



WFP Income Fund Announces a 3.70% Net Annualized Return through August 2020

September 2, 2020, Newport Beach, California - The WFP Income Fund, managed by Wilshire Finance Partners, paid investors a net annualized non-compounded return through August 31, 2020 of 3.70%. On a standalone basis, the fund paid 0.44% or a net annualized non-compounded return of 5.20% in August 2020. The net annualized compounded return for the fund since its inception on September 23, 2013 through August 31, 2020 was 8.60%.

As more fully described below, the year-to-date returns reflect both an increase in the allocation to the Loan Loss Reserve in the Fund and the positive resolution of a problem asset in the Fund.

The WFP Income Fund (the “WFP Income Fund”) is a short term, fixed income alternative investment that seeks to protect the investor’s principal while also providing attractive risk-adjusted returns. The WFP Income Fund is the sole holder of all common shares of WFP Income Fund REIT, LLC, a Delaware limited liability company (the “REIT” and collectively with the WFP Income Fund, the “Fund”). The WFP Income Fund, directly and indirectly through the REIT, invests in business purpose loans secured by first trust deeds and mortgages within the United States. The REIT was formed as a subsidiary of the WFP Income Fund in January 2019 to enable noncorporate investors to obtain up to a 20% tax deduction on REIT dividends received through the Fund under the Tax Cuts and Jobs Act of 2017.

The return obtained by the Fund was on an unlevered basis and was primarily the result of interest income received on the first trust deeds and mortgages in the Fund’s portfolio.

Performance by the Numbers

As of August 31, 2020:

Net Annualized Non-Compounded Return:	3.70%*
Monthly Return (stand-alone basis):	0.44% (or 5.20% annualized)
Net Annualized Compounded Return (since inception):	8.60%
Weighted Average Loan-to-Value:	60.45%
Weighted Average Maturity:	25 months
Average Loan Size:	\$1,736,328
Non-Performing Loans:	0
Repayment Percentage:	30.91%
Liquidity / Cash Position:	29.48% (REIT liquidity percentage)

*Net of the allocation to the Loan Loss Reserve.



Loan Servicing Update

At month end, the Fund's portfolio consisted of loans secured in first lien position against residential, office, retail, light industrial, warehouse and senior assisted living properties, predominantly in the State of California. Other states represented in the Fund's loan portfolio at month end included Alabama, Colorado, Florida, Maryland, Michigan, Mississippi, North Carolina, Oregon, Texas and Washington.

As addressed below, the majority of the loans in the Fund's portfolio performed well throughout August and positive resolutions and recoveries were achieved on previously reported assets in the portfolio. That said, the effects of the COVID-19 pandemic continue economies on a local, national and global scale. Therefore, the information in this release is based on the facts and circumstances Wilshire believed to be true as of date of this release. The environment continues to evolve and as a result there may be other factors which surface later that may impact the Fund's performance. Changes in the facts and circumstances surrounding a borrower or a property may positively or negatively impact a loan or a property's performance resulting in a change in the method or approach used by Wilshire, as the manager of the Fund, and the Fund's results.

The following summary provides an overview of certain key metrics and actions occurring within the Fund's loan portfolio in August 2020:

Modification Agreements

Number of Loans	Percentage of Total Loans	Aggregate Loan Amount	Percentage of Assets	Original WALTV*	Current / Modified WALTV*	Status
4	13.33%	\$12,775,000	20.22%	64.27%	63.13%	Performing

*WALTV means Weighted Average Loan-to-Value

At month end, there was no change in the number of loans in the Funds' portfolio that were modified as a result of the COVID-19 pandemic. As previously reported, the loan balances under several modifications were increased to establish an interest reserve for such loans to make or subsidize the monthly mortgage payments in the near term. The weighted average loan-to-value (Current/Modified WALTV) on that subset of loans decreased to approximately 63% from the original weighted average loan-to-value (Original WALTV) of approximately 64% due to an increase in several of the underlying property values since the loans were originally made. All the modified loans were performing as of August 31, 2020.

Forbearance Agreements

Number of Loans	Percentage of Total Loans	Aggregate Loan Amount	Percentage of Assets	Original WALTV*	Current / Modified WALTV*	Status
0	N/A	N/A	N/A	N/A	N/A	N/A

*WALTV means Weighted Average Loan-to-Value

As of August 31, 2020, the Fund did not have any loans under forbearance agreements.

Loans in Foreclosure

Number of Loans	Percentage of Total Loans	Aggregate Loan Amount	Percentage of Assets	Original WALTV*	Current / Modified WALTV*	Status
0	N/A	N/A	N/A	N/A	N/A	N/A



*WALTV means Weighted Average Loan-to-Value

As of August 31, 2020, the Fund did not have any loans in foreclosure.

The loan previously in foreclosure secured by a retail property near the University of Texas at Tyler (UT Tyler) was paid in accordance with the settlement agreement with the borrower and the intercreditor agreement between the Fund and the WFP Opportunity Fund. The Fund received the full principal amount it was owed and a portion of the interest and other amounts due. As a result, there was an increase in the August 2020 dividends received by investors.

As previously reported, the Fund built a specific allocation within the Loan Loss Reserve in anticipation of a potential loss to the Fund under the UT Tyler loan. That allocation was subsidized by both increasing the monthly accrual for the Loan Loss Reserve and suspending dividend distributions in May and June 2020. That specific allocation has been re-designated as part of the general allocation within the Loan Loss Reserve.

Real Estate Owned (REO)

As of August 31, 2020, the Fund did not hold any real estate owned (REO) in its portfolio.

Loan Loss Reserve

Amount	Percentage of Total Assets	Percentage of Total Forbearance and Modification Agreements	Percentage of Total Loans in Foreclosure
\$1,349,814	2.14%	10.45%	N/A

Although the Tyler Spur loan was resolved without the use of the specific allocation set aside in the Loan Loss Reserve, Wilshire believes it is prudent to maintain a relatively larger Loan Loss Reserve in the current environment to create a buffer against potential future impacts to the Fund. As a result, the specific allocation set aside for the Tyler Spur loan has been re-designated as part of the general allocation within the Loan Loss Reserve.

Wilshire will continue to assess the market and the adequacy of the reserves and dividend distributions on a move forward basis and may make further adjustments, which may include specific reserves against particular problem assets. That said, there can be no assurance that the present or future amount of the Loan Loss Reserves will be sufficient to cover any and all losses which the REIT and the Fund may experience.

Strategic Adjustments

Based on the positive indicators in the Fund's portfolio and taking into consideration the current operating environment, Wilshire has made the following adjustments:

- Loan Loss Reserves. The August 2020 accrual for the Loan Loss Reserve in the Fund and the REIT was approximately 0.17% per month (or approximately 2% per annum). Given the current relative size of the Loan Loss Reserve, Wilshire will continue to assess whether further adjustments are required in the reserve. After the current conditions have subsided and the real estate market has normalized, Wilshire may distribute excess reserves and loan recoveries, if any, to the then current investors in the Fund as a special dividend.



- Monthly Dividends. In addition to assessing the adequacy of the Loan Loss Reserve, Wilshire will also continue to assess the market and the adequacy of the reserves and dividend distributions on a move forward basis and may make further adjustments.
- Redemptions. While Wilshire believes the impact of the current environment on the Fund has not been fully realized, Wilshire also recognizes our investor's need for liquidity. After careful consideration, the modification on redemptions previously established will continue as follows:
 - Generally. Redemption requests will be subject to the following limitations and restrictions:
 - Redemptions will be subject to a twenty percent (20%) holdback of the total amount requested; and
 - All requests will also remain subject to the requirements and restrictions in the operating documents of the Fund and the REIT; including, without limitation, restrictions required to maintain regulatory compliance, ensure a sufficient level of capital in the Fund, and strive for a level of stability in the Fund for all investors with those investors.
 - Bona Fide Healthcare Emergencies. To the extent there is sufficient cash in the Fund and any such redemption will not cause the Fund to be out of compliance with the Fund's organizational documents, Wilshire will attempt to honor and accelerate requests for redemption arising from bona fide healthcare emergencies to the extent possible. Such investors will be required to provide a hardship letter together with documentation supporting their request.

The approach Wilshire is taking on redemptions is driven by the need to maintain compliance with a number of rules and regulations impacting the Fund, make prudent decisions within the portfolio of the Fund, and address the potential impact on all investors in the Fund. Wilshire will continue to assess and, as necessary, adjust the redemption restrictions on a weekly basis.

- Selective Opportunities. The Fund will continue to seek new loan opportunities. However, a more conservative approach will be taken in the current operating environment; including, assessing the market and the timing of new lending opportunities, avoiding certain asset classes, adjusting loan-to-values, being more selective on lending opportunities, and otherwise maintaining underwriting discipline. While past performance is not indicative of future results, Wilshire believes the Fund may be positioned to take advantage of additional lending and investment opportunities in the current market.

Prior Communications

Wilshire is taking and will continue to take proactive, protective measures to help the Fund weather the current market conditions, including, those described below. However, Wilshire cannot provide any representations or guarantees about how the current situation will impact the underlying investments in the Fund and therefore the Fund's performance. Therefore, Wilshire recommends that investors consider the information contained in this release as well as information contained in prior communications when making investment decisions. Prior communications from management about the potential impacts resulting from the COVID-19 fallout may be found at:

- <https://wfpfunds.com/income-fund/earnings-release/>
- <https://wfpfunds.com/coronavirus-covid-19-update/>



“The resolution of certain problem assets over the last couple of months had a positive impact on the Fund’s loan portfolio and the return to investors in August,” said Don Pelgrim, CEO of Wilshire Finance Partners. “We will continue proactively manage the Fund’s servicing portfolio and believe there will be new loan opportunities for the Fund in the coming months. When managing the portfolio and assessing new loan opportunities, we will also continue to implement strategies, techniques, and approaches that we believe will help to address downside risk, generate higher current returns, and provide longer term benefits for investors in the Fund.”

For more information on Wilshire Finance Partners or the WFP Income Fund please call (866) 575-5070 or visit www.WilshireFP.com.

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 Income Fund is also open to investors, wealth managers and individual investment advisors directly through Wilshire Finance Partners

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.

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- 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, Pensco 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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