First World Hybrid Real Estate Plc

30 June 2026

This Mandatory Disclosure Document (MDD) provides investors with key information that is intended to assist the investor in understanding the nature and risks of investing in this fund.

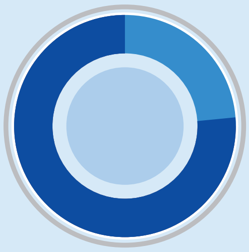
How This Fund Works

First World Hybrid Real Estate Plc ("FWHRE" or "the Fund"), is a real estate investment company that invests in a combination of primarily direct real estate and listed real estate investment trusts ("REITs"). All direct real estate is located in Great Britain and is predominantly distribution and warehousing in nature. Tenants are large, multinational and/or listed companies with strong financial ratings. The weighted average unexpired lease term of the portfolio is more than 7.8 years. All leases are fully repairing and insuring and tenants are therefore responsible for paying all operating costs.

FWHRE provides investors with reasonable liquidity and transparent pricing, two criteria that are not often found in direct property investments. The Fund is a Regulated Fund in the Isle of Man and is subject to the Collective Investment Schemes Act 2008. It is managed by FIM Capital Limited ("FIM Capital") who is regulated by the Isle of Man Financial Service Authority. FWHRE is listed on The International Stock Exchange and is subject to the exchange's listing rules. The fund is regulated in terms of the Isle of Man Collective Investment Schemes (Regulated Fund) Regulations 2017. The fund is approved for sale in South Africa by the Financial Sector Conduct Authority (FSCA).

Direct Real Estate

- UK commercial real estate, yielding approximately 6.3%
- Weighted average remaining lease term of 7.8 years
- Each property is independently appraised at least twice per annum on a rolling basis, therefore less volatile pricing



Listed REITs

- UK listed REITs yielding approximately 5.7%
- Priced on stock market, therefore readily traded and liquid
- Pricing volatility
- Primarily to provide liquidity for redemptions

Fund Objective and Investment Approach

The objective of the Fund is to generate a reliable, predictable and growing income primarily though investment in certain kinds of direct real estate, listed REITs, property investment companies and money market instruments.

Key Features

Fund Classification (ASISA)	Real Estate - General
Inception Date (Class A)	14 December 2013
Base Currency	GBP
Minimum Initial Investment	£25,000
Minimum Additional Investment	n/a
Distribution Declaration (Class A)	Quarterly
Distribution Payment Dates (Class A)	Within 1 month of declaration
Instruction Cut-off	17h00 on weekly valuation day
Fund Valuation Frequency	Weekly
Risk Category	Moderately Aggressive

Low Medium High

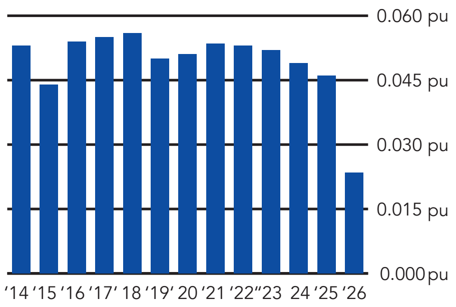
This fund aims to provide a reliable, predictable and growing income stream with low capital volatility. It aims for low to moderate growth on invested capital.

Fund Information

Registered Name	First World Hybrid Real Estate Plc
Fund Size	£126,926,388
Value of direct real estate:	£184,306,168
Value of external debt:	£86,257,456
Current loan to value of direct real estate:	47%
Distribution	£0.0120 per share Class A
Price (NAV) as at the last pricing date of the quarter	
Class A	£1.1373
Class B	£1.5959
Class C – LISP only	£1.5341

Distributions Since Inception Class A

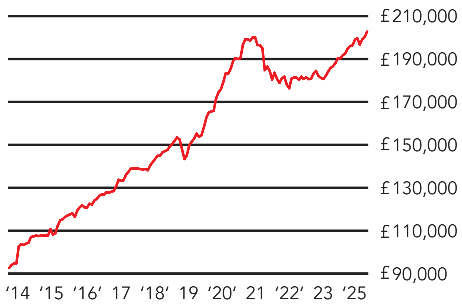
(Paid quarterly in pounds sterling per unit)



Source: Marriott

Total Returns Since Inception Class A

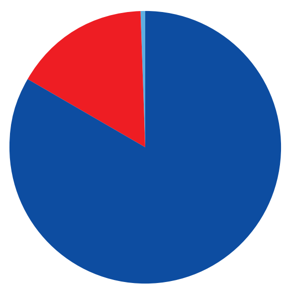
(Assuming £100,000 invested at inception)



Source: Marriott

Net Asset Allocation

- Direct Real Estate 83.0%
- REITs 16.5%
- Int Money Market 0.5%



Source: Marriott

Fund Limits and Constraints

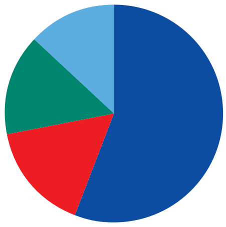
The fund endeavours to be fully invested in a combination of direct real estate and REITs, and reports in GBP.

Portfolio Analysis:

Property Sector Type by Value

Strong emphasis to warehousing

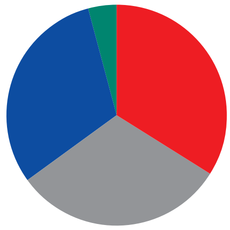
- Distribution Warehouse – 56%
- Retail Warehouse - Food – 16%
- Retail Warehouse - Value, DIY, Other – 15%
- Regional Offices – 13%



Lease Expiry Profile by Value

WAULT = 7.8 yrs

- <5 years – 34%
- >5 years and <10 years – 31%
- >10 years and <15 years – 31%
- >15 years – 4%



Performance (£): Class A & B

Net of all fees and expenses, excluding the Investment Management Fee.

Annualised (pa)	1 year	5 years	10 years	Since Inception (12/12/2013)
Income Return	4.4%	4.3%	4.8%	4.8%
Price Return	2.2%	-1.4%	0.9%	1.0%
Total Return	6.6%	2.9%	5.7%	5.8%

Performance (£): Class C (LISP only)

Net of all fees and expenses, including the Investment Management Fee.

Annualised (pa)	1 year	5 years	Since Inception (15/10/2018)
Price Return	6.0%	2.4%	4.6%
Total Return	6.0%	2.4%	4.6%

Source: Marriott

For periods longer than 12 months annualised performance figures are used. An annualised performance figure represents the compounded average return in percentage terms earned by the fund over the given period of time. Returns from 13 March 2020 to 24 August 2020 are calculated using the Fund's indicative published prices, as a consequence of the temporary hold on pricing and weekly trading of the Fund's shares during that time. Please note that while the Class B Total Return is the same as that of Class A, Class B is an accumulating class and therefore no income is declared or distributed.

Fees and Charges

Total Expense Ratio of the fund	1.44% (Class A)** 1.44% (Class B)** 1.94% (Class C LISP only)
Transaction Costs	0.91% per annum (includes the effective cost of direct property acquisition amortised over a 10 year period)
Advisor Initial Fee	maximum 3%
Marriott Initial Fee	0%
Advisor Annual Fee	maximum 1%

Investment Management Fee
Costs are based on a sliding scale for Class A and Class B (right) depending on investment size.
This fee is excluded from the TER.
Class C investment management fee is 0.5% and is included in the TER.

Investment amount	Total investment management fee per annum, excluding VAT* (Class A and B)
£10,000 – £49,999	0.75%
£50,000 – £99,999	0.70%
£100,000 – £249,999	0.65%
£250,000 – £499,999	0.60%
£500,000 – £999,999	0.55%
£1m – £1,999,999	0.50%
> £2m	0.45%

* For clients based outside of the EU the investment Management Fee does not attract Isle of Man VAT (20%).

** Excludes investment management fee

Total Expense Ratio (TER):

The TER of FWHRE comprises its operating costs. It is not comparable to normal unit trusts which are investment holding entities that generally have no distinct operations. In contrast, FWHRE must manage a direct property portfolio, have the properties valued and incur costs of a normal operational company.

The TER of FWHRE includes the following expenses: property management, fund administration (accounting and regulatory), Custodian fees (as required by the Collective Investment Scheme regulations), audit fees, regulation, listing & license fees, directors fees & expenses, professional fees, property valuation fees, insurance, and other smaller, miscellaneous operating expenses such as bank fees.

Transaction Costs (TC):

Transaction costs of FWHRE include the costs of purchasing and selling REIT's within the portfolio as well as the costs of acquiring direct property. As a result of the latter, the TC of FWHRE is not comparable to the TC of a normal unit trust. The costs incurred in acquiring direct properties comprise predominantly Stamp Duty, which is a legislated tax in the UK levied at an effective rate of close to 5% on the value of property purchased. This is an unavoidable cost of acquiring properties and is incurred by all REIT's in the UK. The residual acquisition costs are less significant, and comprise the fees of the broker and various professionals involved in the transaction. Since 2016, acquisition costs are initially capitalised and subsequently amortised over a 10 year period. Had they been expensed fully in the year of acquisition, the TC would be 0.06%.

Fund Codes

Share Class	ISIN	SEDOL	Bloomberg ID
Class A - Distributing	IM00BZ1F5F87	BZ1F5F8	FWHREPP:IO
Class B - Accumulating	IM00BFXBM318	BFXBM31	FWHREBG:IO
Class C – Accumulating (LISP only)	IM00BFXBM425	BFXBM42	FWHRECG:IO

Liquidity and Redemptions

FWHRE invests approximately 75% of its portfolio in direct real estate which can only be realised in the medium to long term. Whilst the Fund also invests in listed REIT's to provide a reasonable level of liquidity, in certain circumstances it may be appropriate to limit redemptions to ensure the interests of existing shareholders are protected at all times. Consequently, the Offering Document allows the Manager to limit the weekly redemptions to a maximum of 5% of the Fund, and also allows for the suspension of all redemptions where, at the discretion of the Manager, it is considered to be in the best interests of investors. For further information, please refer to the Offering Document.

Portfolio Review

FWHRE continued to deliver resilient returns during the first half of 2026, supported by positive contributions from both the direct property and listed REIT portfolios. The Fund returned 6.6% for the 12 months to June 2026 and 3.3% for the first six months of the year. Importantly, the underlying fundamentals remain supportive: rental growth is strong, lease extensions are increasing the certainty of income, direct property valuations remain well supported and listed REITs have recovered from the sharp volatility experienced in March. While geopolitical events and higher oil prices have created near-term uncertainty, the Fund remains well positioned to deliver attractive and growing income, with the potential for further capital support as UK interest rates decline over the medium to longer term.

As the table illustrates, the improvement in returns since 2025 reflects how significantly the environment for property has changed. UK inflation has moderated from 11.2% to 2.8%, the Bank of England's policy rate has declined from 5.25% to 3.75%, and property markets have stabilised, creating a far more supportive backdrop than the difficult period from 2022 to 2024. Strong rental growth, lease extensions, and active asset management have also strengthened the Fund's income base and supported valuations.

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Year	Return (GBP) Class A
2021	17.0%
2022	-2.9%
2023	-1.8%
2024	-0.4%
2025	8.7%
2026 (YTD ending June 26)	3.3%

Source: **Bloomberg**

Why property remains attractive

Property as an asset class

Property has two important characteristics for long-term investors: it is a tangible asset with enduring economic utility, and it produces contractual income through rent. The quality of that income depends on the strength of the tenants, the length and structure of the leases, and the prospects for rental growth. When these fundamentals improve, the value of the underlying property should also strengthen over time. This is particularly relevant to FWHRE, where the direct property portfolio is let to financially strong tenants, has a weighted average unexpired lease term of approximately eight years, and is showing evidence of strong rental growth. Together, these factors provide good visibility over future income.

Why UK commercial property remains attractive

The UK remains an attractive and well-established market for commercial property investment, supported by transparent legal frameworks, secure property rights and high standards of governance and professionalism. Lease structures are also favourable to landlords: leases are typically long, while tenants are generally responsible for operating costs such as rates, insurance, and maintenance. This improves the predictability of net rental income. The Fund's largest exposure is to distribution warehousing, where the underlying occupational market remains supportive. Demand has been strong, take-up during the past three months has been above average, and new supply remains constrained. This combination should continue to support rental growth, which is a key driver of property values.

Direct Property – rental growth and leasing outcomes underpinning performance and valuations

The direct property portfolio continues to perform well, with the investment case being driven primarily by occupier demand, rental growth, and active lease management rather than by an assumption of lower property yields. This is important because it means that recent improvements in value have been supported by underlying cash flows. The Fund currently has 10 lease initiatives (rent reviews and lease extensions), under negotiation, providing further opportunities to increase income and strengthen lease duration.

Rental growth continues

- In **2025**, five leases representing 23% of portfolio rent were settled at an average rental increase of 17%.
- In **2026**, three leases representing 10% of portfolio rent have been settled at an average increase of 15%.
- Market rents are estimated to be approximately 7% above passing rents, providing further income upside as leases are reviewed or renewed.
- A further four leases, representing 14% of portfolio rent, are expected to settle during the remainder of 2026 at an average increase of approximately 12%.

Lease extensions and asset management remain positive

- During **2025**, tenant break options were removed at two properties, extending the leases by three and five years, while a new 25-year lease was agreed with Burger King at Marina Quay.
- During **2026**, the Vanquis Bank lease was extended by five years, increasing the property value by 9.1%. A 20-year agreement for EV charging bays at North Durham Retail Park is expected to increase rent by approximately 4% at no capital cost to the Fund, while the Home Bargains lease at Milngavie was extended to April 2041, contributing to a 4.7% increase in value.

Property valuations remain well supported

- During **2025**, 45 independent valuation updates resulted in a net 3.5% increase in the direct property portfolio.
- A further 20 updates were received in **2026**, producing a net positive outcome despite continued market volatility. This suggests that stronger rents and leasing outcomes are offsetting pressure from higher required returns.

Interest-rate exposure remains well managed

- The direct property portfolio has a loan-to-value ratio of 47%, equivalent to approximately 40% at Fund level, with 59% of term debt hedged through four interest-rate swaps.
- The Fund's largest hedge remains fixed at approximately 1.05% for almost five and a half years. The remaining hedges are closer to the current policy rate, limiting refinancing risk and providing potential earnings upside should interest rates decline.

Listed REITs – volatility created value, while the recovery supported returns

Listed REIT prices remain more volatile than direct property valuations because they respond immediately to changes in interest rates, bond yields, and investor sentiment. After gaining 13% during 2025 and continuing to rise early in 2026, the Fund's REIT portfolio fell by 18% in March as the Middle East conflict intensified. We retained conviction because the underlying companies continued to offer attractive dividend yields, healthy rental growth, and meaningful discounts to net asset value. This discipline has been rewarded: REIT prices recovered during the following three months, and the portfolio contributed £1.1 million during the first half of 2026, equivalent to 5.3% of its opening value.

The proposed all-share acquisition of Segro by US REIT Prologis on 24 June is also significant. The offer was made at a 25% premium to Segro's previous closing price and at a valuation close to its reported net asset value. This provides external evidence that high-quality UK logistics assets may be worth materially more than the prices previously implied by listed markets. REIT prices have firmed following the announcement, but the portfolio continues to trade on dividend yields above long-term averages and at an average discount to net asset value, leaving scope for further returns from both income and a narrowing of these discounts.

	Dividend Yield		Discount/NAV
REITs	Current	Historic Average (10yr)	
Big Yellow Group	5.3%	3.6%	31.1%
British Land	5.6%	5.0%	29.9%
Land Security Group	6.3%	5.8%	26.2%
London Metric Property Plc	6.6%	4.7%	7.1%
Segro Plc	3.6%	3.0%	5.4%
Tritax Big Box REIT Plc	5.0%	4.5%	13.8%
Primary Health Properties	7.5%	5.3%	2.3%
Average	5.7%	4.5%	16.5%

Source: **Bloomberg**

Summary and outlook:

FWHRE remains well positioned because its return outlook is supported by several independent drivers rather than by a single macroeconomic assumption. The direct portfolio is producing rental growth, lease extensions are increasing the certainty of future income, asset-management initiatives are adding value, and the listed REIT portfolio continues to offer attractive income and valuation upside. At the same time, the Fund's debt hedging provides meaningful protection against near-term interest-rate volatility.

The rise in oil prices and the ongoing Middle East conflict may keep inflation and interest rates higher for longer in the near term. However, we believe this is more likely to delay, rather than reverse, the longer-term downward direction of UK interest rates. Lower rates would be supportive of financing costs, investor demand, and property valuations, but the Fund does not need to rely solely on yield compression to generate returns: the current income yield, embedded rental reversion and active lease management already provide a solid fundamental underpin.

Property's combination of tangible asset backing and contractual income remains particularly valuable in a market where equity returns are increasingly concentrated in a relatively small number of companies. Against this backdrop, we believe FWHRE offers investors a differentiated source of sterling income, supported by high-quality assets, financially robust tenants, and leases with meaningful duration, together with the potential for moderate capital growth as the property cycle improves.

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Name of Scheme: First World Hybrid Real Estate Fund PLC

Fiduciary Custodian: EFG Fund Services, 44 Esplanade, St Helier, Jersey JE1 3FG

Name of Representative: Marriott Asset Management (Pty) Ltd

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