

# First World Hybrid Real Estate Plc

31 March 2026



# 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 March 2026

- **Amidst Middle East conflict and global uncertainty** – the Fund has shown resilience, with a positive contribution from the property portfolio while price weakness from the REITs have impacted negatively
- **March dividend increased by 4.3%** - given robust property rental growth and increases in dividends paid by the REITs.
- **Positive rental reviews** – increase in portfolio rent underpinning property valuation growth
- **Positive leases extensions** – enhances portfolio WAULT, improves income certainty and results in property valuation increases



# 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 6.2%**
- **Robust income - FRI, long leases (WAULT 7.8 years)**
- **Low volatility - each property is independently valued twice per annum on a rolling basis**



## REITs

- UK listed REITs, yielding approximately 6.4%
- Priced on stock market therefore readily tradeable and liquid
- Pricing volatility, especially in times of elevated uncertainty
- Primarily to provide liquidity for redemptions



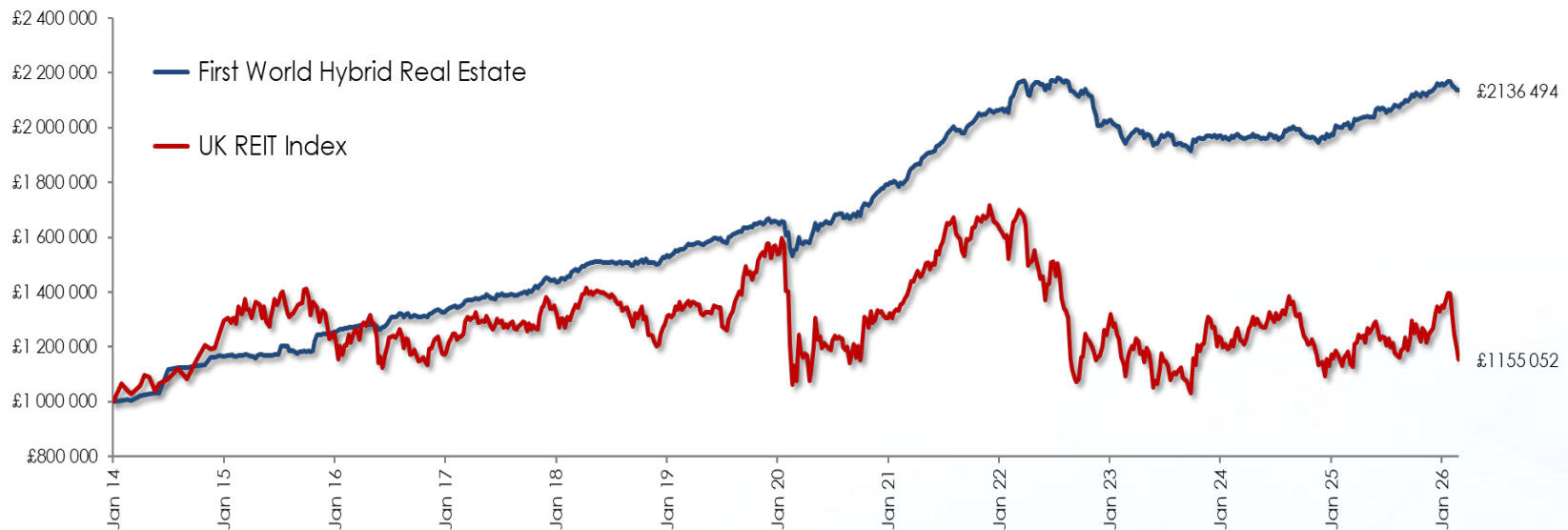
# First World Hybrid Real Estate

Solid track record

	Dec 14	Dec 15	Dec 16	Dec 17	Dec 18	Dec 19	Dec 20	Dec 21	Dec 22	Dec 23	Dec 24	Dec 25	Mar 26
No. of props	2	7	12	16	18	20	20	24	26	25	22	21	<b>21</b>
Gross asset value £m	15	37	78	113	137	163	177	238	263	244	221	220	<b>218</b>

The Fund's Net Asset Value is circa £129m

# First World Hybrid Real Estate Performance – with lower volatility



Source: Bloomberg & Marriott

Source: Bloomberg and Marriott

FWHRE based on A class (distributing) before investment management fees, up to 27 March 2026

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%	<b>8.7%</b>
UK REITs	10.4%	-7.4%	12.7%	-13.3%	31.8%	-16.6%	28.8%	-31.6%	11.1%	-11.9%	<b>11.8%</b>

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**

**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	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25	Q4 25	Q1 26
3-months	-2.4%	-0.9%	-0.4%	1.8%	0.4%	-0.8%	2.1%	-2.1%	2.9%	2.4%	1.1%	2.0%	0.2%
12-months	8.2%	-10.0%	-9.3%	-1.8%	0.9%	1.0%	3.6%	-0.4%	2.1%	5.4%	4.4%	8.7%	5.9%
5-yr annualised	5.8%	5.1%	5.1%	5.6%	4.9%	4.3%	4.3%	3.3%	5.3%	4.7%	4.6%	3.8%	3.5%

Source Bloomberg and Marriott

A class (distributing), before investment management fees, based on last published price for period (27/3/26).

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 since 2025**

**Underpinned by property rental growth and valuation increases**

**Impacted by REIT volatility**



# First World Hybrid Real Estate

## Performance – Return composition (GBP)

Annualised returns – periods ending March 2026	1 Year	5 Years	10 Years
Total Return	5.9%	3.5%	5.3%
Income	4.3%	4.4%	4.8%
Capital growth	1.6%	-0.9%	0.5%

Source Bloomberg and Marriott

A class (distributing), before investment management fees, based on last published price for period (27/3/26).

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**



# First World Hybrid Real Estate

## Performance – Return comparisons (GBP)

Annualised returns – periods ended March 2026	Month March 2026	Q1 2026	1 Year	5 Years	10 Years
FWHRE	-1.5%	0.2%	5.9%	3.5%	5.3%
UK REITs	-16.1%	-8.5%	-0.2%	-3.1%	-0.6%
UK Equities	-10.5%	-5.1%	12.8%	2.8%	5.2%

Source Bloomberg and Marriott

A class (distributing), before investment management fees, based on last published price for period (27/3/26).

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.

**Fund has performed comparatively well over the longer term and shown resilience in recent investment uncertainty**



# 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

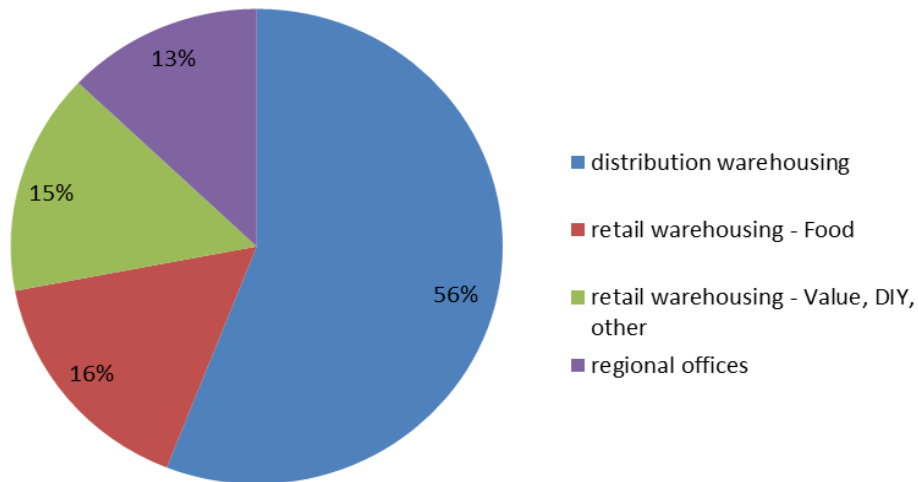
21 institutional grade modern properties



# First World Hybrid Real Estate

## Property type

**Portfolio analysis: March 2026  
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%

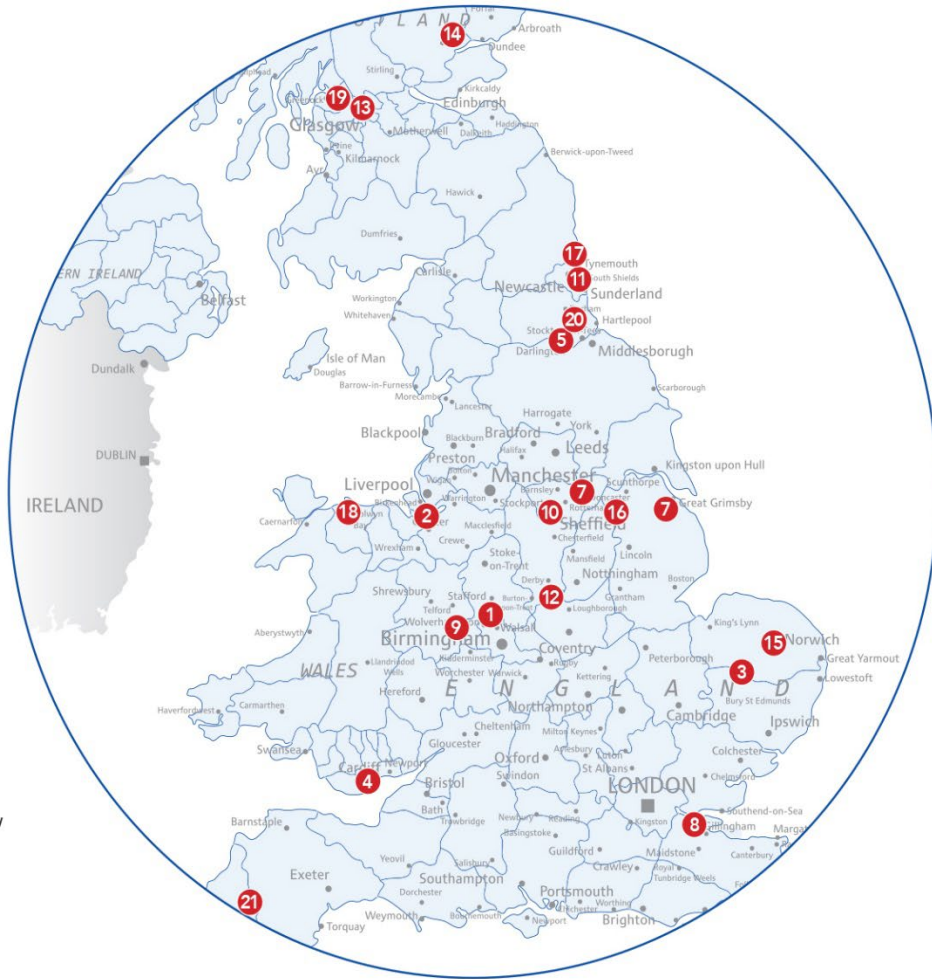
**No high street retail / traditional shopping centres, leisure or student accommodation**



# First World Hybrid Real Estate

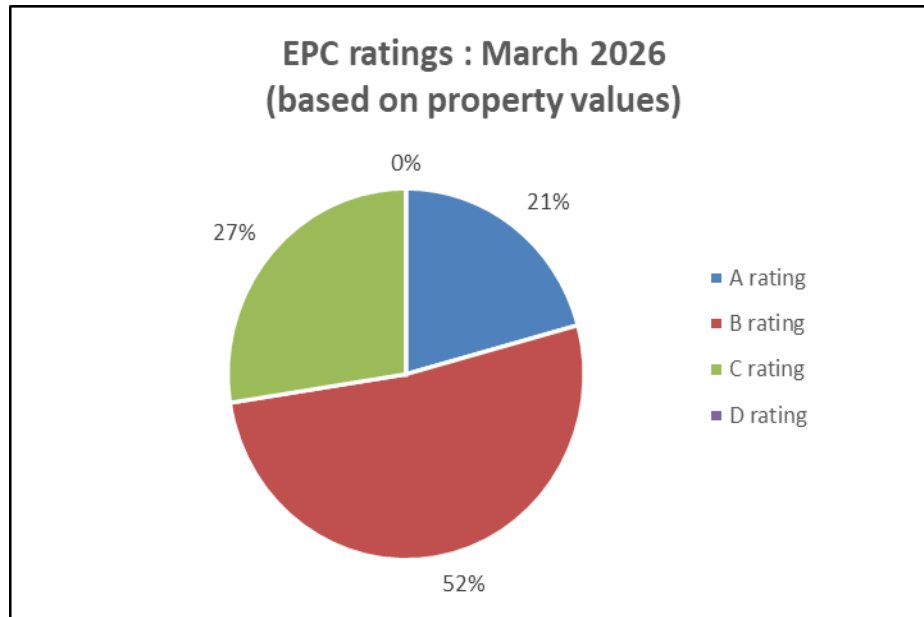
## Defensive – geographical spread

- 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



- 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

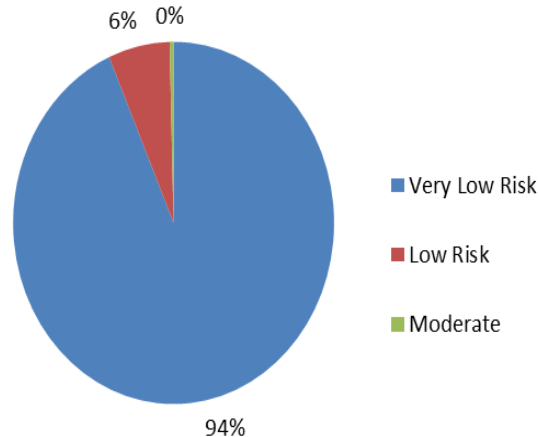
- **Diversified tenant base of mainly UK consumer facing, substantial tenants**
  - Sonoco 13% (2 properties) – Sonoco was founded in 1899, has facilities in 40 countries with revenue of \$6.6bn (2024), and is listed on NYSE with market cap of \$5.2bn.
  - DHL 11% - leading postal and logistics company, £419m tangible net assets.
  - Spectrum Brands 8% - distributor of home essential brands, listed on NYSE with \$1.6bn market cap.
  - Marsh 7% - global insurer, £5.0bn tangible net assets. Marsh and McLennon, the ultimate holding company is listed on the NYSE with \$85.3bn 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

**Portfolio analysis: March 2026**  
**Tenant credit ratings: CreditSafe**  
based on annual rental



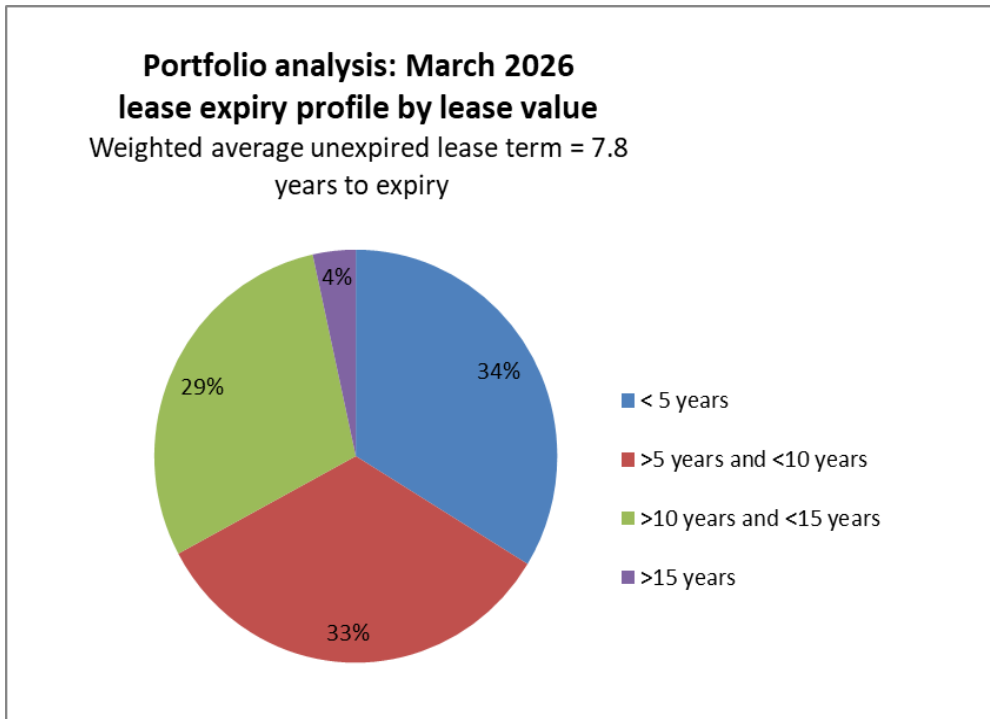
- Strong tenants allow for good rent collections - 100% of rental received
- Stringent investment criteria regarding tenants when considering a property for acquisition
- Acquisition filter requires tenants to have min CreditSafe score of 60 (being midpoint in Low Risk band) & TNA (tangible net assets)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

**Tenant selection and financial standing underpins income certainty**



# First World Hybrid Real Estate

## Leases – well spread



- Long lease portfolio (35 leases) let on FRI leases, with upwards only rent reviews
- WAULT of 7.8 years to expiries, 7.4 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

## Rent reviews

- The rent in 5 leases (comprising 23% of portfolio rent) was reset in 2025 with an average increase in rent of 17% being achieved
- These comprised a mix of Open Market Rent Reviews (OMRRs), Retail Price Index inflation linked (RPI) and fixed increases
- **In Q1 2026, three rent reviews (comprising 10% of portfolio rent) have been finalised, with an average 15% increase. These included**
  - Bidfoods (Cannock distribution warehouse) – 35% rent increase achieved in OMRR
  - Vanquis Bank (Chatham regional office) - 6% rent increase agreed as part of removal of tenant break negotiations
  - B&M (Marina Quay retail park) – rent retained at previous level in OMRR

**Lease review terms and market rental growth underpin portfolio rental growth**



# First World Hybrid Real Estate

## Lease terms and rental outlook

- **22% 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 entire 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 4 leases (comprising 14% of portfolio passing rent) where the rental is still to be reset during 2026. These comprise a mix of guaranteed rental increases and OMRRs. **Rental upside is estimated at 15%**

**Lease review terms and market rental growth underpin portfolio rental growth**



# First World Hybrid Real Estate

## Leasing activity

- During 2025, the removal of 2 tenant breaks were negotiated, resulting in a 5-year extension of the certain term of the lease at the retail warehouse property tenanted by Wickes in Grimsby (now expires May 2035) and a 3-year extension at the regional office property tenanted by Keepmoat (now expires Dec 2030). In addition, a 25-year lease with Burger King was agreed and the development of this drive thru at Marina Quay is underway.
- **In Q1 2026, there has been further positive leasing activity.**
  - **The tenant break at the regional office property tenanted by Vanquis Bank was removed, extending the lease by 5 years (now expires Sept 2031), resulting in a 9.1% increase in the property value.**
  - **An Agreement for Lease (20 years) for EV charging bays at North Durham was agreed, which will add circa 4% income to the rent from this property without any cost to the Fund.**
- There are 8 leasing initiatives that are active work in progress. The outcome of these will be announced when concluded.

**Leasing activity enhances the certainty of income and is supportive of valuation upside**

# First World Hybrid Real Estate

## Valuations

# Property Valuations	Up	Flat/Immaterial*	Down
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
Q1 2026	1	11	3

Source: Marriott

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

- 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.
- **Q1 2026 – positive trend remains**
  - **15 valuation updates received**
  - **Noteworthy that 8 valuations were received in March, 3 in the last week (of which 2 were up and the other retained) despite the widespread global investment uncertainty.**

**Valuation yields are stable, with positive leasing and rental outcomes driving up values**

# First World Hybrid Real Estate

## Property portfolio debt -

- There are 3 year term debt arrangements (plus 2 X 1 year extensions) 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, which is currently fully drawn, and a £9m RCF with HSBC of which £8m has been drawn down.
- **Loan-to-Value** (LTV) across property portfolio is **46%** (approx. 40% 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 **3.2 times**.

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



# First World Hybrid Real Estate

## Property portfolio debt

- 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 3.1 years**, with WA fixed interest rate of 2.39bps (before the margin of 1.75%).
- The **largest swap (48% of the total hedging), which has a very competitive fixed rate of 1.05%, has more than 5½ years to maturity.**
- The **other 4 swaps have shorter terms to expiry (up to 2 years) but are at fixed rates which are generally not dissimilar to the current 3.75% base rate**, meaning that the risk to higher debt funding costs upon their maturity is limited.

**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
- However, REIT prices fell sharply in March amidst market volatility resulting in **realised and unrealised losses of £1.8m**, 9.1% of opening REIT portfolio value at 1 January 2026 with a negative 1.4% impact on 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	5.6%	3.5%	35.4%
British Land	6.4%	4.9%	38.6%
Land Securities Group	7.4%	5.7%	36.2%
LondonMetric Property PLC	6.9%	4.6%	10.2%
Segro PLC	4.8%	3%	30.4%
Tritax Big Box REIT PLC	5.7%	4.4%	24.5%
Primary Health Properties	7.9%	5.3%	7.3%
<b>Average</b>	<b>6.4%</b>	<b>4.5%</b>	<b>26.1%</b>

Source: Bloomberg as at 31 March 2026

**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**

- Q1 2026 : inflows £2.6m, redemptions £4.2m, circa 3% of NAV
- 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 16%.

- **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 not reasonably practical to realise an investment or not in the interests of shareholders to do so.



# First World Hybrid Real Estate

## Quality, Defensive, Dividends

- UK is a **1<sup>st</sup> 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

The Fund is expected to generate robust and growing income underpinned by:

- **Reliable contractual rental** from strong tenants on long leases with rental growth underpinned by RPI linked leases and upcoming open market reviews which have inherent rental upside.
- **Dividends from the REIT portfolio** which have excellent dividend track records.
- **Well managed hedging strategies** which help shield the Fund from unexpected interest rate increases.

This is evidenced in the Board's decision to increase the Fund's March quarter dividend by 4.3%

- **Price appreciation** - rental growth, leasing activity and lease extensions underpin property valuation upside while REITs seem to offer good value.

**Given the robust income generated by the Fund and the expectation of income growth, total return guidance over of the longer term is 7%, in sterling.**



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.

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