



WFP Opportunity Fund Announces a 2.53% Net Annualized Return for First Quarter 2021

April 6, 2021, Newport Beach, California – The WFP Opportunity Fund, managed by Wilshire Finance Partners, generated an approximate net annualized non-compounded return of 2.53% in the first quarter of 2021. The net annualized compounded return for the fund since its inception on September 23, 2013 through March 31, 2021 was 13.12%.

The WFP Opportunity Fund (the “Fund”) seeks to provide higher risk-adjusted returns to its investors through debt and equity investments in real estate within the United States. 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 is not correlated to the stock or bond markets and has little to no sensitivity to interest rates.

The return obtained by the Fund was on an unlevered basis and was primarily the result of interest income received on the trust deeds, mortgages and participating loans in the fund’s portfolio. A significant portion of the Fund’s return in the first quarter of 2021 was the result of interest earnings on the underlying pool of real estate secured loans in the fund’s portfolio. A portion of the Fund’s returns may be generated from time-to-time through gains on a participating loan in the Fund’s portfolio. Unlike interest income, which is distributed to Fund investors quarterly, the accrued, unrealized anticipated gain on participating loans in the Fund’s portfolio are reflected in the Net Asset Value (NAV) of the Fund. When realized, the NAV goes ex-dividend (or is reduced) and cash is either distributed to or reinvested back into the Fund by investors based on their distribution election. The Fund did not hold any participating loans in its portfolio at the end of the first quarter of 2021.

Performance by the Numbers

As of March 31, 2021:

| | |
|---|-------------|
| Net Annualized Non-Compounded Return: | 2.53% |
| Quarterly Return (stand-alone basis): | 2.53% |
| Net Annualized Compounded Return (since inception): | 13.12% |
| Weighted Average Loan-to-Value: | 66.81% |
| Weighted Average Maturity: | 20 months |
| Average Loan Size: | \$1,010,825 |
| Non-Performing Loans: | 1 |



Real Estate Owned (REO):

1

Loan Servicing Update

At March 31, 2021, the Fund's portfolio consisted of loans primarily secured in second lien position, either as second mortgages or B Notes, against apartment and senior assisted living properties in Florida, Illinois, and Texas.

The loans in the Fund's portfolio performed well in March 2021. At March 31, 2021, the Fund had acquired an office building in Birmingham, Alabama through foreclosure. There were no other classified assets in the Fund's portfolio at quarter end.

The United States economy continued to rebound in March 2021 and was fueled in part by the continued rollout of vaccines, Congress' approval of additional economic stimulus, decreasing jobless claims, and the reopening of businesses in a number of states as restrictions continued to be lifted. Near term positive trends for the real estate market remain sector specific and continue to be influenced by lower interest rates and the utility of certain asset classes in the post-COVID-19 environment. COVID-19 will continue to present challenges in 2021, but, subject to more widespread control of the virus through vaccination and other means, some forecasts indicate continued growth and a strong second half in 2021.

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 March 2021:

Modification Agreements; Forbearance Agreements; Loans in Foreclosure

As of March 31, 2021, all loans were performing and the Fund did not hold any loans under modification agreements, under forbearance agreements or in foreclosure in its portfolio.



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 | Status |
|----------------------------------|-----------------------------------|--------------------------------|---------------------------------------|-----------------------------------|---------------------------|
| 1 | 3.76% | \$85,550 | \$87,974 | \$1,300,000 | Property listed for sale. |

* The actual market value of the property may differ from the above estimates.

As of March 31, 2021, 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 \$130,200. The loan was an B Note secured by an office building in Birmingham, Alabama. The structure of an B 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"). B Notes typically carry a higher rate of interest and are subordinate to the A 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 B Note by the Fund at the time the loan was made was in alignment with the Fund's objective of seeking higher relative 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 and Real Estate Owned (REO) |
|-----------|----------------------------|---|--|
| \$155,333 | 1.87% | N/A | 176.57% |

Historically, the Fund has taken a more aggressive approach with respect to maximizing both the returns and distributable cash to investors. As a result, the Fund has not previously maintained a Loan Loss Reserve. In response to the impacts on the real estate market and real estate lending resulting from the COVID-19 pandemic, the Fund established a Loan Loss Reserve in the second quarter of 2020 and began accruing funds in the reserve. At present, the Loan Loss Reserve exceeds the total principal amount of Fund's pro rata share of the real estate owned by the Fund. i.e. 176.57% of the Fund's basis in the property.

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

Redemptions

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

- Loan Loss Reserves. Due to the relative size of the Loan Loss Reserve to total assets, loans in foreclosure and real estate owned, the accrual for the Loan Loss Reserve in the Fund for the first quarter of 2021 was reduced as compared to the prior quarter.
- Redemptions. Redemption requests are subject to the requirements in the Fund's organizational documents; including, without limitation, restrictions required to maintain regulatory compliance. As described in the organizational 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"). As a result, 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.
- New Investments. The Fund is accepting new and follow-on investments from investors. Investments in the Fund may only be made by accredited investors who are provided with the Fund's Private Placement Memorandum and invest in accordance with the Fund's subscription documents.
- New Loan Opportunities. The Fund will continue to seek new loan opportunities. The Fund continues to employ a more conservative approach in the current operating environment; including, 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.

Wilshire will continue to assess and, as necessary, make additional strategic adjustments to mitigate risk, capture new opportunities and guide the Fund in the current environment.

"The loans in the fund performed well throughout the first quarter of 2021," said Don Pelgrim, CEO of Wilshire Finance Partners. "As the economy continues to improve and new lending and investment



opportunities are identified, we will seek opportunities that will help deliver higher, risk-adjusted returns to our investors in the Fund.”

The WFP Opportunity 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 94699B948
- TD Ameritrade as WFP OPPORTUNITY FUND NSA; CUSIP Number 93099C100

The WFP Opportunity 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 Opportunity Fund please call (866) 575-5070 or visit 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, 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.

Contact:

Wilshire Finance Partners, Inc.
Donald H. Pelgrim, Jr.
(866) 575-5070
dpelgrim@wilshirefp.com

Source: Wilshire Finance Partners, Inc.