

# FUND REPORT

2nd Quarter 2021

## WFP OPPORTUNITY FUND

Higher Risk-Adjusted Returns

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[www.WFPFunds.com](http://www.WFPFunds.com)  
[www.WilshireFP.com](http://www.WilshireFP.com)



## WFP OPPORTUNITY FUND

### Higher Risk-Adjusted Returns

As of June 30, 2021

#### FUND DESCRIPTION

The WFP Opportunity Fund, LLC (the Fund) seeks to provide attractive risk-adjusted returns to its investors as compared to other short term fixed income investments. The Fund invests in debt and equity investments secured by real estate nationwide. Such investments will include, without limitation, direct and indirect equity investments, joint ventures, deeds of trust and mortgages, participating loans and other real estate related investments. The Fund generates revenues primarily through the return on its equity investments and on the interest paid on the mortgage loans and trust deeds in its portfolio by the underlying property owners. The Fund is targeting higher risk-adjusted returns as compared to other fixed income investments. The total return for the Fund will primarily be paid through the dividend.

Wilshire Finance Partners, as the Fund Manager, believes the legal characteristics of the debt and equity investments of the Fund, and the value of the real property in which the Fund invests or that is collateral for the debt investments of the Fund, coupled with the fundamental strategies the manager employs, will enable the Fund to earn an attractive risk-adjusted return on the investment while mitigating certain risks associated with real estate investment. Investments in the Fund are being offered pursuant to a Private Placement Memorandum (“PPM”) to accredited investors in accordance with Regulation D, Rule 506(c). Please consult the PPM for more information on the Fund’s investment process.

#### CUISP

|                |           |
|----------------|-----------|
| Charles Schwab | No Cusip  |
| TD Ameritrade  | 93099C100 |
| Fidelity       | 94699B948 |

#### FUND SUMMARY

|                        |   |
|------------------------|---|
| MANAGER                | Wilshire Finance Partners, Inc.                                     |
| INCEPTION DATE         | September 23, 2013  |
| INVESTMENT THESIS      | Higher Risk-Adjusted Returns  |
| PORTFOLIO ALLOCATION   | Short Term Fixed Income   |
| INVESTMENT VEHICLE     | Private Pooled Debt & Equity Fund                                   |
| UNDERLYING INVESTMENTS | Real Estate Secured Debt, Equity & Hybrid Debt / Equity Investments |
| STRUCTURE              | LLC, K1 Reporting   |
| TOTAL NET ASSETS       | \$8,003,529   |
| MINIMUM INVESTMENT     | \$100,000   |
| TARGET TOTAL RETURN    | 10% to 12% per annum  |
| MANAGEMENT FEE         | 1.75%   |
| LIQUIDITY              | 2 Year Lock-Up  |

#### FUND RESULTS

|  |           |
|--|-----------|
| NET ANNUALIZED NON-COMPOUNDED RETURN (YTD)                                   | 4.76%     |
| NET ANNUALIZED NON-COMPOUNDED RETURN (INCEPTION)                             | 9.17%     |
| NET ANNUALIZED COMPOUNDED RETURN (INCEPTION)                                 | 12.99%    |
| WEIGHTED AVERAGE LOAN-TO-VALUE (WALTV)                                       | 67.35%    |
| WEIGHTED AVERAGE MATURITY (WAM)  | 20 Months |
| NON-PERFORMING LOANS   | 0%        |
| REAL ESTATE OWNED (REO)  | 1.06%     |
| LOAN LOSS RESERVE (PERCENTAGE OF NON-PERFORMING LOANS AND REAL ESTATE OWNED) | 142.77%   |

Results as of yearend June 30, 2021. Past performance is not indicative of future results.

#### FUND HIGHLIGHTS

- Experienced Management Team
- Debt, Equity & Hybrid Debt/Equity Investments
- Quarterly Dividend
- No Correlation to Stock or Bond Markets
- Little-To-No Sensitivity to Interest Rates
- Diversification Across Sponsor, Asset Type & Geographic Location
- Transparent Investment Process



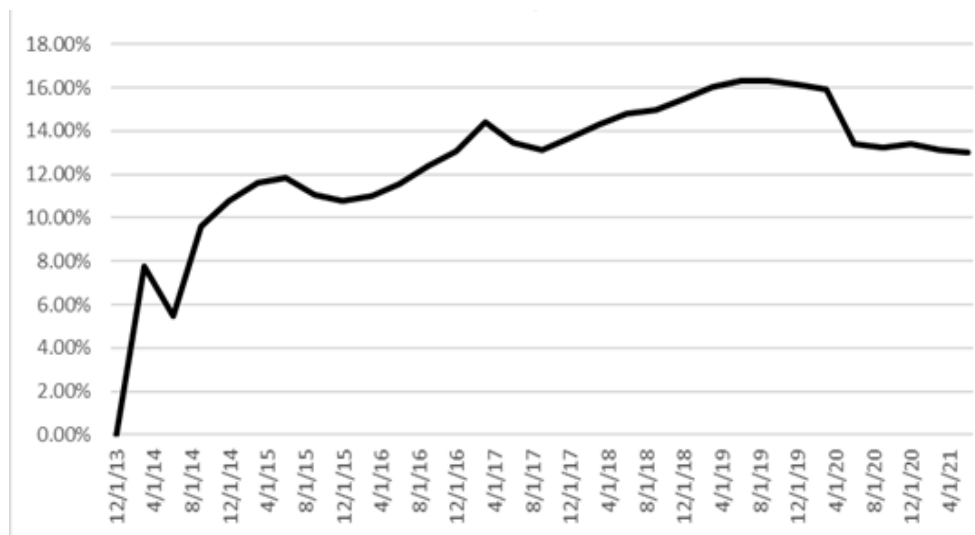
## WFP OPPORTUNITY FUND

Net Annualized Non-Compounded Return Since Inception: 9.17%



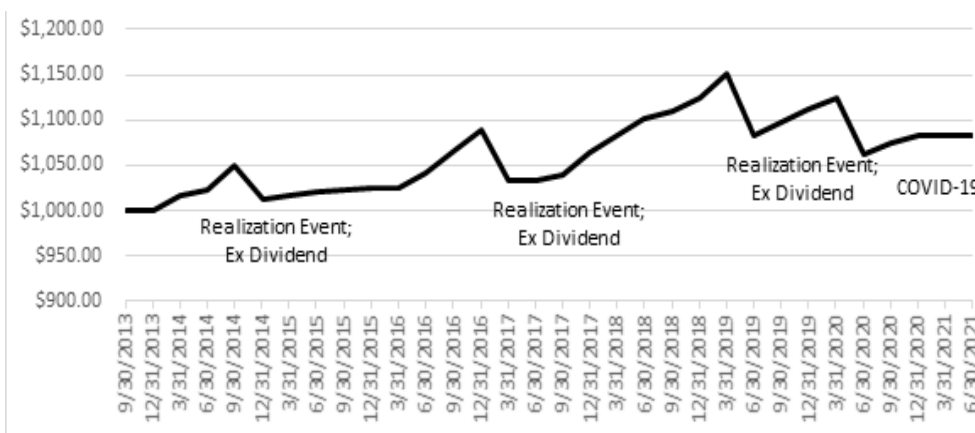
## WFP OPPORTUNITY

Net Annualized Compounded Return Since Inception: 12.99%



## WFP OPPORTUNITY FUND

NAV Since Inception



From fund inception on September 23, 2013 through June 30, 2021. Past performance is not indicative of future results.



## VALUE OF OPPORTUNISTIC INCOME STRATEGIES

### Higher Risk-Adjusted Returns

Trust deeds and mortgages create a security interest in real estate for the repayment of loans. Like mortgages, first trust deeds enjoy a priority position over equity and other junior liens and encumbrances on the real property collateral. Participating loans and mezzanine financing may be secured directly by the real estate or indirectly through pledges of ownership interests. Equity, joint ventures, and other real estate based investments may be unsecured but have priority over sponsorship or other equity interests in the property. Participating loans, mezzanine financing, and preferred equity have priority over common equity but still may participate in the gains in the underlying real estate.

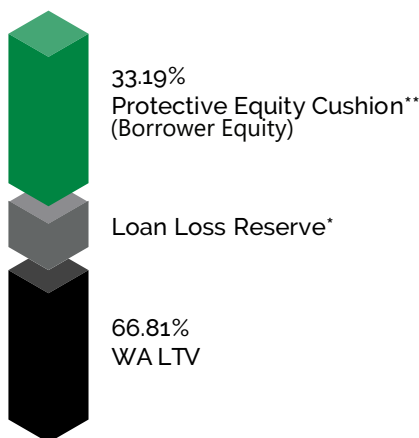
01

### Preferred and Participating Returns

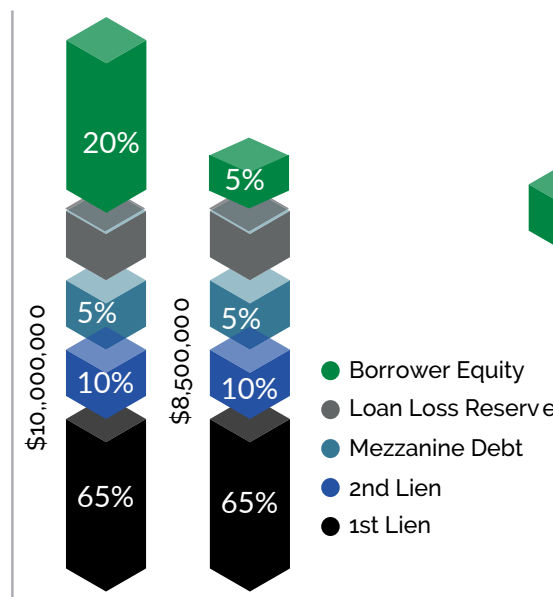
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### Risk Mitigation - Protective Equity

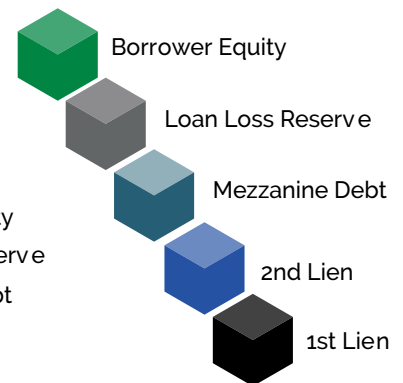
#### Mortgage Pool



#### 15% Drop in Property Value



#### Order of Loss Allocation



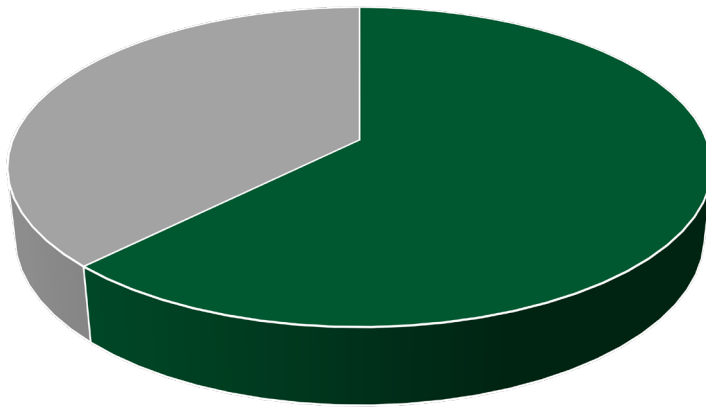
\*Loan loss reserves are set asides established by the fund to cover non-performing investments; including, estimated losses on loans and equity investments due to defaults and non-payment.

\*\* Protective equity cushion exists when the value of the collateral exceeds the value of the fund's investment (the fund is over secured).

## Risk Mitigation - Diversification

### ALLOCATION BY ASSET CLASS

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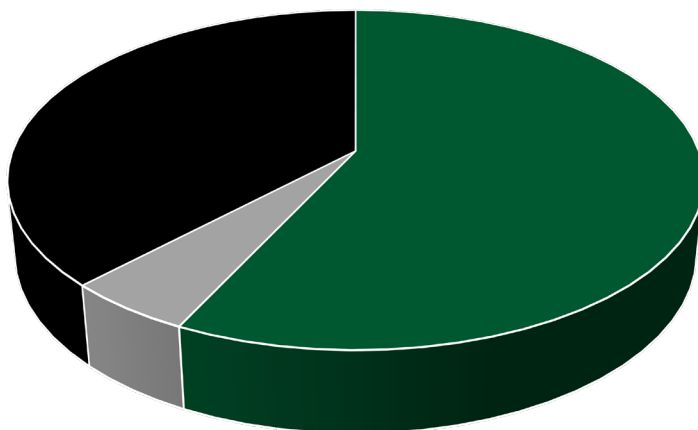


■ Assisted Living 62.29%

■ Multifamily 37.71%

### GEOGRAPHIC DISPERSION

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■ FL 57.16% ■ TX 5.14% ■ IL 37.70%

*As of June 30, 2021. The portfolio allocation and geographic dispersion as subject to change.*



## THE FUND ADVANTAGE

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Higher Yield, Lower Risk

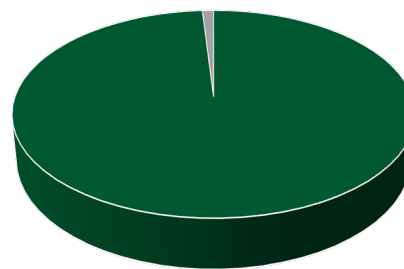
Combination of risk adjusted returns, potential participation in certain gains, and principal protection through diversification.

Attributes of this fund include:

- Higher Yields
- Quarterly Distributions
- Participation in Underlying Gains through Equity and Hybrid Debt / Equity Investments
- Quantifiable Equity Cushion
- No Correlation to Stock or Bond Markets
- Little-To-No Sensitivity to Interest Rates
- Two Year Hard Lock
- No Load
- Secured by Hard Asset - Real Estate
- Portfolio Diversification
- Experienced Management Team

## LOAN PERFORMANCE

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- Performing 98.94%
- Real Estate Owned (REO) 1.06%
- Non-Performing 0%

## INVESTOR BENEFITS

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The fund seeks to provide attractive risk-adjusted returns to its investors as compared to other short term fixed income investments.

Potential benefits of this fund include:

- Higher Returns
- Quarterly Cash Flow
- Principal Safeguards
- No Stock or Bond Market Risk
- No Exposure to Stock or Bond Market Volatility
- Greater Liquidity Compared to Non-Traded REITS
- Shorter Investment Horizon
- Strong Performance History
- No Commissions
- Easy, Understandable Investment
- Portfolio Diversifier

*WFP Opportunity Fund results through yearend June 30, 2021.  
Past performance is not indicative of future results.*

# SAMPLE TRANSACTIONS

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**Senior Assisted Living**

**Appraised Value \$5,400,000**

**Loan Amount: \$860,000**

- B Note
- 81% CLTV
- Note Rate: 12.11%
- 12 Month Term



**Senior Assisted Living**

**Appraised Value \$5,810,000**

**Loan Amount: \$218,000**

- 2nd Trust Deed
- 49% CLTV
- Note Rate: 10.25%
- 36 Month Term



**Mixed Residential Portfolio**

**Appraised Value \$3,000,000**

**Loan Amount: \$1,600,000**

- 1st Mortgage
- 53% LTV
- Note Rate: 8.70%
- 1 Year Term



**Senior Assisted Living**

**Appraised Value \$8,450,000**

**Loan Amount: \$1,565,000**

- 2nd Mortgage
- 77% CLTV
- Note Rate: 12.10%
- 2 Year Term

*\*Examples only. This may not be a complete list or description of current Fund investments.*



## FUND MANAGER

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Don Pelgrim is an owner, director and the CEO of Wilshire Finance Partners, and the manager of the WFP Income Fund, WFP Income REIT, and WFP Opportunity Fund. He is also an attorney and has been a chief-level executive officer in the banking and financial services industry.

As an attorney, Mr. Pelgrim practiced corporate, real estate and real estate finance law at Brobeck, Phleger & Harrison, LLP and Rutan & Tucker, LLP. During his banking career, Mr. Pelgrim served as an Executive Vice President and Chief Administrative Officer at regional community banks.

He received his Juris Doctorate from Loyola Law School of Los Angeles and his Bachelors of Business Administration from Hofstra University. He is an active member of the California Bar and has maintained his California Real Estate License since 1986. He has received regulatory "non-disapproval" to serve as a chief-level banking executive from the Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve (FRB), the Federal Deposit Insurance Corporation (FDIC) and the Office of Thrift Supervision (OTS).



## Don Pelgrim

**Chief Executive Officer**

## CUISP

|                |           |
|----------------|-----------|
| Charles Schwab | No Cusip  |
| TD Ameritrade  | 93099C100 |
| Fidelity       | 94699B948 |

Fund

# Administration

### FUND MANAGER

Wilshire Finance Partners, Inc

### SERVICER / ADMINISTRATOR

FCI Lender Services

### AUDITOR

Armanino, LLP

### LEGAL

Troutman Sanders, LLP





# DISCLOSURES

For more information on Wilshire Finance Partners or the WFP Opportunity Fund please call (866) 575-5070 or visit [www.WilshireFP.com](http://www.WilshireFP.com).

## About Wilshire Finance Partners and our investment alternatives.

Wilshire Finance Partners, Inc. ("Wilshire") specializes in real estate finance and investments and is the manager of the WFP Income Fund, LLC ("WFP Income Fund") and the WFP Opportunity Fund, LLC ("WFP Opportunity Fund" and collectively with the WFP Income Fund, the "Funds"). The WFP Income Fund invests in a diversified pool of residential, multifamily, and commercial real estate related short-term bridge loans secured by first trust deeds and mortgages. The WFP Opportunity Fund invests in a diversified pool of residential, multifamily, and commercial real estate related short-term bridge loans, participating loans, real estate joint ventures, and direct real estate investments. Wilshire commenced operations in January 2008 and launched the WFP Income Fund and the WFP Opportunity Fund in September 2013.

The WFP Income Fund is approved for both retirement and non-retirement accounts on the following alternative investment platforms:

- Charles Schwab; (SSID Number available through an Advisor)
- Fidelity Investments (National Financial Services or NFS); CUSIP Number 94699K534
- Pershing as WFP INCOME FUND LLC; CUSIP Number 929LP9220
- TD Ameritrade as WFP INCOME FUND LLC NSA; CUSIP Number 93099B102
- Wells Fargo Advisors; No CUSIP number required

The WFP Opportunity Fund is approved for both retirement and non-retirement accounts on the following alternative investment platform:

- Charles Schwab; (SSID Number available through an Advisor)
- Fidelity Investments (National Financial Services or NFS); CUSIP Number 94699B948
- TD Ameritrade as WFP OPPORTUNITY FUND NSA; CUSIP Number 93099C100

In addition, each of the WFP Income Fund and WFP Opportunity Fund are approved for self-directed retirement accounts and various other platforms without the need for the CUSIP number, including, Community National Bank, Equity Trust Company (Sterling Trust), Millennium Trust Company, Pacific Premier Trust Company, Provident Trust Company, Strata Trust Company and Shareholder Services Group.

Each of the WFP Income Fund and WFP Opportunity Fund is open to investors, wealth managers and individual investment advisors under the above referenced platforms using standard subscription and transfer procedures.

Investors and advisors may also invest directly through Wilshire. Individual investors not using a third-party advisor may be required to meet additional requirements of the platform providers.

## Safe Harbor Statement

This communication is not an offer to sell or the solicitation of offers to purchase the securities of either of the Funds, individual loan or trust deed investments, or otherwise (individually and collectively, the "Securities"). The purpose of this communication is to provide an overview of the respective Securities and their private placement. Persons interested in learning about the Securities and their private placement will be provided with the respective Private Placement Memorandum (inclusive of exhibits thereto and any supplements, the "Memorandum"), which provides a description of the Securities, the terms of their private placement, a discussion of risk factors, a copy of the limited liability company operating agreement for the fund (as applicable), a subscription agreement and other information related to the Securities.

This communication contains certain forward-looking statements regarding the Securities and the investment objectives and strategies of each of the Funds. The forward-looking statements are based on current expectations that involve numerous risks and uncertainties which are difficult or impossible to predict accurately and many of which are beyond the control of Wilshire, as the manager of the Funds. Although Wilshire believes that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance that the forward-looking statements will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements, the inclusion of such information should not be regarded as a representation by Wilshire, any placement agent, or any other person, that the objectives and strategies of the respective Securities or the Funds will be achieved.

Investments in the Securities may only be made solely by accredited investors (which for natural persons, are investors who meet certain minimum annual income or net worth threshold), who are provided with the Memorandum and who complete, execute and deliver the subscription documents included therein. Each of the Securities is being offered in reliance on an exemption from the registration requirements of the Securities Act of 1933, as amended (the Securities Act) and are not required to comply with specific disclosure requirements that apply to registration under the Securities Act. The Securities Exchange Commission has not passed upon the merits of or given its approval to the Securities, the terms of the offering, or the accuracy or completeness of any offering materials. Each of the Securities is subject to legal restrictions on transfer and resale and investors should not assume they will be able to resell the Securities. Past performance is not indicative of future results. Investing in any of the Securities, including the Funds, involves substantial risk, including loss of investment, and is not suitable for all investors.

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Newport Beach, CA 92660

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**Email:** [Investments@WilshireFP.com](mailto:Investments@WilshireFP.com)

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