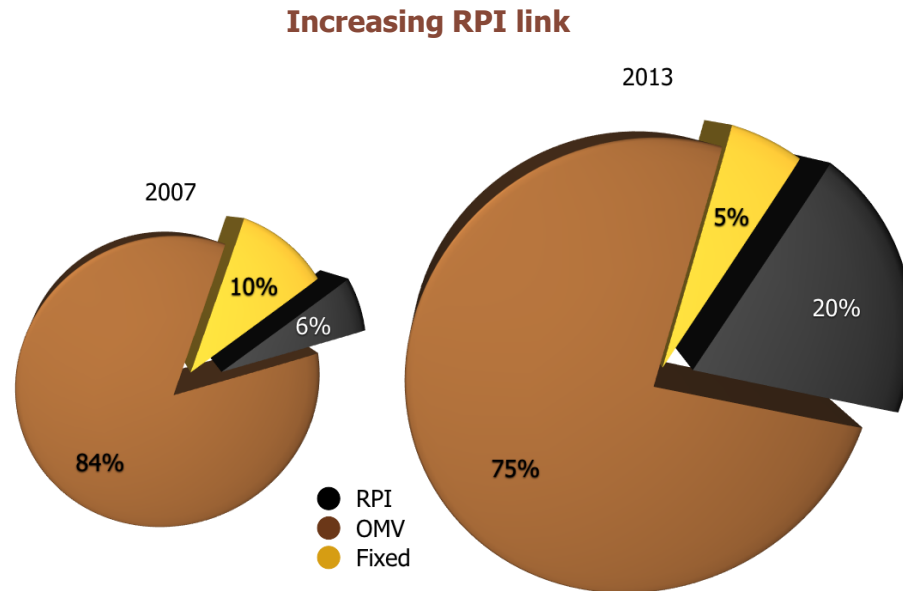


¹As at 31 March 2013; includes completed value of properties under construction

MedicX Fund

Rental growth¹

- Total rent roll £27.9 million
 - £24.9 million completed
 - £3.0 million under construction
- £8.7 million passing rents currently under negotiation
- £2.1 million rent reviews agreed during the period
- Equivalent to 2.3% per annum increase achieved²
 - 1.9% open market reviews
 - 3.2% RPI and fixed uplifts
- Continued pressure of open market reviews



¹As at 24 May 2013

²Excludes 100% fixed uplift on a small nominal rent which if included increases the overall achieved to 2.9% and RPI / Fixed uplifts to 5.1%

Rent reviews by period¹

Consistent rental growth over time

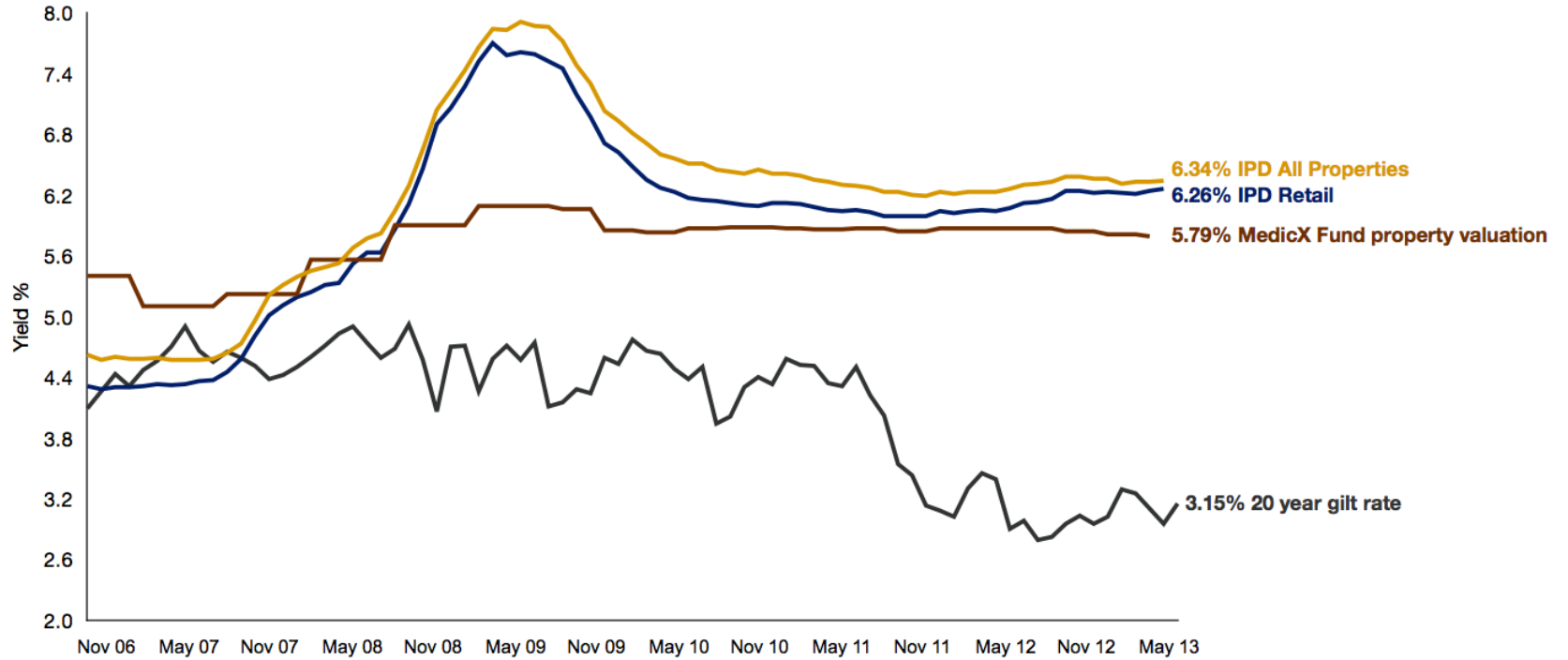
	Year to Sept 07	Year to Sept 08	Year to Sept 09	Year to Sept 10	Year to Sept 11	Year to Sept 12	Period to March 13
Number	20	12	34	21	24	18	12
Passing rent	£1,814,809	£969,757	£2,917,782	£1,872,284	£2,601,846	£1,883,001	£868,459
Annualised increase	3.1%	2.8%	1.8%	2.9%	2.3%	3.2%	3.4%²
- Open market reviews	3.0%	2.4%	1.8%	3.0%	1.7%	-	3.4%
- RPI	3.8%	3.9%	1.4%	2.6%	4.6%	3.4%	3.5%
- Fixed uplifts	n/a	2.5%	2.5%	n/a	2.5%	2.5%	-

¹Based on review date falling due in the year ending as at 31 March 2013

²Excludes 100% fixed uplift on a small nominal rent which if included increases the overall achieved to 4.8%

MedicX Fund

Property valuation yields stable¹



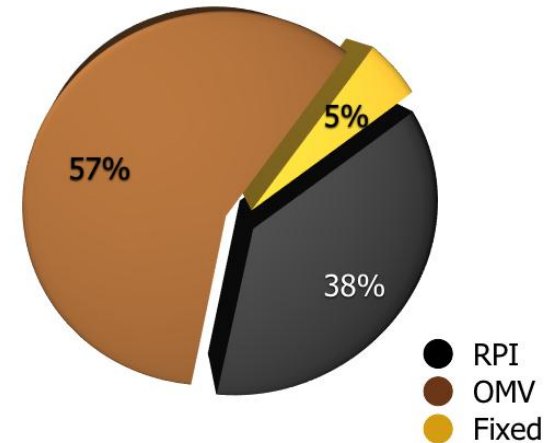
¹MedicX Fund property valuation as at 31 March 2013, IPD data as at 30 April 2013 and Gilt rate data as at 24 May 2013

Corporate transaction

GPI portfolio acquisition

- Earnings enhancing acquisition
- Impact on adjusted NAV + debt mark-to-market on acquisition expected to be neutral
- Seven properties completed / operational and seven properties under construction
- Development risk retained by GPI for properties under construction
- Rent roll £2.8 million
- Average age of completed properties are on average less than one year old
- First right of refusal to fund GPI adding £35 million to MedicX Fund pipeline
- GPI leading developer with 20 people, 20 years history and having previously developed £450 million of properties

**GPI portfolio acquisition
lease type**



Acquisitions since October 2012

Total investment of £50.1 million in 15 properties

Acquisition	Developer	Investment £m	Properties
GPI portfolio	GPI	44.7	14
Cambridge	MedicX	5.4	1

Locking into positive spread to long term debt

Cash yield (including Cambridge)	5.78%
Average debt cost	4.47%
Spread	1.31%



Completed investments

Total investment of £25.2 million in seven forward funding properties

Property	Developer	Investment £m
Uckfield	MedicX	2.9
Raynes Park	MedicX	9.4
Grangetown	MedicX	3.3
Methil	MedicX	1.9
Monkseaton	MedicX	2.9
Kingston	CMS	2.9
Middlewich	Oakapple	1.9



Asset management

Strategic portfolio management

Property	Overview	Timing
Riverside	Pharmacy extension and GP refurbishment	2013
Hoveton & Wroxham	GP extension	2013
Eastbourne	GP and pharmacy extension	2013/2014
Wood Green	Pharmacy extension and GP refurbishment	2013/2014
Sutton	GP extension	2013/2014
Richmond	Redevelopment and conversion	2013/2014
Richmond	Hospital extension	2014
Wakefield	GP and pharmacy extension	2014
Pudsey	GP extension	2014
Swaffham	Redevelopment	2014/2015
Cobham	Extension	2015



3. Key financials



Lytham Primary Care Centre, Lytham-St-Anne's

MedicX Fund

Investment and financing highlights¹

- Total shareholder return of 9.7% for the period
- New committed and approved investments since 1 October 2012 of £50.1 million acquired at a cash yield of 5.78%
- £443.7 million committed investment in 121 primary healthcare properties at a valuation net initial yield of 5.79% compared with 20 year gilt rate of 3.10%
- Adjusted earnings excluding revaluation gain of £4.3 million², an increase of £1.7 million or 67%
- Capital appreciation of the portfolio of £1.8 million less £0.6 million of purchasers costs incurred on acquisitions generating a revaluation gain for the six months of £1.2 million
- Adjusted net asset value and adjusted net asset value plus estimated cost of fixed rate debt 63.0p³ and 64.7p⁴ per share respectively
- Total debt facilities now £280.2 million with an average all-in fixed rate of 4.45%, an average unexpired term of 16.2 years⁵ vs 17.2 years average unexpired lease term and adjusted gearing 57%

¹As at 24 May 2013

²Period to 31 March 2013 adjusted to exclude revaluation impact, deferred taxation, performance fees, fair value adjustments for financial instruments and exceptional costs

³Adjusted to exclude goodwill, the impact of deferred tax not expected to crystallise, financial derivatives, and the post year-end impact of resetting debt interest costs

⁴As 3. including mark to market benefit of fixed rate debt as at 24 May 2013

⁵See slide 23

Key financials

Income statement

	6 months to 31 Mar 2013 £000	6 months to 31 Mar 2012 £000	Change
Rent receivable	11,603	6,917	68%
Other income ¹	589	455	29%
Total income	12,192	7,372	65%
Direct property costs ²	449	326	38%
Investment advisory fee	1,412	1,125	26%
Overheads	458	341	34%
Total expenses	2,319	1,792	29%
EBITDA	9,873	5,580	77%
Finance income	74	16	363%
Finance costs	5,676	3,045	86%
Adjusted earnings³	4,271	2,551	67%
Valuation gain	1,173	747	57%
Adjusted earnings including valuation gain	5,444	3,298	65%

¹Including loss on disposal of property

²Including property management fees

³Adjusted to exclude revaluation gain, deferred taxation, performance fees, fair value adjustments for financial instruments and exceptional costs

Key financials

Balance sheet

- Funding required to complete committed investment £10 million at 31 March 2013

	As at 31 Mar 2013 £000	As at 31 Mar 2013 Pence per share
Gross assets excluding cash	398,619	152.6
Debt	244,855	93.7
Cash	36,387	13.9
Net debt	208,468	79.8
Adjusted NAV ¹	164,731	63.0
Adjusted NAV plus debt MtM ¹	166,249	63.6
DCF	242,759	92.9
	As at 31 Mar 2013	Restrictions / covenants
Adjusted gearing ¹	54%	75%
Aviva debt service interest cover ²	198%	140%
Aviva loan to value ²	64%	75%
DPB debt service interest cover ³	381%	140%
DPB loan to value ³	62.5%	70%

¹Adjusted to exclude goodwill, deferred tax not expected to crystallise, financial derivatives and the excess of the fair value to the reset cost of the Aviva PMPI loans

²Relate to £100 million Aviva loan only

³Relate to £31.2 million Deutsche Postbank loan only

Key financials

Debt funding

- Average weighted fixed rate cost of debt of 4.45% with an average unexpired term of 16.2 years vs 17.2 years average unexpired lease term
- In discussions to secure a revolving credit facility that can be repaid following an equity raise

	Aviva £100m facility	Deutsche Postbank facility	Aviva £50m facility	Acquired Aviva facilities - PMPI	Acquired Aviva facilities - GPG
Facility size	£100 million	£31.2 million	£50 million	£63.6 million	£34.7 million
Committed	December 2006	December 2009	February 2012	July 2012	May 2013
Drawn	£100 million	£31.2 million	£50 million	£63.2 million	£21.4 million
Expiry	December 2036	April 2015	February 2032	February 2027 ¹	November 2032 ¹
Interest rate (incl. margin)	5.01%	2.75%	4.37%	4.45%	4.47%
Hedging activities	n/a	Swap	n/a	n/a	n/a
Loan to value draw down	65%	62.5%	65%	n/a	n/a
Repayment terms	Interest only	Interest only	Amortises from year 11 to £30 million at year 20	Amortising	Amortising
Interest cover covenant	140%	140%	110%	104% ¹	103%
Loan to value covenant	75%	70% Tested after years 2 & 4	75%	n/a	n/a

¹Based on the major facility acquired

4. Investment opportunity



Sawston Health Centre, Cambridgehire

NHS and primary care update

Political focus on integration and cost reduction by efficiency savings

- Primary Care Trusts replaced by Clinical Commissioning Groups on 31 March 2013
- Transfer of properties and lease liabilities to NHS Property Services now completed
- Clear message from the Department of Health confirming the importance of primary care and the support for rent re-imburement
- GPs remain cornerstone of primary care delivery
- Development procurement has slowed in short term due to NHS re-organisations
- Strong underlying demand remains for new primary care premises with 60% of GPs working from unsuitable premises
- Integration and co-location at local level remains core to the NHS strategy

Pipeline

Pipeline of new opportunities

- Investment Adviser with proprietary market access and deal flow
- Strong pipeline of £105 million
- Circa £7 million rent roll
- 31 properties including 7 from Investment Adviser development arm
- Further completed property acquisition opportunities under review

Investment opportunity

Conclusion

- Able to buy assets at attractive yield
- Plus lock into long-term low fixed rate debt
- Earnings and dividend cover enhanced as MedicX Fund grows
- Management well placed to take advantage of opportunities
- Attractive total return proposition
 - 7.2% dividend yield at 79 pence per share
 - 10.4% p.a. average total shareholder return since 2008¹

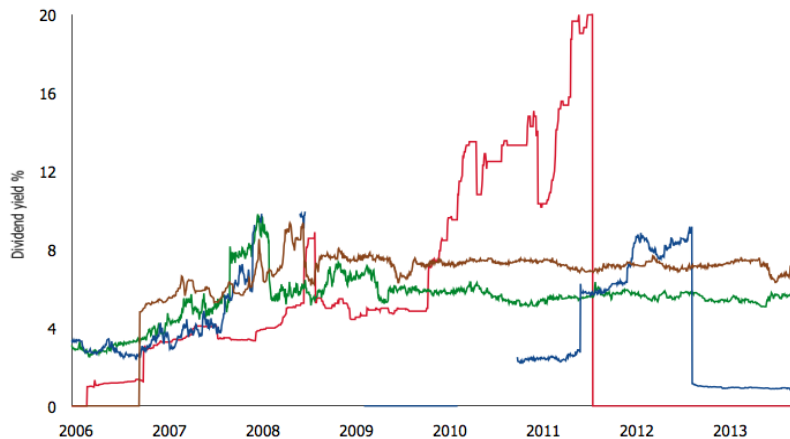
¹Share price growth dividends paid. 2008/9 11.4%, 2009/10 8.6%, 2010/11 9.4% and 9.7% to 24 May 2013

Appendices

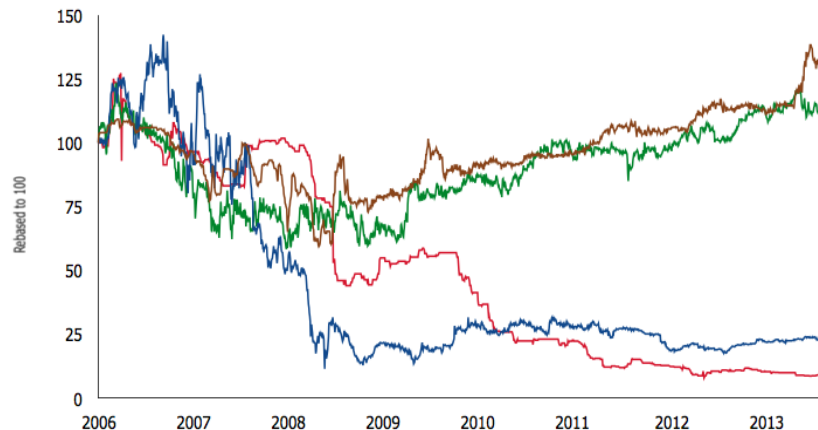
MedicX Fund performance

Sector comparison¹

Dividend yield



Share price total return



- MedicX Fund (External investment adviser and investor)
- Assura Group (Internally managed, investor and developer)
- Primary Health Properties (External investment adviser and investor)
- Ashley House (Internally managed and developer)

¹As at 24 May 2013 – Canaccord Genuity / DataStream

Key financials

Premium to Adjusted Net Asset Value + Debt Mark to Market¹

	MedicX	Primary Health Properties	Assura
Premium	22%	37%	34%
Share price pps	79.0p	323.0p	37.75p
Adjusted NAV + Debt MtM pps	64.7p	235.5p	28.1p

¹Share price as at 24 May 2013. MedicX Interim Results 31 March 2013, Debt MtM +ve £4m, Assura Preliminary Results 31 March 2013 EPRA NNAV less own shares, Debt MtM –ve £53.7m, Primary Health Properties Annual Report 31 December 12 NAV, Derivative Interest Rates Swaps –ve £52.8m, no reporting of MtM on £254m fixed rate debt

Key financials

DCF NAV sensitivity¹

	DCF	Share price
Pence per share	92.9p	79.0p
Weighted discount rate	7.1%	8.9%
Risk premium to 20 year gilt rate	4.0%	3.9%
Rental growth per annum	2.5%	0.2%
Capital appreciation per annum	1.0%	(0.8)%

	DCF reconciliation
Adjusted NAV plus debt benefit	63.6p
Purchasers costs at 5.80%	+8.7p
Implied yield shift to 5.09% ²	+20.6p
DCF NAV	92.9p

¹As at 24 May 2013

²Implied yield shift as at 31 March 2013 is to 5.09% assuming debt benefit of 0.6p

Key financials

DCF NAV sensitivities¹

Discount rate

NAV pence per share	Completed					
Under construction	%	6.0	6.5	7.0	7.5	8.0
	6.0	103	99	95	91	87
	7.0	102	98	94	90	86
	8.0	102	97	93	89	85
	9.0	101	96	92	88	85
	10.0	100	96	92	88	84

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	78	85	93
	0.0	72	78	85	92	100
	1.0	81	86	93	100	108
	2.0	90	96	102	109	117
	3.0	101	106	113	120	128

¹As at 31 March 2013

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)

MedicX Fund presentation

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