November 14, 2025

W FINANCIAL FUND, LP
MID-QUARTER UPDATE

Dear W Financial Investors,

Over the last few days, we've spoken to some of our investors who've expressed concern over the outcome of the recent New York City mayoral race. Therefore, we wanted to provide some thoughts and commentary and clarify how much exposure to NYC the fund currently has. In addition, we are pleased to share some good news about another successful REO property sale.

New York's New Mayor:

New York City's new mayor, Zohran Mamdani is going to need plenty of help to run the greatest city in the world, and even some of his biggest opponents up until his victory earlier this month, are quickly adapting to the new reality and offering their congratulations and assistance. New York and most New Yorkers are not going anywhere.

Business titans who originally opposed him, perhaps most notably, billionaire Bill Ackman, moved early to congratulate Mamdani and volunteer to help. "Congrats on the win. Now you have a big responsibility. If I can help NYC, just let me know what I can do," Ackman posted on X late Tuesday.

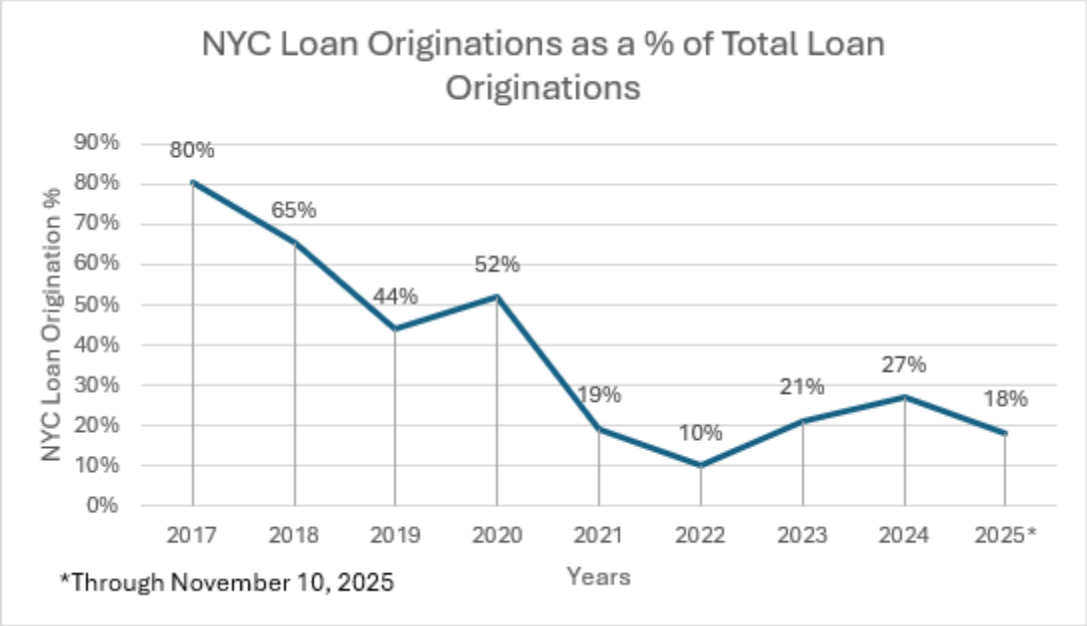
We expect this trend to continue and strengthen, with many of the NYC business leaders working on the sidelines to establish a working relationship with the new mayor and advocating on the city's behalf in Washington, D.C., to help ensure cooperation going forward between the federal government and NYC.

W Financial's New York City loan portfolio:

For a variety of reasons, in 2017 we made the decision to diversify the fund outside of New York City (i.e., the five boroughs) and to expand our lending footprint nationally. We took this action as the NYC real estate market was under extreme stress from the anti-business policies of Mayor Bill de Blasio (2014-2021), which included dramatically increased real estate taxes and punitive regulations. De Blasio also imposed New York City's first rent freezes in 2015, 2016 and 2020. We also experienced less competition originating loans outside of NYC, which generally leads to better deals.

In addition, in June 2019 the New York State Senate passed The Housing Stability and Tenant Protection Act that ended the ability to bring rent stabilized apartments to market rent, made evictions more formidable and increased penalties for apartments that were incorrectly deregulated.

This law had a dramatic impact that negatively affected buildings with a large number of rent-stabilized apartments. As you will see depicted on the chart below, since 2017, the trend for W Financial has been an increase in our lending outside NYC's 5 boroughs, and a corresponding decrease in our NYC new loan originations.



In our recent Q3 letter, we reported that approximately 45% of our portfolio is in the New York Metropolitan area, however this includes New York City, all of New York State, New Jersey and Connecticut. When we drill down to focus on our current NYC loan portfolio, only 23% of our portfolio is in New York City and of this, only 4% is comprised of rent stabilized apartment buildings. Since 2019 we have been hyper-vigilant regarding rent-stabilized apartments, have very low exposure and thus any rent freeze will have minimal effect on our portfolio.

In our opinion, New York City is, and will continue to be, at the epicenter of world commerce, culture and finance. However, for the aforestated reasons, we will continue to focus the majority of our new loan originations outside New York City.

Sale of Apartment 7CE at The Marquand – 11 East 68th Street, Manhattan:

We are happy to report on November 3rd, in an all-cash transaction, we closed on the sale of apartment 7CE at The Marquand for $2,950,000. There are still five remaining apartments which we intend to sell as they become vacant.

As always, we welcome any question you may have. Feel free to call David (516) 633-1424 | david@w-financial.com, Gregg (917) 885-0990 | gregg@w-financial.com or Adam (212) 532-9284 | adam@w-financial.com.

Very truly yours,

W FINANCIAL FUND, LP