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Real Estate Finance & Investments

WFP Income Fund Announces a 5.51% Net Annualized Return through March 2020

April 6, 2020, Newport Beach, California - The WFP Income Fund, managed by Wilshire Finance Partners, paid investors a net annualized non-compounded return through March 31, 2020 of 5.51%. On a standalone basis, the fund paid 0.38% or a net annualized non-compounded return of 4.43% in March 2020. The net annualized compounded return for the fund since its inception on September 23, 2013 through March 31, 2020 was 8.89%.

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.

COVID-19 Impacts

While it is clear the fallout from COVID-19 has impacted the United States and the global economy, including, the real estate sector in the United States, as of March 31, 2020 reports indicate that additional impacts from the virus on the United States will occur. The United States is in a recession and, as with other downturns, it may take months or years after a recovery has started before the full impact of the downturn can be assessed.

As of March 31, 2020, all loans were current in the Fund, the portfolio remained relatively healthy, and no material changes in collateral values were identified. However, there were also communications with and early indications from several borrowers that the virus and various governmental actions, including stay in place orders, rental forbearance programs and moratoriums on evictions, were impacting their tenants' businesses and, as a result, the property's cash flows. Therefore, although all loans were current in the Fund at month end, in addition to the matters identified below, the collection of the April 1, 2020 payments within the 10-day grace period and ongoing communications with the Fund's borrowers will provide a better near-term indication of the financial stress of the borrowers in the portfolio.

Through March 31, 2020 management was in communication with six (6) borrowers, each with different questions, issues and varying degrees of financial stress. Of the six (6) borrowers, two (2) commenced discussions to address potential changes to their cash flows and potential short-term relief but indicated that they had the ability to make payments in the near term. With respect to the remaining four (4) borrowers, Management is in continued discussions to assess their financial situation and the property cash flows to determine whether a form of interim payment relief is appropriate. As addressed more fully below, such relief may take different forms and may or may not be provided based on the facts and circumstances surrounding the particular loan. Specifically, as opposed to a blanket approach, assessing the facts and circumstances of each loan is necessary because, in addition to working with borrowers who have legitimate impacts from the fallout of the virus, additional challenges that may arise in the current environment; including, requests from borrowers who are not severely impacted or otherwise have the ability to pay yet they are using the COVID-19 outbreak as a means to inappropriately modify their payment terms, and borrowers who regardless of relief may not emerge from the crisis and any relief is merely delaying later collection efforts.

COVID-19 Strategic Adjustments

As addressed in prior communications, management is taking and will continue to take proactive, protective measures to help the Fund weather the current market conditions, including, those described below. Management cannot provide any representations guarantees about how the current situation will impact the underlying investments in the Fund and therefore the Fund's performance. Management recommends that investors consider the following comments 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/coronavirus-covid-19-update/.

1. Reserves. As most investors are aware, a Loan Loss Reserve is not an expense but a set-aside which is intended to be used to offset the costs, expenses and impacts of problem loans within a fund's portfolio and reduces the distributions to investors in the fund. From the inception of the WFP Income Fund, management has withheld and set-aside a small portion of the fund's returns to establish and build a Loan Loss Reserve. Based on the current market and potential future changes in market conditions, management believes it is prudent as a proactive measure to increase the Loan Loss Reserve in the Fund. As of the March 31, 2020, the accrual for the Loan Loss Reserve in the Fund was increased to approximately 0.17% per month or approximately 2.00% per annum.

In addition to the Loan Loss Reserve, other factors impact the realization and calculation of the Fund's returns; including, changes in the Fund's loan portfolio through repayments and new loans, different economic terms on new loans such as interest rate increases or decreases, the impacts of cash in the fund, potential payment relief, and other factors. Therefore, investors are cautioned that applying a 2.00% annualized increase in the Loan Loss Reserve to prior returns of the Fund or other projections they may formulate will likely not align with the actual returns of the Fund.

Management 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. After the current conditions have subsided and the real estate market has normalized, management may distribute excess reserves, if any, to the then current investors in the Fund as a special dividend.

2. Borrower Support; Potential Relief. Management will continue to consider the impacts of regulatory and police orders on the Fund's borrowers; including, shelter in place orders, closures of non-essential businesses, furloughs and layoffs, prohibitions against evictions and foreclosures, court closures, pro-tenant and pro-borrower regulatory action and judicial attitudes, and other factors and actions. Specifically, management may also consider the long-term impact of taking action which, even if legally permitted, merely exacerbates versus addresses and provides solutions for what could be shorter-term impacts to the Fund's borrowers. Specifically, actions which could be beneficial to the borrowers and increase the probability of collection include:

a. Counseling. Under stress, borrowers may not think through or consider alternatives that may be readily accessible to them. For example, a borrower may overlook that the financial impacts of the virus or shelter in place orders may be covered under the business interruption insurance carried by the borrower or their tenants. Further, the borrower may address short term cash flow issues on the subject property through the positive cash flow from other properties or investments. New federal and state programs and subsidies, such as the Paycheck Protection Program and other programs administered through the United States Small Business Administration, may become available that can benefit the borrower and their tenants.

b. Forbearance. On a temporary basis, the Fund enter into a forbearance agreement which provides interim payment relief, versus payment forgiveness. Depending on the facts and circumstances, including the loan-to-value, that type of arrangement may (i) provide for the establishment of an interest reserve to fully or partially cover the loan payments, (ii) defer all or a portion of the current payments and add them to the principal of the loan such that they are paid when the loan is repaid, (iii) defer all or a portion of the current payments for a period of time and recast the loan payments (or spread those payments) over the original or extended term of the loan, or (iv) other variations of the foregoing.

c. Modification. As opposed to the shorter-term nature of a forbearance, the Fund may provide a loan modification as part of a restructuring of the debt to increase the probability of collection and full repayment.

The goal in each of these approaches is not debt forgiveness but short-term payment relief allowing what is otherwise a good borrower caught in a bad set of circumstances the opportunity to manage their property and cash flows until the market stabilizes. It is also important to note that these are some, but not all, of the approaches that may be taken in this environment. Further, identifying potential approaches and having contingency plans in place does not necessarily mean that they will be employed or that they are the best approach based on the facts and circumstances surrounding the individual loan.

3. Returns. The near-term impact of the increase of the Loan Loss Reserve and potential payment relief, if any, will be a reduction in the distributable return to the investors in the Fund. The

decrease in the March 2020 returns reflect the increase in the Loan Loss Reserve in the Fund from 0.20% per annum to 2.00% per annum commencing with the March 31, 2020 distributions. Management believes that establishing procedures and having certain tools and approaches in place are prudent given the current operating environment.

4. Redemptions. After careful consideration, in order to better determine the impact of the current environment on the Fund, 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, management has instituted a temporary moratorium on new redemptions in the Fund. Therefore, the following actions have been taken:

a. Moratorium on Redemptions; Generally. A temporary moratorium on new redemption requests from the Fund has been put in place. That moratorium will be reassessed on a weekly basis. All future requests will also remain subject to the requirements and restrictions in the operating documents of the Fund.

b. Requests Previously Received. 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 respect to, among other things, ERISA, REIT, or other regulatory requirements, or the Fund's organizational documents, management will honor pending requests per its prior communications with those investors. All future requests will be subject to any moratorium on redemptions which may be in place as well as the requirements and restrictions in the operating documents of the Fund.

c. 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 respect to, among other things, ERISA, REIT, or other regulatory requirements, or the Fund's organizational documents, management 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.

Management recognizes the investors' need for liquidity. Therefore, the approach management is taking with respect to 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. As stated above, the moratorium will continue to be assessed and, as necessary, adjusted on a weekly basis.

5. Underwriting Changes. Management has instituted changes to the Fund's underwriting policies and procedures which, among other things, requires enhanced communications with all parties in the lending process, eliminates certain asset classes from loan consideration, reduces loan to value thresholds, increases the use of personal guarantees, and addresses certain practical considerations related to appraisals and third-party reports. These changes apply to both transactions in process as well as new loan requests.

6. Selective Opportunities. As of March 31, 2020, the Fund was continuing to seek new loan opportunities. However, as addressed under Underwriting Changes above, management is taking 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, management believes the Fund may be positioned to take advantage of additional lending and investment opportunities in the current market.

COVID-19 Additional Information

Additional announcements and information about the impacts of COVID-19 on the funds offered by or through Wilshire Finance Partners may be found at https://wfpfunds.com/coronavirus-covid-19-update/.

Performance by the Numbers

As of March 31, 2020:

Net Annualized Non-Compounded Return:	5.51%*
Monthly Return (stand-alone basis):	0.38% (or 4.43%* annualized)
Net Annualized Compounded Return (since inception):	8.89%
Weighted Average Loan-to-Value:	60.41%
Weighted Average Maturity:	24 months
Average Loan Size:	$1,789,581
Non-Performing Loans:	0
Repayment Percentage (through March):	9.68%
Liquidity / Cash Position:	19.61% (REIT liquidity percentage)

*Net of the increase in the Loan Loss Allowance.

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, North Carolina, Texas and Washington.

At March 31, 2020 management identified two (2) loans it has 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. As addressed above under COVID-19 Impacts, management is in discussion with several other borrowers, one on whom was previously identified as a substandard loan. Management will make determinations related to the change in classification, if any, of those loans once the respective borrower's situation has been assessed and any action related to the respective loan is determined.

Through March 31, 2020 the Fund had approximately 9.68% of total loans repay, which resulted in the Fund having a cash position of approximately 19.61%.

Since the Income Fund's inception in September 2013 through March 31, 2020, the net asset value (NAV) of the Fund remained stable.

"Our thoughts continue to be with those who have been severely impacted COVID-19 and its resulting impacts," said Don Pelgrim, CEO of Wilshire Finance Partners. "We remain hopeful that the duration of the impacts resulting from virus are short, but we need to plan and act as if the duration will be longer and the potential impacts greater. Therefore, with respect to the funds managed by Wilshire, our primary focus is the protection and perseveration of our investor's principal investments. We are cautiously optimistic about the performance of the funds, however, with the exception of certain known impacts like those to the funds' returns resulting from the increase and establishment of the Loan Loss Reserves, there is much uncertainty in the market and Wilshire cannot provide any representations guarantees about how the current situation will impact the underlying investments in the funds. We do believe, however, that there are several factors that we employed when originally making the loans, in our management of the funds, and the actions we are now taking that will help buffer the impacts to the funds; including, diversification, avoiding certain asset classes, avoiding leverage, and lower loan-to-values and conservative underwriting relative to many of our peers. Further, we will continue to work with the borrowers in our funds to help them through the challenges they will face in the near term and help mitigate additional risk to the funds. We believe it is wise to continue to review and assess the impacts of the virus, the economic stimulus packages, the real estate market and other factors to avoid reaching premature conclusions or taking what in hindsight may be overly aggressive action. Duration and patience will be key words in this environment. Even if the issues caused by the virus are resolved quickly and we experience a fast recovery, patience will be required during this interim period. Like the recovery in real estate values we experienced after the great recession, having a longer investment horizon may be one way to consider and address the potential near-term impacts to the economy, the market and the funds."

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

For more information on Wilshire Finance Partners or the WFP Income Fund please call (866) 575-5070 or visit www.WilshireFP.com. Further additional announcements and information about the impacts of COVID-19 on the investments offered by or through Wilshire Finance Partners may be found at https://wfpfunds.com/coronavirus-covid-19-update/.

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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