

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") 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 Company 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).

<h3>Direct Real Estate</h3> <ul style="list-style-type: none"> <li>• UK commercial real estate, yielding approximately 6.2%</li> <li>• Weighted average remaining lease term of 7.8 years</li> <li>• Each property is independently appraised at least twice per annum on a rolling basis, therefore less volatile pricing</li> </ul>		<h3>Listed REITs</h3> <ul style="list-style-type: none"> <li>• UK listed REITs yielding approximately 6.4%</li> <li>• Priced on stock market, therefore readily traded and liquid</li> <li>• Pricing volatility</li> <li>• Primarily to provide liquidity for redemptions</li> </ul>
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## Fund Objective and Investment Approach

The objective of the fund is to generate a reliable, predictable and growing income primarily through investment in certain kinds of direct real estate, listed Real Estate Investment Trusts, property investment companies and money market instruments.

## Key Features

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

Low
Medium
High

## Fund Information

<b>Registered Name</b>	First World Hybrid Real Estate Plc
<b>Fund Size</b>	£128,865,666
<b>Value of direct real estate:</b>	£183,705,000
<b>Value of external debt:</b>	£84,257,456
<b>Current loan to value of direct real estate:</b>	45.9%
<b>Distribution</b>	£0.0120 per share Class A
<b>Price (NAV) as at the last pricing date of the quarter</b>	
Class A	£1.1151
Class B	£1.5483
Class C – LISP only	£1.4903

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.

### Distributions Since Inception Class A

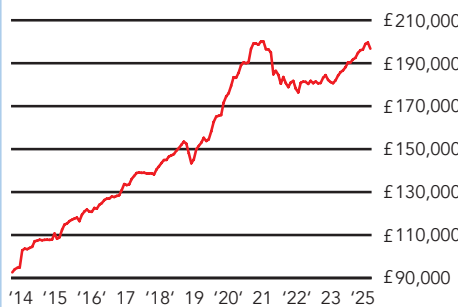
(Paid quarterly in pounds sterling per unit)



Source: Marriott

### Total Returns Since Inception Class A

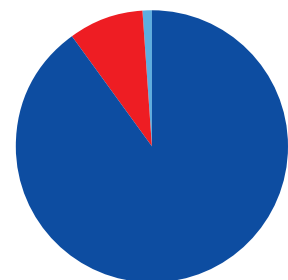
(Assuming £100,000 invested at inception)



Source: Marriott

### Current Net Asset Allocation

- Direct Real Estate 90.0%
- REITs 9.0%
- Cash 1.0%



Source: Marriott

## Fund Limits and Constraints

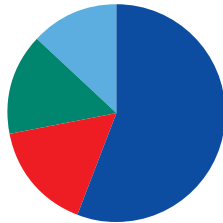
The fund endeavours to be fully invested in a combination of direct real estate and REITs, and reports in GBP.

## Portfolio Analysis:

### Property Sector Type by Value

LT Target: 75% Warehousing, 25% Regional Offices

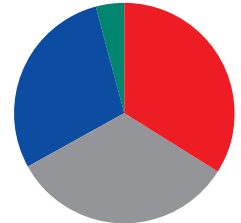
- Distribution Warehouse – 56%
- Retail Warehouse - Food – 16%
- Retail Warehouse - Value, DIY, Other – 15%
- Regional Offices – 13%



### Lease Expiry Profile by Value

WAULT Target >10 yrs, Actual = 7.8 yrs

- <5 years – 34%
- >5 years and <10 years – 33%
- >10 years and <15 years – 29%
- >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	4.3%	4.4%	4.8%	4.8%
Price Return	1.6%	-0.9%	0.5%	0.9%
<b>Total Return</b>	<b>5.9%</b>	<b>3.5%</b>	<b>5.3%</b>	<b>5.7%</b>

## 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	5.4%	3.0%	4.4%
<b>Total Return</b>	<b>5.4%</b>	<b>3.0%</b>	<b>4.4%</b>

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

<b>Total Expense Ratio of the fund</b>	1.40% (Class A)** 1.40% (Class B)** 1.90% (Class C LISP only)	<table border="1"> <thead> <tr> <th>Investment amount</th> <th>Total investment management fee per annum, excluding VAT* (Class A and B)</th> </tr> </thead> <tbody> <tr> <td>£10,000 – £49,999</td> <td>0.75%</td> </tr> <tr> <td>£50,000 – £99,999</td> <td>0.70%</td> </tr> <tr> <td>£100,000 – £249,999</td> <td>0.65%</td> </tr> <tr> <td>£250,000 – £499,999</td> <td>0.60%</td> </tr> <tr> <td>£500,000 – £999,999</td> <td>0.55%</td> </tr> <tr> <td>£1m – £1,999,999</td> <td>0.50%</td> </tr> <tr> <td>&gt; £2m</td> <td>0.45%</td> </tr> </tbody> </table>	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%
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<b>Transaction Costs</b>	0.91% per annum (includes the effective cost of direct property acquisition amortised over a 10 year period)																	
<b>Advisor Initial Fee</b>	maximum 3%																	
<b>Marriott Initial Fee</b>	0%																	
<b>Advisor Annual Fee</b>	maximum 1%																	
<b>Investment Management Fee</b>	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.																	

\* 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 0.09%.

## Fund Codes

### Share Class

- Class A - Distributing
- Class B - Accumulating
- Class C – Accumulating (LISP only)

### ISIN

- IM00BZ1F5F87
- IM00BFXBM318
- IM00BFXBM425

### SEDOL

- BZ1F5F8
- BFXBM31
- BFXBM42

### Bloomberg ID

- FWHREPP:IO
- FWHREBG:IO
- 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

First World Hybrid Real Estate Plc ("FWHRE" or "Fund") delivered resilient performance in an uncertain global environment. The Fund's return for the 12 months ended March 2026 was 5.9% (2025 calendar year: 8.7%).

The escalated conflict in the Middle East has unsettled global markets. Concerns over disruption to energy supply have pushed oil prices sharply higher and led to renewed market anxiety around inflation, interest rates and broader economic growth. However, while the move in spot oil has been significant, the futures curve remains much lower further out, which implies that these higher oil prices are not necessarily permanent. Recent comments from central banks have also provided some comfort with both Jerome Powell (Chair of the US Federal Reserve) and Andrew Bailey (Governor of the Bank of England) suggesting that interest rate increases to address oil price shocks are not a forgone conclusion.

The direct property portfolio continued to contribute positively over the quarter. By contrast, the Fund's REIT holdings experienced elevated price volatility, with a 9% decline detracting from overall returns. Despite this, the Fund generated a positive return for the quarter, comparing favourably with broader equity markets, which were down across the board.

## Direct Property - rental growth and leasing outcomes underpinning performance and valuations

The Fund's direct property portfolio continues to perform well and the outlook remains encouraging.

### Rental growth continues:

- In **2025**, 5 leases, representing **23% of portfolio rent**, were settled at an average rental increase of **17%**.
- In **Q1 2026**, 3 leases, representing **10% of portfolio rent**, were settled at an average rental increase of **15%**.
- Across the portfolio, there is an estimated **7% rental upside** based on current rent levels, before allowing for any future guaranteed or forecast rental growth.
- For the rest of **2026**, 4 leases, representing **14% of portfolio rent**, are expected to settle at an average rental increase of around **15%**.

### Lease extensions and asset management remain positive:

- In **Q1 2026**, the tenant break at the regional office property tenanted by **Vanquis Bank** was removed, extending the lease by **5 years** and adding **9.1%** to the property value.
- A **20-year Agreement** for Lease for EV charging bays at **North Durham Retail Park** has been agreed, which is expected to add around **4%** to the rent at that property with no cost to the Fund.

### Property valuations continue to improve:

- During **2025**, the Fund received **45 independent valuation updates**, resulting in a **net 3.5% increase** in portfolio value and supporting the Fund price.
- In **Q1 2026**, a further **15 valuation updates** were received, again with a net positive effect.
- Encouragingly, **8 of these updates were received in March**, including **3 in the last week**, of which **2 were increased and 1 was unchanged**.

### Interest rate exposure remains well managed:

- The possible impact of higher interest rates from the current conflict remains relatively limited, with **72% of term debt hedged**.
- Importantly, the Fund's largest hedge remains in place for nearly **six more years** at a low fixed rate of about **1.05%**, which continues to protect the Fund from higher borrowing costs.

## Listed REITs - current yields and discounts to net asset value remain attractive

Although listed property came under pressure in Q1 2026, UK REITs offer attractive value, with strong dividend yields relative to historic averages and meaningful discounts to net asset value, as shown in the table below. Furthermore, there has been encouraging growth in REIT dividend payments, underpinned by rental growth and evidence of a positive occupational market.

REITs	Dividend Yield		Discount/NAV
	Current	Historic Average (10yr)	
Big Yellow Group	5.6%	3.5%	35.4%
British Land	6.4%	4.9%	38.6%
Land Security Group	7.4%	5.7%	36.2%
London Metric Property Plc	6.9%	4.6%	10.2%
Segro Plc	4.8%	3.0%	30.4%
Tritax Big Box REIT Plc	5.7%	4.4%	24.5%
Primary Health Properties	7.9%	5.3%	7.3%
Average	6.4%	4.5%	26.1%

Source: Bloomberg

The UK is an attractive market for commercial property investment. It is an undoubted and established first world economy with transparent legal frameworks, established property rights and high levels of governance and professionalism. The UK typically has long lease terms where the tenant pays all operating costs, both of which enhance the predictability of rental income for the landlord. The Fund is well positioned, with a strong focus on distribution warehousing, which remains an attractive part of the UK property market and continues to benefit from online retailing and modern supply chains.

Overall, we believe the Fund remains well placed despite the recent uncertainty in global markets.

Positive rental growth, supportive leasing activity, attractive REIT income and well-managed debt hedging have contributed to the Board's decision to increase the quarterly dividend by 4.3%, effective from March, and reinforces our confidence that the Fund remains in a strong position to deliver attractive and growing income for investors.

Collective investment schemes are generally for the medium to long-term. The value of participatory interests or the investment may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investment schemes are traded at Net Asset Values (NAV) and the First World Hybrid Real Estate Fund (FWHREF) can engage in borrowing. The debt funding will be a maximum of 50% loan to acquisition for each property, for the purpose of achieving its investment objectives. Forward pricing is used. The NAV is calculated weekly. Purchase requests must be received by the manager (FIM Capital) by 17h00 Isle of Man time on a valuation day. Redemption requests must be received by the manager prior to 17h00, five clear Business Days before a Redemption Day as per the Offering Document. FWHRE provides a reasonable but not absolute level of liquidity due to the inclusion of cash and listed REITs in addition to the direct real estate portfolio. Large redemption requests may therefore be scaled over a period to ensure they are not in excess of the maximum permitted redemption percentage. Prices for Class A and B are published on a weekly basis on the Marriott website, [www.marriott.co.za](http://www.marriott.co.za). Prices for Class C are published weekly on [www.tisegroup.com](http://www.tisegroup.com). Unit trusts are calculated on a net asset value basis. Net asset value is the value of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio. FWHRE does not provide any guarantees with respect to the capital or the return of the portfolio. A schedule of fees and charges and maximum commissions is available on request from Marriott. Where initial fees are applicable, these fees are deducted from the investment consideration and the balance invested in units at the net asset value. Commissions and incentives may be paid and if so, would be included in the overall costs. Different classes of shares may apply to the Fund and will be subject to different fees and charges. The inclusion of foreign securities in a portfolio are subject to risks including but not limited to potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks and the potential limitations on the availability of market information. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. In addition, investments in the Fund involves a degree of risk and there is no guarantee against loss of a substantial portion of the investment. Declaration of A income Class dividends are quarterly. Performance figures are based on lump sum investment. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. The Manager may close the Fund to new investors when it is reasonable to do so, further details of those considerations can be found in the offering document. The TER shows the percentage of the average Net Asset Value of the portfolio that was incurred as charges, levies and fees relating to the management of the portfolio. A higher TER ratio does not necessarily imply poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs. Marriott Asset Management (Pty) Ltd, the Representative, is a member of the Old Mutual Investment Group.

**Manager:** FIM Capital Ltd, 55 Athol Street, Douglas, Isle of Man, IM1 1LA

**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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