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Real Estate Finance & Investments

WFP Income Fund Announces Full Year 2020 Results

January 8, 2021, Newport Beach, California - The WFP Income Fund, managed by Wilshire Finance Partners, paid investors a net annualized non-compounded return of 4.14% for full year 2020. The return was net of the increase in the Fund's loan loss reserves established as an additional protective measure in connection with the COVID-19 pandemic and potential impacts to the real estate market. On a standalone basis, the fund paid 0.46% or a net annualized non-compounded return of 5.37% in December 2020. The net annualized compounded return for the fund since its inception on September 23, 2013 through December 31, 2020 was 8.58%.

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 December 31, 2020:

Net Annualized Non-Compounded Return:	4.16%*
Monthly Return (stand-alone basis):	0.46% (or 5.37% annualized)
Net Annualized Compounded Return (since inception):	8.58%
Weighted Average Loan-to-Value:	60.74%
Weighted Average Maturity:	22 months
Average Loan Size:	$2,056,668
Repayment Percentage:	69.57%

Liquidity / Cash Position:	19.40% (REIT liquidity percentage)
Non-Performing Loans:	1
Real Estate Owned (REO):	1

*Net of Fund expenses and allocation to the Loan Loss Reserve.

Loan Servicing Update

At yearend 2020, the Fund's portfolio consisted of loans secured in first lien position against residential, office, retail, light industrial, warehouse and senior assisted living properties. States represented in the Fund's portfolio at month end included California, Colorado, Florida, Maryland, Michigan, Mississippi, North Carolina, Oregon, Texas and Washington.

The majority of the loans in the Fund's portfolio performed well in December. At December 31, 2020, the Fund had acquired an office building in Birmingham, Alabama through foreclosure and was continuing the foreclosure action on a loan with a maturity default and classified as substandard. A substandard loan is inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Loans that are also classified as substandard must have a well-defined weakness, or weaknesses, that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the lender will sustain some loss if the deficiencies are not corrected.

According to various economic data sectors of the United States economy started to bound in the 3rd quarter of 2020 due to several factors, including, pent up consumer demand and historically low interest rates. Continuation of those trends may be dependent on controlling the resurgence of the COVID-19 virus, the timing and availability for the administration of vaccines, and government action permitting more business activity. With respect to the real estate market, near term positive trends remain sector specific and are influenced by lower interest rates and the utility of certain asset classes in the current environment. Entering 2021, COVID-19 will continue to present near-term challenges on the healthcare and business fronts, but, subject to more widespread control of the virus through vaccination and other means, some economists are forecasting continued growth and a strong second half in 2021. Therefore, while some economists remain optimistic, that optimism is hedged by various impacts resulting from the pandemic which may continue to influence economies on a local, national, and global scale.

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 December 2020:

Modification Agreements

Number of Loans	Percentage of Total Loans	Aggregate Loan Amount	Percentage of Assets	Original WALTV*	Current / Modified WALTV*	Status
4	17.39%	$12,775,000	25.21%	64.27%	63.13%	Performing

*WALTV means Weighted Average Loan-to-Value

At yearend 2020, there was no change in the number of loans in the Fund's portfolio that were modified as a result of the COVID-19 pandemic. The increase as a percentage of total loans and percentage of assets compared to November 2020 was the result loan repayments and reduction in total assets in December 2020. 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 remained at approximately 63% from the original weighted average loan-to-value (Original WALTV) of approximately 64%. The decrease in the Original WALTV was due to an increase in several of the underlying property values since the loans were originally made. All modified loans were performing as of December 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 December 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
1	4.35%	$375,000	0.76%	28.78%	28.78%	Foreclosure has commenced

*WALTV means Weighted Average Loan-to-Value

As of December 31, 2020, the Fund had one (1) loan where it had commenced foreclosure.

At yearend 2020, the Fund had one (1) loan with a principal balance of $375,000 with a maturity default where the Fund commenced foreclosure in October 2020. The increase as a percentage of total loans and percentage of assets compared to November 2020 was the result loan repayments and reduction in total assets in December 2020. The loan is secured by a first deed of trust against a mixed office and retail property in West Covina, California, which is listed for sale. In late November 2020, the Fund was informed that the borrower had the property under contract for sale, the proceeds of which would be used to repay the loan in the Fund. Although there is a possibility that will occur, the Fund will maintain the foreclosure action against the subject property.

As addressed more fully below, Wilshire believes there is a sufficient equity cushion and sufficient funds in the Loan Loss Reserve to offset potential losses on the loans without further material impacts to the Fund or its investors.

Other Defaults

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 December 31, 2020, the Fund did not have any other loans in default.

Real Estate Owned (REO)

Number of Properties Owned (REO)	Percentage of Total Loans and REO	Original Aggregate Loan Amount	Estimated Aggregate Cost Basis in REO	Estimated Aggregate Current Value	Estimated Gross Potential Gain (Loss) on Sale*	Status
1	4.17%	$954,800	$992,156	$1,300,000	$5,000	Foreclosure completed; transition occurring.

*After estimated costs and loan loss allowance offset.

As of December 31, 2020, the Fund held one (1) property as real estate owned (or REO) in its portfolio.

As previously reported, the Fund had commenced foreclosure on a loan with an outstanding principal balance of $954,800. The loan was an A Note secured by an office building in Birmingham, Alabama. The structure of an A Note results from a participation in single note where the note is split into a senior tranche (or “A Note”) and a subordinate tranche (or “B Note”). A Notes typically carry a lower rate of interest and are superior to the B Note, but with respect to the borrower, are secured by a deed of trust or mortgage in first lien position. The structure and relative rights of the holder of the A Note and the holder of the B Note are governed by a Loan Sale and Intercreditor Agreement. The acquisition of the A Note by the Fund at the time the loan was made was in alignment with the Fund’s objective of seeking risk-adjusted returns.

Wilshire on behalf of the funds has secured professional property management in the local market who is coordinating with the building’s tenants on leases and payments.

As addressed more fully below, Wilshire believes there are sufficient funds in the Loan Loss Reserve to offset potential losses on the property without further material impacts to the Fund or its investors.

Loan Loss Reserve

Amount	Percentage of Total Assets	Percentage of Total Forbearance and Modification Agreements	Percentage of Total Loans in Foreclosure	Percentage of Loans in Foreclosure and REO
$1,472,911	2.98%	11.40%	392.78%	94.54%

Wilshire continues to believe 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 Fund's Loan Loss Reserve exceeds the total principal amount of the loan(s) in foreclosure and represents approximately 94% of the amounts due under loans in foreclosure and REO. Because the potential recovery related to those assets will likely exceed 6%, Wilshire believes there are sufficient funds in the Loan Loss Reserve to offset potential losses on the loans in foreclosure and REO without further material impacts to the Fund or its investors.

Wilshire will continue to assess the market and the adequacy of the reserves 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 Fund may experience.

Strategic Adjustments

Based on the performance of the Fund's portfolio and taking into consideration the current operating environment, the following adjustments will continue:

- Loan Loss Reserves. Due to the relative size of the Loan Loss Reserve to total assets, loans in foreclosure and real estate owned, the December 2020 accrual for the Loan Loss Reserve in the Fund was reduced from the prior month. Wilshire will continue to assess whether further adjustments are required in the reserve.

- Monthly Dividends. The Fund has declared and will pay a dividend for the month of December 2020 and it is anticipated that monthly dividends will continue. In addition to assessing the adequacy of the Loan Loss Reserve, Wilshire will also continue to assess the market and dividend distributions on a move forward basis and may make further adjustments.

- Generally. Redemption requests will be subject to the following limitations and restrictions:

    - Holdback. The Fund has eliminated the twenty percent (20%) holdback previously instituted. As a result, and in accordance with the Fund's organizational documents, investors whose prior redemptions were subject to the holdback will receive those funds before other redemptions are made.

- ERISA and Other Retirement Accounts. As described in the Fund's governance documents, the Fund limits the total percentage of ERISA and other retirement plan investments to 25% of total investments made by investors in the Fund (the "25% ERISA Threshold"). Non-ERISA investors in the Fund may not be able to redeem or experience delays in the fulfillment of their redemption requests if the Fund is at or near the 25% ERISA Threshold. Redemptions for non-ERISA investors therefore need to be offset or balanced against ERISA redemptions to maintain the 25% ERISA Threshold. In order to maintain compliance with regulatory threshold and balance the amount of ERISA investments to overall investments, the Fund may accelerate redemptions involving ERISA and other retirement plan investments (such as IRA, Roth IRA, 401K and similar retirement accounts) and/or seek voluntary partial redemption requests from ERISA investors.

- Other Requirements. All redemptions will also remain subject to the requirements and restrictions in the operating documents of the Fund; including, without limitation, restrictions required to maintain regulatory compliance, ensure a sufficient level of capital in the funds, and strive for a level of stability in the funds 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.

- New Loan Opportunities. The Fund will continue to seek new loan opportunities. The Fund will also continue to employ a more conservative approach 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 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/

"We experienced good results in the Fund in December; including, the continued performance of the majority of the loans in the Fund's portfolio" said Don Pelgrim, CEO of Wilshire Finance Partners. "That performance had a positive impact on the Fund's returns. Although the returns for the year were below our target, commencing in the second quarter of 2020 we significantly increased the accrual in the Fund's Loan Loss Reserve to provide an additional safeguard against issues related to the pandemic and to act as a buffer against potential future issues. Looking forward into 2021 and beyond, although the actual and potential impacts of the pandemic remain, we are optimistic that the economy will improve and believe the Fund is positioned to take advantage of additional lending opportunities. We will nevertheless continue to proactively manage the Fund's portfolio and take a longer view with respect to new lending opportunities to help mitigate risk and provide long 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.

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, 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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Source: Wilshire Finance Partners, Inc.