

First World Hybrid Real Estate Plc

31 December 2025



First World Hybrid Real Estate

A **Regulated** Fund,
invested mainly in **UK distribution warehousing**,
offering a **reliable income yield**,
with **better liquidity and pricing certainty** than a typical direct property
investment and
with **lower volatility** than publicly quoted and traded property.

Please note that all investment involves risk.

Past performance is not necessarily a guide to future performance; please refer to the last slide and the Offering Document for further information



First World Hybrid Real Estate

Investment offering

- Dividend yield around 4% in sterling – underpinned by **long leases and strong tenants**
- Modest capital growth over time – **with rental growth being an important driver of capital appreciation**
- **Weekly pricing**, and **trading**, based on appraised values of the direct property portfolio by independent valuers, and quoted REIT performance, provides **liquidity with relatively low volatility**.



First World Hybrid Real Estate

Trading update for quarter ended 31 December 2025

- **100% rental collected**
- **Property portfolio 100% occupied**
- **Positive rental reviews and leasing initiatives** – increasing rent and enhancing income certainty
- **Positive contribution to Fund price by both direct property and REITs**
- **Good progress made in property Energy Performance Certificates**



First World Hybrid Real Estate

Highlights for year ended 31 December 2025

- **Total return of 8.7%**
- **Property portfolio 100% occupied throughout year and all rent fully collected**
- **Positive rental reviews and leasing initiatives** – increasing rent, enhancing income certainty and contributing to property valuation increases
 - Rent in 5 leases (23% of portfolio rent) reset at **average increase of 17%**
 - 2 tenant break options removed extending the certain term of leases
 - **£6.3m in valuation increases** – 3.5% increase (on opening portfolio value) and adding 4.5% to the Fund's opening NAV
- **Positive £2.9m contribution from REITs** – 12.9% on REIT portfolio value at beginning of year and adding 2.0% to opening NAV



First World Hybrid Real Estate

The outlook is encouraging

- **Interest rate cuts** now total 1.5% and further reductions are expected during 2026
- **REITs remain attractively priced**
- **Direct property rental levels and market values are well placed for further growth**
- **The prospect of yield compression is encouraging** as the property cycle gathers momentum, bringing **potential tailwinds to property returns**



First World Hybrid Real Estate

Corporate structure

- FWHRE is an **Isle of Man domiciled** plc and is not a UK Situs asset.
- FWHRE is an **IOM Regulated Fund** under the Collective Investment Scheme Act 2008 and associated legislation (CIS).
- FWHRE is also **listed on The International Stock Exchange (TISE)** and subject to their listing requirements.
- FWHRE has a **Board of directors, an Investment Committee and a Risk, Audit and Compliance Committee**.
- FIM Capital Limited (FIM) is **Fund Manager and Property Manager**. FIM is licensed by the **Financial Services Authority** in the IOM.
- FWHRE's **Fiduciary Custodian** is EFG Fund Services, a division of EFG Wealth Solutions (Jersey) Limited.
- FWHRE is **approved for sale in SA** by the Financial Sector Conduct Authority (FSCA).
- Marriott markets the Fund and is **registered with the FSCA** in SA.



First World Hybrid Real Estate

Corporate structure

- Share classes and distributions
 - **Distributing and accumulating** share class options
 - **Quarterly dividend** on distributing A Class shares
- Pricing and trade
 - The Fund is **priced and trades weekly**, based on NAV (Net Asset Value)
 - The NAV is determined based on the **market price of the REITs and the independent valuation of the property portfolio**
 - There are **no exit fees on redemptions**



First World Hybrid Real Estate's assets

Direct Real Estate

- UK commercial real estate, yielding approximately 6.1%
- Robust income - FRI, long leases (WAULT 8.1 years)
- Low volatility - each property is independently valued twice per annum on a rolling basis



REITs

- UK listed REITs, yielding approximately 5.7%
- Priced on stock market therefore readily tradeable and liquid
- Pricing volatility, especially in times of elevated uncertainty
- Primarily to provide liquidity for redemptions



First World Hybrid Real Estate

Solid track record

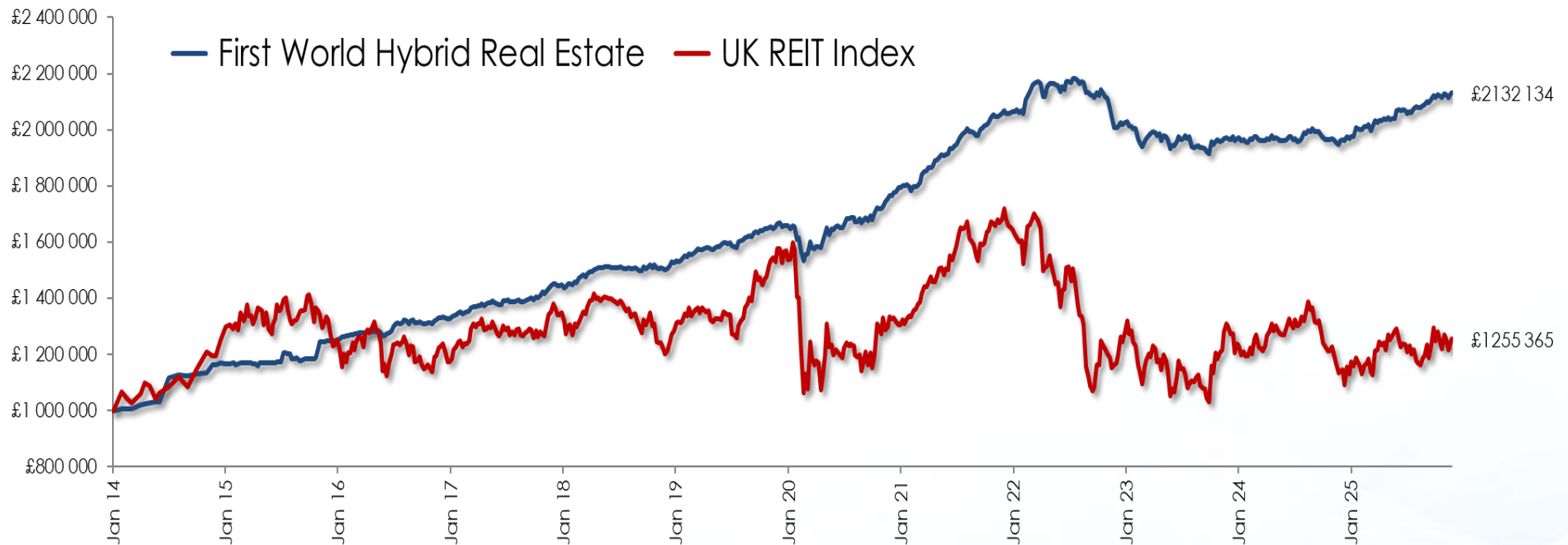
	Dec 2014	Dec 2015	Dec 2016	Dec 2017	Dec 2018	Dec 2019	Dec 2020	Dec 2021	Dec 2022	Dec 2023	Dec 2024	Dec 2025
No. of properties	2	7	12	16	18	20	20	24	26	25	22	21
Gross asset value £m	15	37	78	113	137	163	177	238	263	244	221	220

The Fund's Net Asset Value is circa £131m



First World Hybrid Real Estate

Performance - **without the volatility**



Source: Bloomberg and Marriott

FWHRE based on A class (distributing) before investment management fees, up to 24 Dec 2025

There may be additional IIP or other product charges applied, which may affect the net yield.

Pricing of FWHRE was temporarily placed on hold between 19 March 2020 and 21 August 2020 due to uncertainty around direct real estate valuations in the UK and material uncertainty conditionality adopted by valuers. As a result, the returns for this specific period utilised indicative pricing for FWHRE. The Fund reopened for trade on 24 August 2020 at a price of 112.79p (A class).



First World Hybrid Real Estate

Performance – Comparative calendar year returns

Calendar years	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
First World Hybrid Real Estate	7.2%	6.7%	9.1%	3.3%	11.1%	6.0%	17.0%	-2.9%	-1.8%	-0.4%	8.7%
UK REITs	10.4%	-7.4%	12.7%	-13.3%	31.8%	-16.6%	28.8%	-31.6%	11.1%	-11.9%	11.8%

Source Bloomberg and Marriott

FWHRE A class (distributing), before investment management fees, based on last published price for period (24/12/2025).

There may be additional IIP or other product charges applied, which may affect the net yield.

Past performance cannot be a guarantee of future performance.

2025 return 8.7% - ahead of the longer term guidance of 4.5% to 6.5%.

**Fund has performed comparatively well
and with much less volatility compared to UK REITs.**



First World Hybrid Real Estate

Performance – Recent quarterly return analysis (GBP)

Returns – cal quarters	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25	Q4 25
3-months	-6.0%	-2.4%	-0.9%	-0.4%	1.8%	0.4%	-0.8%	2.1%	-2.1%	2.9%	2.4%	1.1%	2.0%
12-months	-2.9%	8.2%	-10.0%	-9.3%	-1.8%	0.9%	1.0%	3.6%	-0.4%	2.1%	5.4%	4.4%	8.7%
5-yr annualised	6.7%	5.8%	5.1%	5.1%	5.6%	4.9%	4.3%	4.3%	3.3%	5.3%	4.7%	4.6%	3.8%

Source Bloomberg and Marriott

A class (distributing), before investment management fees, based on last published price for period (24/12/2025).

There may be additional IIP or other product charges applied, which may affect the net yield.

Past performance cannot be a guarantee of future performance.

Positive returns for each quarter this year.

Underpinned by property rental growth and valuation increases.



First World Hybrid Real Estate

Performance – Return composition (GBP)

Annualised returns – periods ending 31 December 2025	1 Year	5 Years	10 Years
Total Return	8.7%	3.8%	5.5%
Income	4.4%	4.3%	4.7%
Capital growth	4.3%	-0.5%	0.8%

Source Bloomberg and Marriott

A class (distributing), before investment management fees, based on last published price for period (24/12/2025).

There may be additional IIP or other product charges applied, which may affect the net yield.

Past performance cannot be a guarantee of future performance.

Income return – predictable

Price return – based on property valuations and REIT prices



Property sector - long term targets

75% warehousing / 25% regional offices

Geographic

Institutional locations – sector driven

Ticket size

£5 to £25m

ESG – commercial relevance

flooding, contamination, tenant usage & energy
EPC's : 100% are A, B & C

Lease term & type

Min > 8 years unexpired term
FRI , upwards only reviews

Tenant

Low Risk CreditSafe
(rating score >60)
>£20m TNA

Rental growth

Yield

Property acquisition filter

- Clear
- Focused
- Disciplined approach



First World Hybrid Real Estate

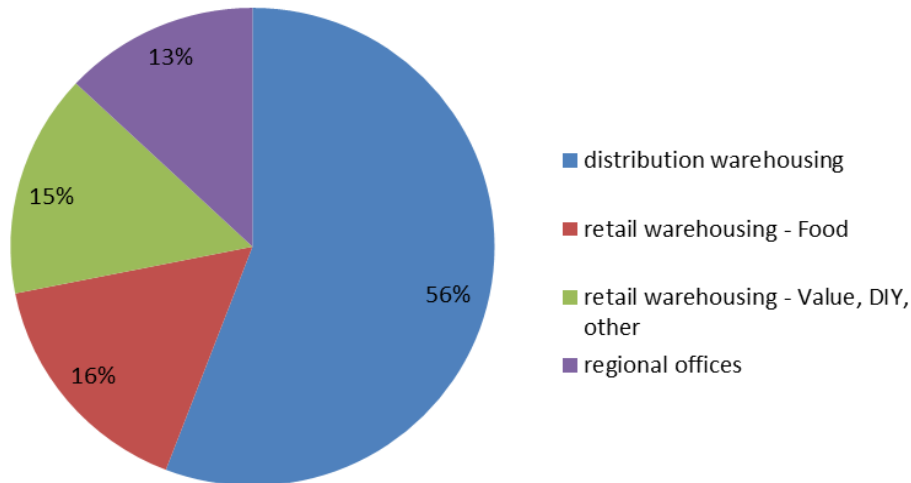
21 institutional grade modern properties



First World Hybrid Real Estate

Property type

Portfolio analysis: Dec 2025
property sector type by value



- Distribution warehousing dominant at 56% weighting
- 16% 'recession proof' food weighting
- 15% Retail warehousing tenanted by value retailers
- Decentralised, single tenanted regional offices at 13%

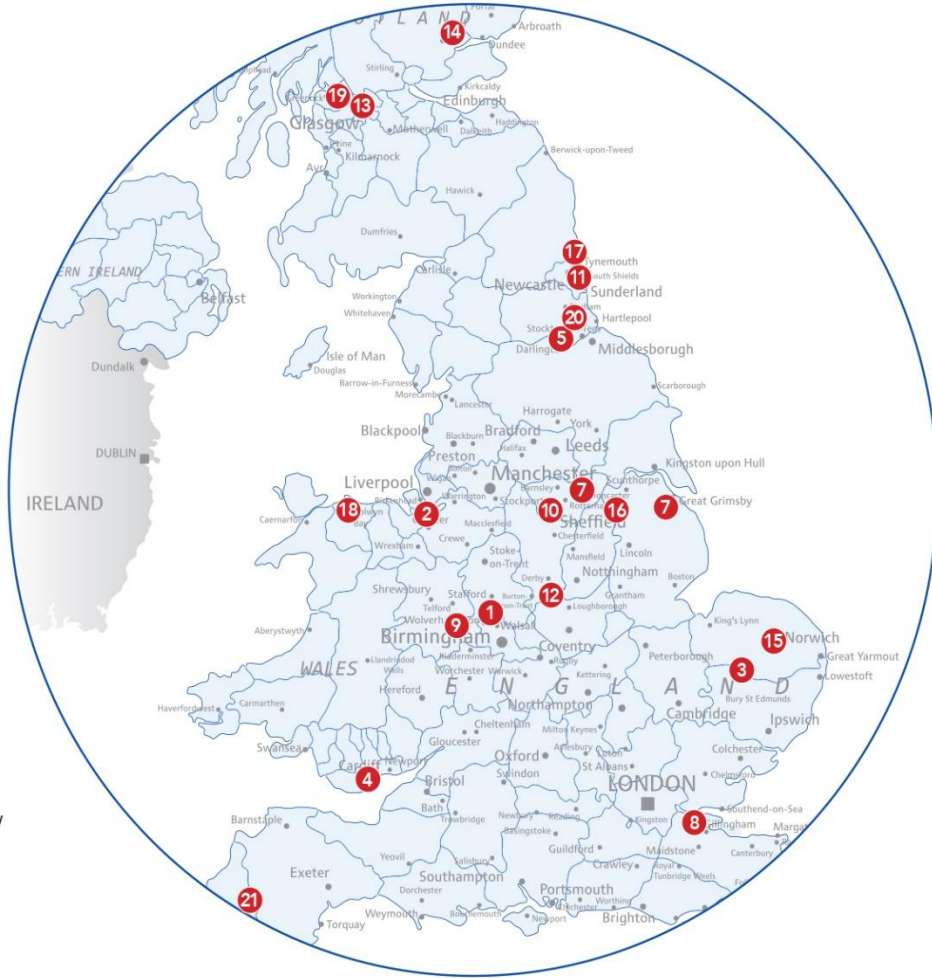
No high street retail / traditional shopping centres, leisure or student accommodation



First World Hybrid Real Estate

Defensive – geographical spread

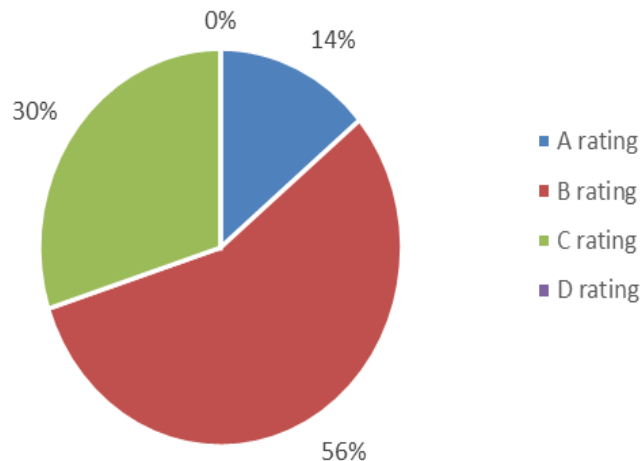
- 1 Bidfood
- 2 Matthew Clark
- 3 DPD
- 4 Sheffield Insulations
- 5 FPE Seals – Darlington, Durham
- 6 Keepmoat – Lakeside, Doncaster
- 7 Wickes – Grimsby, East Lincolnshire
- 8 Vanquis Bank – Chatham, Kent
- 9 Spectrum Brands – Wolverhampton
- 10 SIG – Sheffield, Yorkshire
- 11 Barratt – Gateshead, Newcastle
- 12 Sonoco – Leicester
- 13 B&M Retail – Stenhousemuir, Glasgow, Scotland
- 14 Brake Bros Limited – Dundee, Scotland
- 15 Marsh McLennan – Norwich, Norfolk
- 16 DHL Supply Chain – Bawtry, Doncaster
- 17 Sonoco – Newcastle
- 18 Marina Quay Retail Park – Rhyl, Wales
- 19 Aldi Stores and Home Bargains – Milngavie, Glasgow
- 20 North Durham Retail Park – Pity Me, Durham
- 21 Tesco – Tavistock, Devon



First World Hybrid Real Estate

ESG & Environment impact

EPC ratings : Dec 2025
(based on property values)



- The acquisition filter requires that consideration be given to the nature of the tenant's operations, flood risk, contamination, energy consumption etc
- EPC ratings (energy performance) are a specific area of focus
- The portfolio is well placed in terms of current ratings

ESG is integral to the Fund's acquisition and investment strategy

First World Hybrid Real Estate

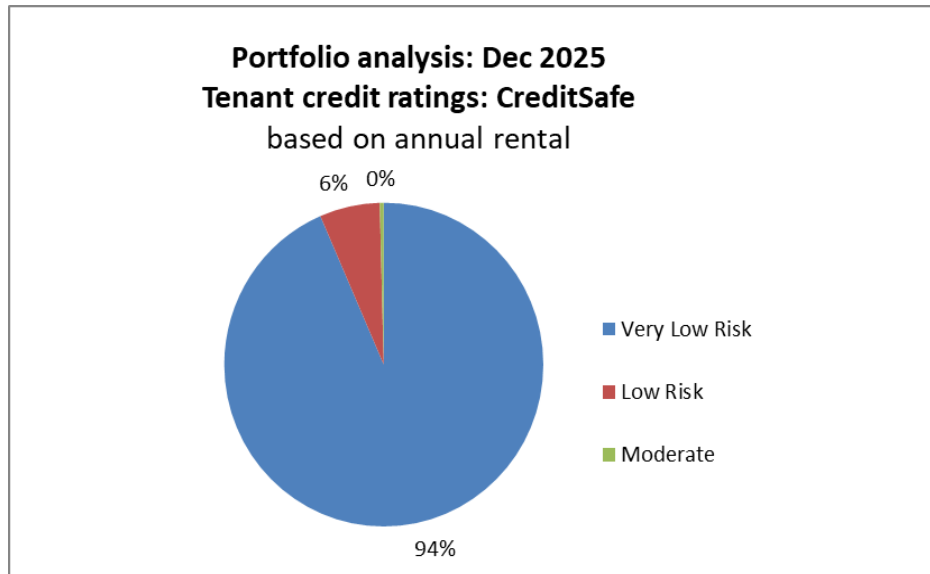
Tenants

- **Diversified tenant base of mainly UK consumer facing, substantial tenants**
 - Sonoco 13% (2 properties) – Sonoco was founded in 1899, has facilities in 40 countries with revenue of \$6.6bn (2024), and is listed on NYSE with market cap of \$4.6bn.
 - DHL 11% - leading postal and logistics company, £419m tangible net assets.
 - Spectrum Brands 8% - distributor of home essential brands, listed on NYSE with \$1.4bn market cap.
 - Marsh 7% - global insurer, £5.0bn tangible net assets. Marsh and McLennon, the ultimate holding company is listed on the NYSE with \$91bn market cap.

Tenant selection and financial standing underpins income certainty

First World Hybrid Real Estate

Strong tenants with substantial balance sheets and good credit track records



- Strong tenants allow for good rent collections - 100% of rental received
- Stringent investment criteria regarding tenants when considering a property for acquisition
- Acquisition filter requires tenants to have min CreditSafe score of 60 (being midpoint in Low Risk band) & TNA (tangible net assets) of > £20m

Tenant selection and financial standing underpins income certainty



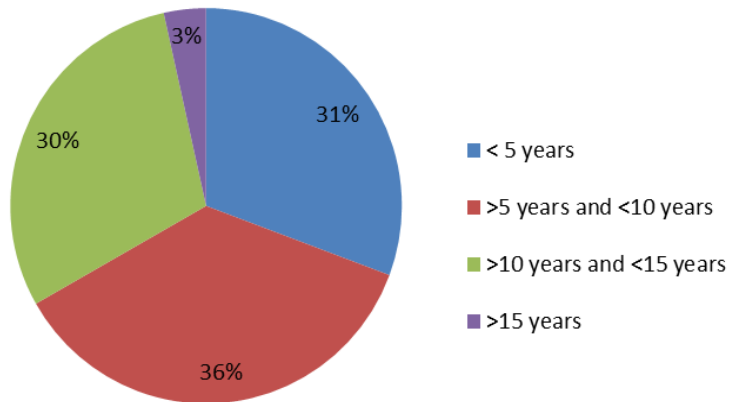
First World Hybrid Real Estate

Leases – well spread

Portfolio analysis: Dec 2025

lease expiry profile by lease value

Weighted average unexpired lease term = 8.1 years to expiry



- Long lease portfolio (35 leases) let on FRI leases, with upwards only rent reviews
- WAULT of 8.1 years to expiries, 7.7 years to tenant breaks
- Good spread with 33% of leases having 10 years or longer to expiry

Lease structure and length enhances income predictability



First World Hybrid Real Estate

2025 Rent reviews

- The rent in 5 leases (comprising 23% of portfolio rent) was reset
- These comprised a mix of Open Market Rent Reviews (OMRRs), Retail Price Index inflation linked (RPI) and fixed increases
- An average increase in rent of 17% was achieved
- Significant outcomes were
 - Wombourne distribution warehouse – 28% rent increase achieved in OMRR
 - Doncaster regional office - 17% rent increase in RPI rent adjustment
 - Darlington distribution warehouse – 13% rent increase per fixed rent adjustment
 - Doncaster distribution warehouse - 10% rent increase per fixed rent adjustment

Lease review terms and market rental growth underpin portfolio rental growth



First World Hybrid Real Estate

Lease terms and rental outlook

- **27% of leases are indexed** with either fixed or RPI linked rent reviews ensuring increased rentals on review
- **Market rental growth**, especially in the warehousing sector, means that there is inherent upside in leases that are subject to OMRRs (open market rent reviews)
- **Inherent rental upside across the portfolio is estimated to be circa 7% above current passing portfolio rent** (based on current levels / ignoring any future guaranteed or forecast rental growth)
- There are 7 leases (comprising 24% of portfolio passing rent) where the rental is to be reset during 2026. These comprise a mix of guaranteed rental increases and OMRRs. **Rental upside is estimated at 10%**

Lease review terms and market rental growth underpin portfolio rental growth



First World Hybrid Real Estate

Leasing activity

Significant leasing outcomes in 2025

- The **removal of the tenant break** at the retail warehouse property tenanted by Wickes in Grimsby was agreed extending the certain term of the lease by 5 years (now expires May 2035)
- The **removal of the tenant break** at the regional office property tenanted by Keepmoat was agreed extending the certain term of the lease by 3 years (now expires Dec 2030)
- An **Agreement for Lease (25 years)** with Burger King has been finalised and development has commenced for a drive thru at Marina Quay

Leasing positively impacts on property valuations

First World Hybrid Real Estate

Leasing activity

Upcoming leasing activity

- The **removal of the tenant break** at the regional office property tenanted by Vanquis Bank has been agreed (in legals) extending the certain term of the lease by 5 years (expires Sept 2031)
- An **Agreement for Lease (20 years)** for EV charging bays at North Durham has been agreed (in legals)
- There are **several other meaningful lease renewals, regears and extensions that are active work in progress** and are encouraging. The outcome of these will be announced and released when concluded.

Leasing positively impacts on property valuations

First World Hybrid Real Estate

Valuations

# of Direct Property Valuations	Up	Flat/Immaterial*	Down
Q4 2022	1	10	14
Q1 2023	2	0	7
Q2 2023	2	5	2
Q3 2023 #	2	21	2
Q4 2023	0	9	1
Q1 2024	0	9	1
Q2 2024	0	10	3
Q3 2024 #	1	19	3
Q4 2024	1	10	0
Q1 2025	2	8	0
Q2 2025	2	9	1
Q3 2025#	3	17	2
Q4 2025	2	9	0

Source: Marriott

*Within 3% of previous valuation #Fund financial year end

- **Trend of valuation increases continues** - net uplift in portfolio value of £0.9m in Q4 25.
- **45 independent valuations** in 2025
 - combined **uplift of £6.3m**
 - **3.5% overall increase in opening portfolio value**
 - **adding 4.5% to opening net asset value.**
- **Mainly due to positive leasing outcomes and market rental growth** rather than yield compression.
- The prospect of **yield compression and property return tailwinds**, with further interest rates cuts, **is encouraging.**

Valuation yields having stabilised, with positive leasing and rental outcomes driving up valuations

First World Hybrid Real Estate

Property portfolio debt

- There are 3 year (plus 2 by 1 year extensions) term debt arrangements with both **Barclays and HSBC at margins of 1.75%**.
- These term loans total £74.07m. In addition, there is a £5m Revolving Credit Facility (RCF) with Barclays of which £3m was drawn down and a £9m RCF with HSBC of which £8m has been drawn down.
- **Loan-to-Value** (LTV) across property portfolio is **45%** (approx. 39% on Fund basis), well below the bank maximum of 60%.
- **Weighted Average** (WA) all in cost, inc. RCF reserving, is circa **4.7%**, with an **Interest Cover** (IC) ratio of circa **3.1 times**.
- Board policy is for the interest rates of between 50% and 75% of the debt to be hedged. There are **5 interest rate swaps (£51.8m), 72% of the term debt**.
- The **WA term to expiry of the swaps is 3.4 years**, with WA fixed interest rate of 2.39bps

Debt funding has enhanced portfolio returns while hedges increase predictability of income yield for investors



First World Hybrid Real Estate REITs

- REITS are a **fundamental part of structure, for liquidity**
- Being publicly quoted and traded investments **pricing is inherently volatile and interest rate sensitive**
- The REITs held by the Fund have **performed comparatively well** – which in turn supports the type of direct property selected by the Fund
- During 2025 **REIT prices firmed** as interest rates reduced, resulting in **realised and unrealised gains of £2.9m**, 12.9% of opening REIT portfolio value at 1 January 2025 and contributing 2.0% to the Fund's opening net asset value.



First World Hybrid Real Estate

Our REIT selection – diversified but with a large warehousing emphasis



First World Hybrid Real Estate

REITs - current pricing attractive

REITs	Dividend Yield		Discount to NAV
	Current	Historic Average (10yr)	
Big Yellow Group	4.4%	3.5%	-25.1%
British Land	5.7%	4.9%	-38.6%
Land Securities Group	8.1%	5.6%	-28.3%
LondonMetric Property PLC	6.5%	4.6%	-10.1%
Segro PLC	4.2%	3.0%	-26.4%
Tritax Big Box REIT PLC	5.2%	4.4%	-22.6%
Average	5.7%	4.3%	-25.2%

Source: Bloomberg as at 31 December 2025

REITs appear attractively priced based on historic yields and discounts to their underlying net asset values

First World Hybrid Real Estate

Liquidity & Redemptions

- **Liquidity target levels**

- The targeted Liquidity Level is 25%, a Minimum Liquidity Level of 15%. Both are reviewed quarterly based on market conditions, redemption trends and expectations.

- **Flows and actual liquidity**

- 2025 calendar year: inflows £5.3m, redemptions £24.6m, circa 17% of NAV
- 2024 calendar year: inflows £7.0m, redemptions £20.0m, circa 13% of NAV
- Current liquidity is circa 17%.

- **Gating and suspension provisions**

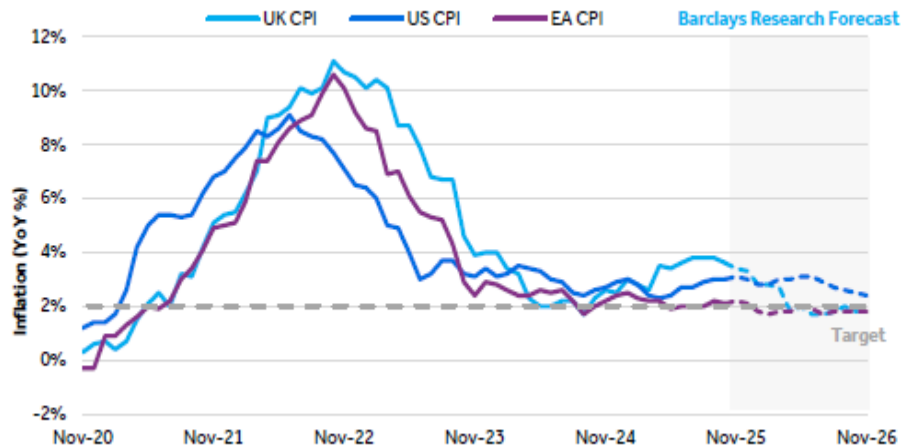
- As with all open-ended funds, there are standard provisions to deal with extraordinary circumstances in order **to protect the interests of all investors.**
- Gating – maximum weekly redemption is 5% of shares in issue, excess c/f.
- Suspension circumstances - where pricing is not reflective of underlying property valuations or where not practical to realise an investment.



First World Hybrid Real Estate

Inflation outlook, interest rates and property investment

Inflation Outlook



Source: Barclays Research & Bloomberg as of 17th December 2025.

- UK inflation **forecast at 2% target levels.**
- There have now been 6 x 25bps interest rate cuts since 1 August 2024, **further cuts are expected.**
- Direct property yields have stabilised, and **property values are benefiting from rising rents.**
- Lower interest rates are expected to result in yield compression, resulting in **valuation tailwinds.**



First World Hybrid Real Estate

Quality, Defensive, Dividends

- UK is a **1st world economy** with **entrenched property rights** and **good levels of governance and transparency**.
- The Fund is structured to offer better **liquidity and pricing certainty** than typical direct property investments but with **less volatility** than publicly quoted and traded property, this with the **comfort of a Regulated Fund**.
- The Fund remains **well positioned** due to the **type of properties selected, the structure and length of the leases**, and the **nature and financial strength of the tenants**.
- The Fund's leases and tenant strength can be expected to underpin a **robust dividend yield in Sterling**.



First World Hybrid Real Estate

Return expectations

LONGER TERM 4.0% to 6.5% pa (in Sterling)
underpinned by:

- **Reliable rental income** from long leases underpinned by strong financial covenants
- **Portfolio rental growth to continue**, underpinned by RPI linked leases and upcoming open market reviews with inherent rental upside

SHORT TO MEDIUM TERM returns likely to be better
underpinned by:

- 8.7% return achieved for 2025 calendar year ahead of longer-term guidance
- **Lower interest rates and the expectation of further cuts** are supportive of yield compression and property pricing (both REITs and direct), **enhancing these longer-term returns expectations.**
- The start of a firming property cycle that is **gathering momentum**



Before making a decision about investing, you should read the following information and make sure you are comfortable.

All investment involves risk. Past performance is not necessarily a guide to future performance. The value of investments can go down as well as up and investors may not receive back the original amount that they invested. Where investment is in a different currency, movements in exchange rates can have an effect that is unfavourable as well as favourable.

The opinions contained in the presentation are based on information which we believe to be accurate and up to date at the date of the presentation. These opinions may change over time. There is no guarantee about timelines, accuracy or suitability of the information and opinions and anyone who acts on them does so entirely at their own risk. Clients should always seek appropriate advice, including advice about their individual tax position, before investing.

FIM Capital Limited is the appointed Fund Manager and Property Manager for First World Hybrid Real Estate Plc. FIM Capital Limited is licenced by the Isle of Man Financial Services Authority to undertake Investment Business, to provide services to Collective Investment Schemes and to provide Corporate Services.

