July 29, 2024
W FINANCIAL FUND, LP
INVESTOR LETTER
Q2 2024

Re: W Financial Fund, LP — 2nd Quarter 2024 Update and Statement

Dear W Financial Investors,

All of us at W Financial hope that your summer is off to a great start! Knowing that many of you are travelling this summer, wherever you are, we hope that you are enjoying this special time of year and having an opportunity to spend time with family and friends.

Q2 Portfolio Performance:

During Q2, W's lending team closed nine new loans, totaling $31,350,000 (one loan is structured as a line of credit with a future funding up to $3,000,000). All investor capital remained deployed during the quarter.

W Financial posted a .66% fund-level return for April, a .67% return for May, and a .63% return for June, (which was our 252nd consecutive month of positive performance). Our 1, 3 and 5-year trailing net returns through June 30th were: 1-year: 8.31%, 3-year: 7.88%, 5-year: 7.48%.

From our 2003 inception through June 30, 2024, W has provided an average annual compound, fund-level return of 8.95%, net of fees*. Thus, $100,000 invested at our 2003 launch had increased to $583,866 as of June 30, 2024, resulting in a total return of 504.73%.

New W Financial Loan Origination During Q2:

During the second quarter, W Financial provided nine new loans for properties located in Chicago, Illinois; Hallandale Beach, Florida; Boca Raton, Florida; Griffin, Georgia; Greenwich, Connecticut and a loan secured by properties located in Hawaii, Oregon, Colorado, and New Jersey.

Loan highlights and pictures are provided on the following pages:

- a $4,000,000 credit line (of which $1,000,000 was advanced at the closing), secured by four, single-family residential homes located throughout the islands of Hawaii, one single-family residential property in Colorado and an industrial building in New Jersey. The borrower required the credit facility in order to provide liquidity for other business opportunities and plans to refinance W Financial's loan with either a sale or refinancing of one or more of the properties.

- a $7,900,000 first mortgage bridge loan secured by partially occupied retail condominium units in Chicago, Illinois. The borrower needed the bridge loan for the acquisition of the property and plans to lease the vacant space in order to fully stabilize the property and then plans to refinance W Financial.

- a $1,800,000 first mortgage bridge loan secured by three vacant office condominiums in Hallandale Beach, Florida. The three units are part of a brand-new commercial condominium development. The borrower needed the bridge loan for the acquisition of the condominium units and plans to repay the W Financial loan upon stabilization of the units.

- a $750,000 first mortgage bridge loan on one vacant office condominium in Hallandale Beach, Florida. The unit is part of the same aforementioned new commercial condo development. The borrower needed the bridge loan for the acquisition of the condominium unit and plans to repay the W Financial loan once the tenant has taken occupancy of the space.



WAIKOLOA – HAWAII



LAHAINA – MAUI
HAWAII



CENTENNIAL
COLORADO



ENGELWOOD
NEW JERSEY



CHICAGO – ILLINOIS



HALLENDALE BEACH – FLORIDA

- a $2,150,000 first mortgage bridge loan secured by a single-family residence in Boca Raton, Florida. The home is part of a high-end gated community. The borrower needed the bridge loan for the acquisition of the single-family residence and plans to repay the W Financial loan, with the sale of another single-family residence which is currently listed for sale, or via the refinance of the new property.



BOCA RATON – FLORIDA

- a $700,000 first mortgage bridge loan secured by a vacant industrial property located in Griffin, Georgia. The borrower required the bridge loan to facilitate the acquisition of the subject property and needed to close expeditiously. The borrower plans to refinance the W Financial loan with a conventional lender upon stabilization.



GRIFFIN - GEORGIA

- a $2,750,000 preferred equity investment on a waterfront, single-family residence in Boca Raton, Florida. The plan is to demolish the current, dated house and build a new modern home on the site. One of our equity partners is a builder and the other is an investor. They have successfully completed the development of several other similar single-family homes in the same area, and we liked their business plan to redevelop this house, given the excellent location. The preferred equity will be repaid from the sale of the new house once completed.



ORCHID DRIVE – BOCA RATON - FLORIDA

- a $1,300,000 first mortgage bridge loan on a single-family residence in Greenwich, Connecticut. The borrower needed the bridge loan for the acquisition of the single-family residence and plans to repay the W Financial loan after he completes some light rehab and then leases the property.



GREENWICH – CONNECICUT

- a $10,000,000 first mortgage bridge loan secured by the residential portion of the aforementioned commercial condominium development site in Hallandale Beach, Florida. This property is the residential development site which is actively under construction and has been approved for two 250-unit condominium towers, of which 175 units in the first tower are under contract. The first tower has 11 of 25 floors completed and the parking garage building has 5 of 6 levels completed. The property was unencumbered, and the borrower needed a very fast loan in order to continue construction while his construction lender finished their loan documents on a $110M construction loan. The borrower plans to repay the W Financial loan within a short time frame with the construction loan.



HALLENDALE BEACH – FLORIDA

Note that the deal descriptions that you see in these quarterly letters are intended to be a high-level overview, and, as always, we invite you to contact us to discuss any questions that you may have regarding the transactions described, or to simply hear a more in-depth description than space allows in these letters.

During Q2, 10 loans were repaid that were secured by properties located in Hallandale Beach and Fort Myers, Florida; Brooklyn, New York; Manhattan, New York; Cordova, California; Austin, Texas; Fayetteville, North Carolina and Amagansett, Long Island, New York, totaling $35,280,437. We also received partial paydowns on certain loans in the amount of $4,882,470.

Update on REO and Loan Defaults

East 79th Street, Manhattan:

We continue to work with JP Morgan Chase (the sole tenant in two of the five buildings that we own at the corner of Lexington Avenue and East 79th Street) to vacate their space and to terminate their lease. These are sensitive negotiations that require confidentiality; therefore, we feel it is best not to go into any greater detail in this letter. Meanwhile, if you have any questions, please reach out to Gregg or David by phone, per our contact information below.

Baton Rouge Update:

After the borrower defaulted, we successfully foreclosed and took title to this property on May 17th, 2023. City View Apartments is a 100-unit rental community, located near LSU (Louisiana State University), and is comprised of several buildings.

We have completed the light renovation of 91 units and have expensed these costs as we incurred them. We are holding off on completing the renovation of the last 9 units, as some of them are occupied and one is utilized as the leasing office. Once these nine apartments are all vacant, we plan to renovate these units as well. We have also finished upgrading the exteriors of the buildings with new signage, flags, and paint and have rebranded the name of the rental community from Gaslite Apartments, to City View Apartments (www.liveatcityviewapartments.com). We are focused now on leasing the units and stabilizing the property.

West 46th Street, Manhattan:

Further to our update in the last quarterly letter, we commenced a foreclosure action on this nine-story, 79-room hotel, located at 129 West 46th Street, between Sixth and Seventh Avenues in the Times Square area of Manhattan.

The owner had net-leased the property to a firm that has a rental occupancy contract with a New York City agency. The City agency is several months behind on their rent and as a result the tenant has fallen behind in their payments to the owner and consequently our borrower fell behind in making their mortgage payments to W Financial.

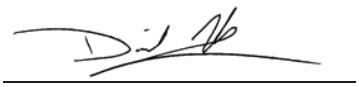
We are currently in discussions with the Borrower to negotiate a forbearance agreement, whereby the borrower will pay the net funds received from the City to W Financial and will provide adequate time for the borrower to effectuate the successful sale of the property. The hotel is currently listed for sale for $24,500,000 with Meridian Capital Group, LLC.

Contact Us

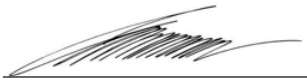
If you have updated your email or mailing address, please let Karen Mannoia in Investor Relations know. Karen can be reached at karen@w-financial.com | (631) 750-0937 or (212) 532-9178. Our office is located at 60 Cutter Mill Road, Suite 601, Great Neck, NY 11021. Come visit us when you are in the New York area!

Feel free to call or email David Heiden at (516) 633-1424 | david@w-financial.com or Gregg Winter at (212) 532-9170 or (917) 885-0990 | gregg@w-financial.com with any questions that you may have about our investment activities, (including any questions about any of the content or real estate terminology discussed in this letter that you would like us to explain in greater detail). Contact our Chief Financial Officer, Adam Windwer, with any questions regarding your account statement or with any questions you may have about our audited financial statements (212) 532- 9284 | adam@w-financial.com. Along with Gregg and Karen, Ryan DeLissio (212) 684-2259 | ryan@w-financial.com is also available to assist our investors with any questions that may arise, or materials they may need.

Very truly yours,
W FINANCIAL FUND, LP



By: David Heiden, Member



By: Gregg Winter, Member



By: Marc Bailin, Member

**Returns are calculated for the limited partner class taken as a whole and are computed using a time-weighted methodology whereby the returns for individual accounting periods are geometrically linked and proforma incentive allocations are taken into account. An individual limited partner's return may vary based on different management fee arrangements as outlined in the Private Placement Memorandum and the Limited Partnership Agreement, as well as by the timing of capital transactions. The monthly returns and other performance calculations are prepared internally and have not been audited or verified by a third party. The use of a different methodology for preparing, calculating or presenting performance returns may lead to different results and such differences may be material.*