

# First World Hybrid Real Estate Plc

30 September 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 30 September 2025

- **100% rental collected.**
- **Property portfolio 100% occupied.**
- Positive rental reviews and leasing initiatives – resulting in **increased rent and enhancing income certainty** – with property valuation upside.
- **£2.2m (1.2%) increase property portfolio**, adding 1.6% to net asset value
- **REIT price volatility.**
- **Outlook is positive.** REITs seem attractively priced, and direct property rental levels and market values are well placed for further growth.
- Interest rates are expected to fall, and the **prospect of yield compression is encouraging** as the **property cycle gathers momentum.**



# 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 8.4 years)
- Low volatility - each property is independently valued twice per annum on a rolling basis



## REITs

- UK listed REITs, yielding approximately 5.8%
- 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

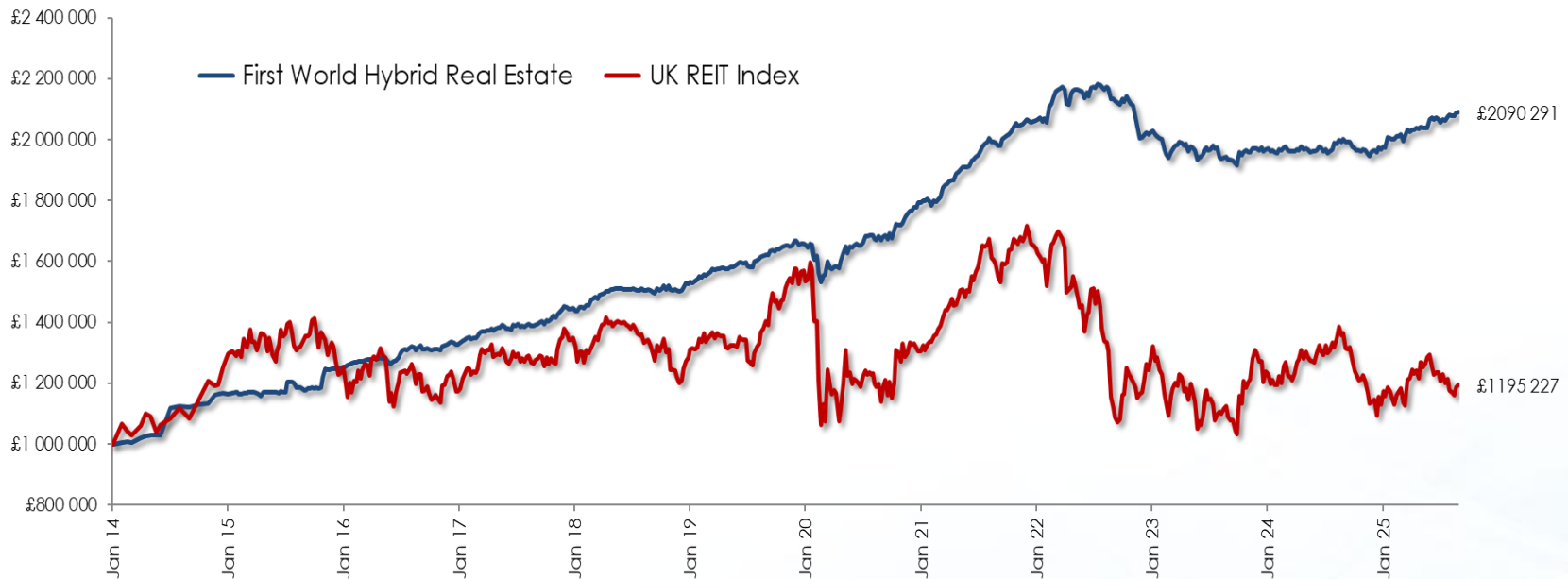
	Dec 2014	Dec 2015	Dec 2016	Dec 2017	Dec 2018	Dec 2019	Dec 2020	Dec 2021	Dec 2022	Dec 2023	Dec 2024	Sept 2025
No. of properties	2	7	12	16	18	20	20	24	26	25	22	<b>22</b>
Gross asset value £m	15	37	78	113	137	163	177	238	263	244	221	<b>221</b>

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



# First World Hybrid Real Estate

## Performance - **without the volatility**



Source: Bloomberg & Marriott

Source: Bloomberg and Marriott

FWHRE based on A class (distributing) before investment management fees, up to 26 Sept 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	YTD (26/9/25)
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>6.5%</b>
UK REITs	10.4%	-7.4%	12.7%	-13.3%	31.8%	-16.6%	28.8%	-31.6%	11.1%	-11.9%	<b>5.9%</b>

Source Bloomberg and Marriott

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

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

**The YTD return of 6.5% is positive, at the upper end of longer term guidance of 4.5% to 6.5%.**

**The Fund has performed comparatively well and with much less volatility when compared to UK REITs (as a proxy).**



# 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
3-months	-6.0%	-2.4%	-0.9%	-0.4%	1.8%	0.4%	-0.8%	2.1%	-2.1%	<b>2.9%</b>	<b>2.4%</b>	<b>1.1%</b>
12-months	-2.9%	8.2%	-10.0%	-9.3%	-1.8%	0.9%	1.0%	3.6%	-0.4%	<b>2.1%</b>	<b>5.4%</b>	<b>4.4%</b>
5-yr annualised	6.7%	5.8%	5.1%	5.1%	5.6%	4.9%	4.3%	4.3%	3.3%	<b>5.4%</b>	<b>4.7%</b>	<b>4.6%</b>

Source Bloomberg and Marriott

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

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.**  
**Direct property returns have contributed positively.**  
**REIT pricing volatility remains.**



# First World Hybrid Real Estate

## Performance – Return composition (GBP)

Annualised returns – periods ending 30 September 2025	1 Year	5 Years	10 Years
Total Return	4.4%	4.6%	5.9%
Income	4.3%	4.4%	4.7%
Capital growth	0.1%	0.2%	1.2%

Source Bloomberg and Marriott

A class (distributing), before investment management fees, based on last published price for period

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

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**Income return – predictable**

**Price return – based on property valuations and REIT prices**



# First World Hybrid Real Estate

## Performance – Comparative returns (GBP)

Annualised returns – periods ended 30 September 2025	1 Year	5 Years	10 Years
FWHRE	4.4%	4.6%	5.9%
UK REITs	-10.1%	0.9%	-1.1%
UK Equities	8.1%	8.0%	5.7%

Source Bloomberg and Marriott

FWHRE A class (distributing), before investment management fees, based on last published price for period

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

**The Fund has performed comparatively well over the longer term**



# 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

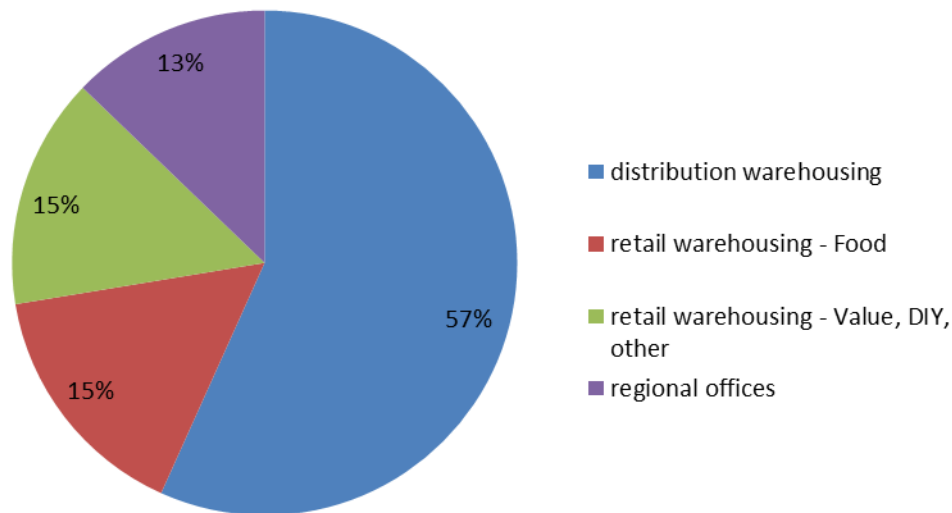
22 institutional grade modern properties



# First World Hybrid Real Estate

## Property type

**Portfolio analysis: Sept 2025  
property sector type by value**



- Distribution warehousing dominant at 57% weighting
- 15% 'recession proof' food weighting
- 15% Retail warehousing tenanted by value retailers
- Decentralised, single tenanted regional offices at 13%

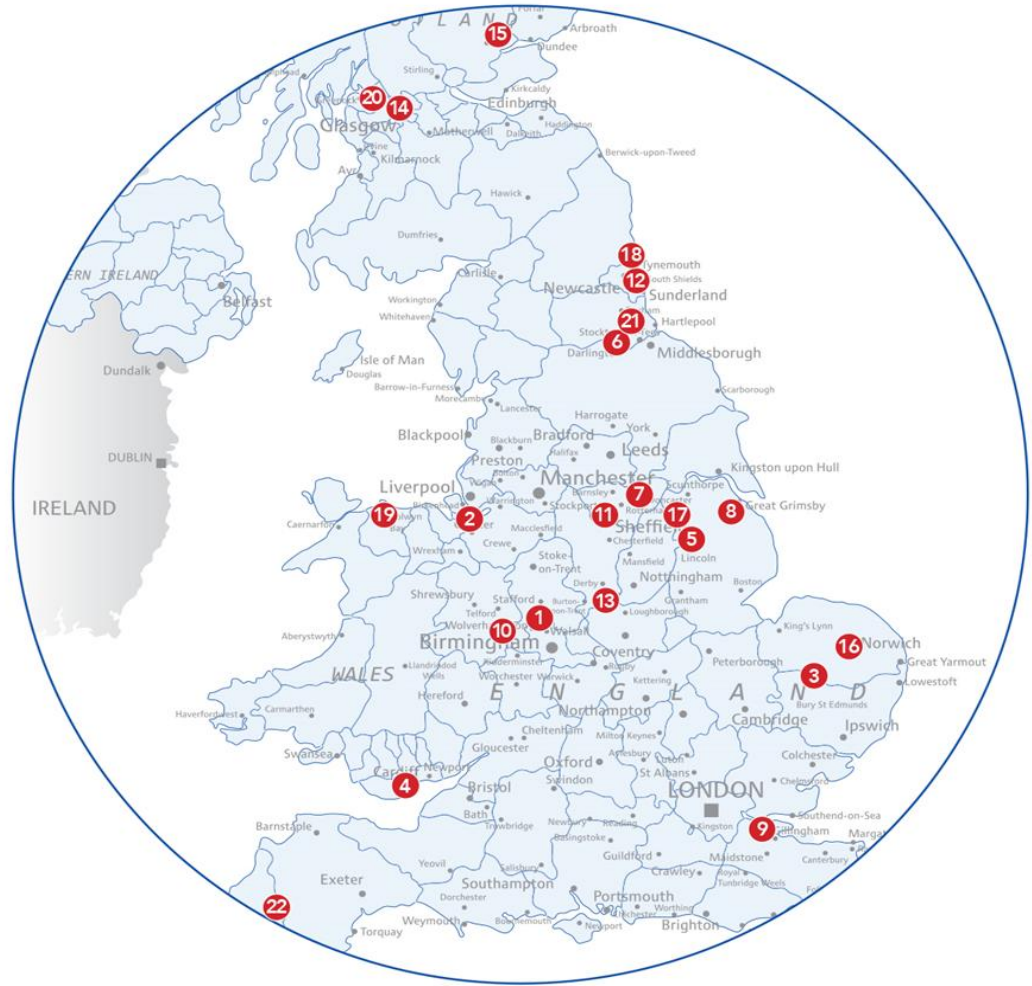
**No high street retail / traditional shopping centres, leisure or student accommodation**



# First World Hybrid Real Estate

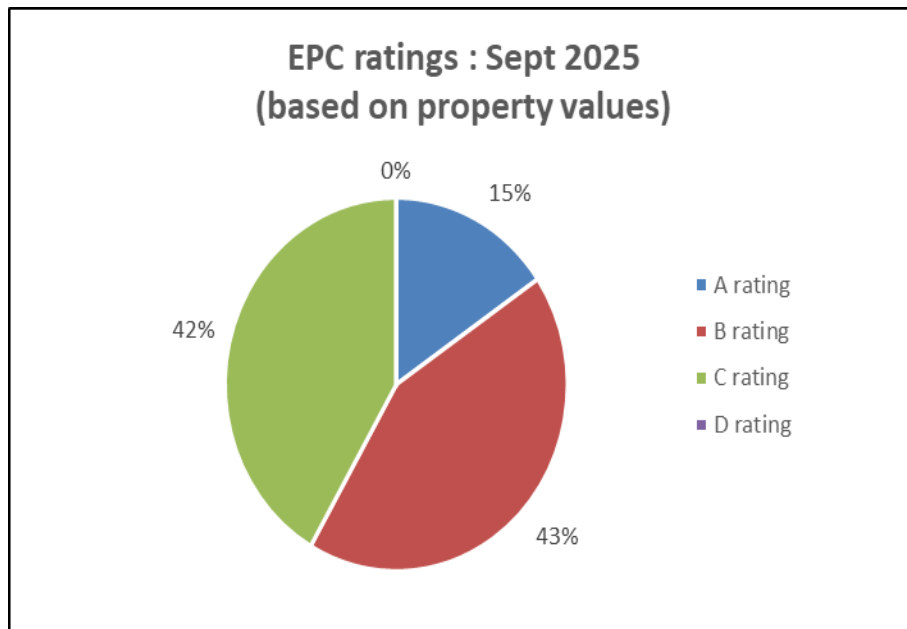
## Geographical spread

- 1 Bidfood
- 2 Matthew Clark
- 3 DPD
- 4 Sheffield Insulations
- 5 Booker Cash and Carry
- 6 FPE Seals – Darlington, Durham
- 7 Keepmoat – Lakeside, Doncaster
- 8 Wickes – Grimsby, East Lincolnshire
- 9 Vanquis Bank – Chatham, Kent
- 10 Spectrum Brands – Wolverhampton
- 11 SIG – Sheffield, Yorkshire
- 12 Barratt – Gateshead, Newcastle
- 13 Sonoco – Leicester
- 14 B&M Retail – Stenhousemuir, Glasgow, Scotland
- 15 Brake Bros Limited – Dundee, Scotland
- 16 Marsh McLennan – Norwich, Norfolk
- 17 DHL Supply Chain – Bawtry, Doncaster
- 18 Sonoco – Newcastle
- 19 Marina Quay Retail Park – Rhyl, Wales
- 20 Aldi Stores and Home Bargains – Milngavie, Glasgow
- 21 North Durham Retail Park – Pity Me, Durham
- 22 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**



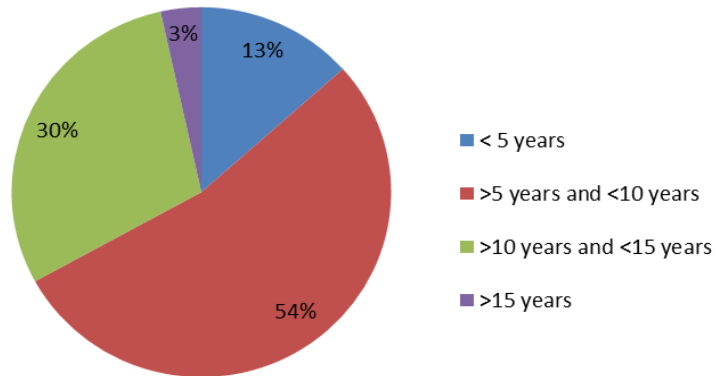
# First World Hybrid Real Estate

## Leases – well spread

### Portfolio analysis: Sept 2025

#### lease expiry profile by lease value

Weighted average unexpired lease term = 8.4 years to expiry



- Long lease portfolio (35 leases) let on FRI leases, with upwards only rent reviews
- Portfolio fully let
- WAULT of 8.4 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

## Rental growth – lease terms

- **36% of leases are indexed** with either fixed or RPI linked rent reviews (including 49% of the office portfolio) ensuring increased rentals on review
- **Strong open market rental growth** in the warehousing sector, meaning that there is inherent upside in those leases that are subject to OMRRs (open market rent reviews)
- **Inherent rental upside across the portfolio is estimated to be 7% above current passing portfolio rent**(based on current levels / ignoring any future guaranteed or forecast rental growth)
- There are 3 leases (comprising 16% of passing portfolio rent) where the rental is to be reset during 2025. These comprise a mix of guaranteed rental increases and OMRRs. **Rental upside is estimated at 14%**

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



# First World Hybrid Real Estate

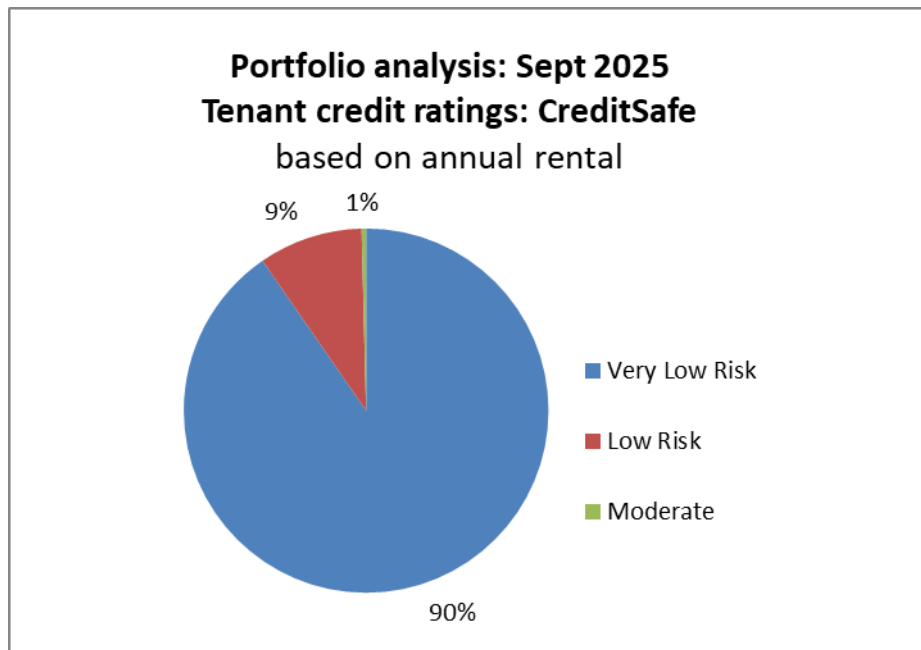
## Tenants

- **Diversified tenant base, substantial tenants**
  - Sonoco / formerly Eviosys, 13% (2 properties) – following Sonoco's acquisition of Eviosys there has been a name change. Sonoco was founded in 1899, has facilities in 40 countries with revenue of \$6.6bn, and is listed on NYSE with market cap of \$4.3bn.
  - DHL 10% - leading postal and logistics company, £402m tangible net assets.
  - Spectrum Brands 8% - distributor of home essential brands, listed on NYSE with \$1.3bn market cap.
  - Marsh 7% - global insurer, £5.7bn tangible net assets. Marsh and McLennon, the ultimate holding company is listed on the NYSE with \$98bn market cap.
- **Mainly UK consumer facing businesses**
  - No London or international head offices, no export focussed businesses and no automotive

**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

## Leasing activity for quarter ended 30 Sept 2025

The following **significant leasing outcomes have been achieved.**

- The removal of the tenant break at the retail warehouse property tenanted by Wickes in Grimsby was agreed, with documents exchanged on 8 Oct 2025. This extends the certain term of the lease by 5 years, which now expires May 2035. A 5-month rent free incentive was granted. This is expected to have a positive impact on the valuation when the property is next independently valued.
- There are several meaningful lease extension and rent review negotiations in progress. The outcome of these will be announced when finalised.

**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

Source: Marriott

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

- **Twelve independent** property valuations were received during Q3, with all other property valuations reviewed for financial year end purposes. The net uplift in portfolio value of £2.2m (1.2% increase in overall portfolio value).
- These were **due to positive leasing outcomes and market rental growth** (rather than yield compression). Examples being:
  - **£1m (8%) increase at Wombourne** due to a favourable rent review outcome
  - **£0.8m (4%) increase at Doncaster** due to increase in estimated market rentals.

**There is good evidence of 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 which is currently fully drawn down and a £9m Revolving Credit Facility (RCF) with HSBC of which £6m has been drawn down.
- Loan-to-Value (LTV) across property portfolio is 46% (approx. 39% on Fund basis), well below the bank maximum of 60%.
- WA (Weighted Average) all in cost, inc. RCF reserving, is circa 4.8%, with an Interest Cover (IC) ratio of circa 3.0 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), 70% of the term debt.
- The WA term to expiry of the swaps is 3.6 years, with WA fixed interest rate of 2.39bps

**Debt funding has enhanced portfolio returns**

**Hedges increase predictability of income yield for investors**



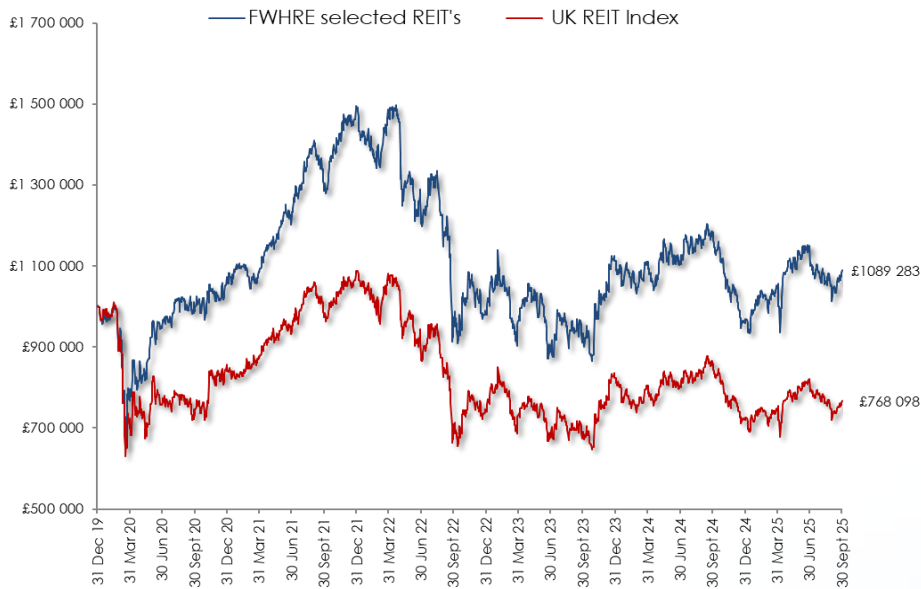
# First World Hybrid Real Estate

Our REIT selection - large warehousing dominant REITs



# First World Hybrid Real Estate

## REITs — comparable returns / volatility



Source: Bloomberg & Marriott

- REITS are a **fundamental part of structure, for liquidity**
- Being publicly quoted and traded investments **pricing is inherently volatile and interest rate sensitive**
- **REIT prices are expected to respond positively as interest rates come down.**
- The REITs held by the Fund have **performed comparatively well** – which supports the type of property selected by the Fund

# First World Hybrid Real Estate

REITs - attractive pricing

REITs	Dividend Yield		Discount to NAV
	Current	Historic Average (10yr)	
Big Yellow Group	4.8%	3.4%	-25.1%
LondonMetric	6.7%	4.6%	-10.1%
Segro	4.6%	3.0%	-26.4%
Tritax Big Box	5.4%	4.4%	-22.6%
British Land	6.5%	4.8%	-38.6%
<b>Average</b>	<b>5.6%</b>	<b>4.0%</b>	<b>-24.6%</b>

Source: Bloomberg as at 30 September 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 Minimum Liquidity Level (MLL) is 25%, reviewed quarterly based on market conditions, redemption trends and expectations.

- **Flows and actual liquidity**

- 2025 calendar year to date: inflows £3.0m, redemptions were £20.1m
- 2024 calendar year: inflows £7.0m, redemptions £20.0m, circa 13% of NAV
- 2023 calendar year: inflows £10.0m, redemptions £21.1m, circa 12% of NAV
- Current liquidity is circa 18%.

- **Gating and suspension provisions**

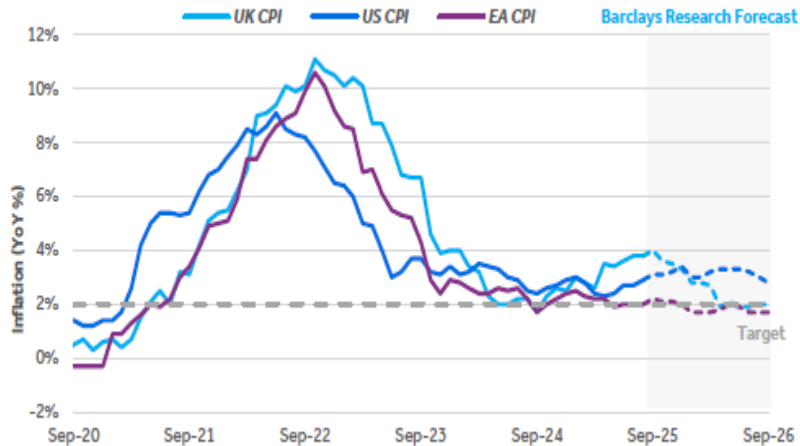
- As with all open-ended funds, there are standard provisions to deal with extraordinary circumstances in order **to protect the interests of all investors.**
- Gating – maximum weekly redemption is 5% of shares in issue, excess c/f.
- Suspension circumstances - where pricing is not reflective of underlying 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 9<sup>th</sup> October 2025.

- Inflation forecast is **2% target levels**.
- There have now been 5 x 25bps interest rate cuts since 1 August 2024, and **further cuts are expected**.
- Direct property valuation yields have stabilised, and **property values are benefiting from rising rents levels**.
- 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 **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

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 2025 returns likely to be better  
underpinned by:

- A Year-to-date return (first nine months) of 6.5%, suggesting that the 2025 calendar return will be ahead of longer term 4.0% to 6.5% guidance.
- The expectation of **lower interest rates** which will be supportive of yield compression and property pricing (both REITs and direct), **enhancing these longer-term returns expectations.**



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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