W | FINANCIAL

APRIL 23, 2026
W FINANCIAL FUND, LP
QUARTERLY INVESTOR LETTER
Q1 2026

Re: W Financial Fund, LP — 1st Quarter 2026 Update and Statement

Dear W Financial Investors,

After an exceptionally cold and snowy winter (at least, here in the Northeast), the coming of spring feels especially welcome this year!

April marks the twenty-third anniversary since the launch of W Financial Fund, LP. Since inception, we have originated hundreds of bridge loans, totaling more than $2.6 billion, and we have been able to deliver positive results each month, quarter and year.

We continue to maintain our focus on protecting and growing our investors' capital and effectively navigating a steady course through always-evolving market conditions. We are fortunate to have a steady stream of incoming deal opportunities to review, and as always, we continue to utilize the same disciplined loan underwriting approach as we select which loans to pursue, and which loans we will pass on because they don't measure up to our standards.

In light of the recent surge in media coverage regarding the broad category of private credit funds, we wanted to take a moment to clarify how a small, selective, niche lender like W Financial differs meaningfully from the broader private credit universe.

Much of the recent attention in news outlets such as *The Wall Street Journal* and *The New York Times* has focused on *very large* asset managers – firms like Blue Owl Capital, Ares Management, Blackstone and Cliffwater – huge funds that are not only competing with each other, but also competing with banks, seeking to deploy tens of billions, or even hundreds of billions of dollars in loans. These mega-funds are also engaged in a completely different type of lending – they make business loans to corporate borrowers, rather than lending against relatively simple *hard assets* (like real estate).

Unlike these very large credit platforms, W Financial operates in a distinct niche: short-duration bridge lending secured by tangible real estate assets. Our type of lending is fundamentally different from lending against corporate credit. Our real estate-backed loans are typically collateralized by first mortgages on hard assets with observable value, whereas corporate loans often rely on more complex and less tangible factors such as receivables, business performance and enterprise valuation.

To summarize, while the concerns facing some of the large, multi-billion-dollar private credit funds may be valid, they should not be conflated with the risk profile of small, specialized real estate lenders. The distinction is significant, and unfortunately, it is one that much of the recent press coverage has overlooked.

Q1 Portfolio Performance

W Financial ended the first quarter with $376.48 million of investor capital under management and a portfolio totaling $422 million.

The fund posted a .64% compounded, fund-level return for January, a .64% return for February, and a .67%% return for March, (which was our 273rd consecutive month of positive performance). Our 1, 3 and 5-year trailing net returns through March 31st were: 1-year, 10.09%, 3-year 9.26%, 5-year: 8.49%.

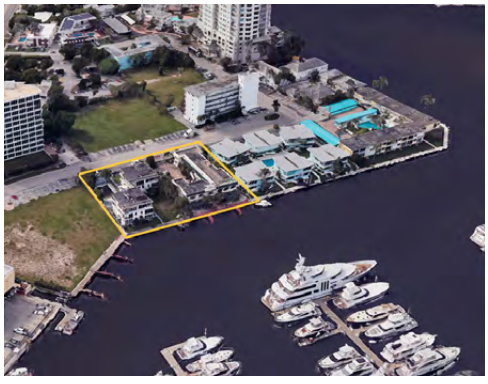
From our 2003 inception through the end of the first quarter of 2026, W Financial has provided an average monthly rate of return of .72%, and an annual compound return of 9.02%, net of fees*. Thus, $100,000 invested at our 2003 launch had increased to $686,380 as of March 31, 2026, resulting in a total return of 613.52%.

New Loan Origination During Q1

During Q1, W Financial provided nine new loans totaling $31,953,000 for properties located in Manhattan; Brooklyn; Fort Lauderdale, Sunny Isles and Gainesville, Florida; Centennial, Colorado; Philadelphia, Pennsylvania and Henrico, Virginia.

Highlights are provided below:

- a second mortgage bridge loan of $2,150,000 secured by a property located in Fort Lauderdale, Florida. W Financial had previously provided a first



FORT LAUDERDALE – FLORIDA

mortgage of $13,600,000 in October 2023. The subordinate loan has been consolidated as a first mortgage totaling $15,750,000. The additional proceeds will be used to augment the interest reserve. Since the closing of the original loan, the borrower purchased and installed a sales office on site, which is now 90% complete and has also landscaped the property. This project is the first Riva-branded residential development in the USA: riva-residences.com. The borrower plans to repay W Financial's loan with a construction loan.

- a $2,700,000 first mortgage bridge loan secured by a vacant multifamily property located in the Boerum Hill neighborhood of Brooklyn. The property consists of three residential condominium units. The borrower needed the loan to refinance its construction loan. The borrower plans to repay the W Financial loan with a sale of the individual condominium units.

- a $7,600,000 first mortgage bridge loan collateralized by a partially occupied multifamily property located in Sunny Isles, Florida. The borrower needed the loan to refinance its current mortgage and to fund renovations of the property. The borrower plans to convert the residential units into condominium units and then plans to repay the W Financial loan with a sale of the units.

- a $2,400,000 first mortgage bridge loan secured by an occupied stand-alone Walgreens located in Centennial, Colorado. This mortgage is cross collateralized with another W Financial loan secured by a similar stand-alone Walgreens located in El Paso, Texas. W Financial originally provided the first mortgage on this property in November 2025. The borrower needed the bridge loan to acquire the Walgreens, and plans to repay the W Financial loan when they refinance with a conventional loan.

- a first mortgage bridge loan of $3,000,000 secured by a vacant retail condominium in the TriBeCa neighborhood of New York, NY. The borrower needed the loan to acquire the property. The retail space will be divided into four smaller spaces making it



FORT LAUDERDALE – FLORIDA



SUNNY ISLES – FLORIDA



CENTENNIAL – COLORADO



TRIBECA – NEW YORK

easier to lease and stabilize the property. The borrower plans to repay the W Financial loan with a conventional loan.

- a first mortgage bridge loan of $1,963,000 on an occupied single-tenant retail property located in the Northern Liberties neighborhood of Philadelphia, PA. The borrower required the loan to acquire the property and needed to close expeditiously. The property is currently fully occupied by a single tenant. The borrower will either renew the current tenant's lease at market rent, or re-lease the space to a new tenant that will pay more in-line with current market rent. The borrower plans to repay the W Financial loan with a conventional loan.

- a first mortgage bridge loan of $7,250,000 collateralized by a mostly occupied multifamily property in Henrico, Virginia. The borrower needed the loan to acquire the property and wanted to close quickly in order to secure a discount on the purchase price. W Financial was able to analyze, underwrite and close the deal in five business days. The borrower plans to repay the W Financial loan upon refinancing with a conventional loan. This quick-close loan is a very good example of W Financial's value proposition for borrowers when time is an important factor.

- a first mortgage bridge loan of $4,620,000 secured by a mostly occupied multifamily property in Gainesville, Florida. The borrower needed the loan to refinance the property. The borrower plans to repay the W Financial loan with a conventional loan.

- a second mortgage bridge loan of $270,000. W Financial had originally provided a $4,300,000 first mortgage bridge loan on this retail property in Fort Lauderdale, Florida in September 2024. The loans have been consolidated as a first mortgage of $4,570,000. The additional funds were utilized to establish a tenant improvement reserve for one of the two vacant retail spaces. Our borrower signed a lease for one space and is using some of the proceeds to fund tenant improvements. The borrower plans to repay W Financial's loan with a conventional bank loan.



PHILADELPHIA – PENNSYLVANIA



HENRICO – VIRGINIA



GAINESVILLE – FLORIDA



FORT LAUDERDALE – 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 Q1, six loans were repaid on properties located in Ocean Beach and Saugerties, New York, Fort Lauderdale, FL, Bayonne, New Jersey, Plumsteadville, Pennsylvania and New Orleans, Louisiana totaling $17,963,137. In addition, there were partial paydowns in the amount of $3,372,500. During the quarter, all investor capital was fully deployed, and $56.2 million was drawn on our $150 million revolving line of credit as of March 31, 2026.

Notable Updates on REO and Loan Defaults

129 West 46th Street (between Sixth and Seventh Avenues) - Times Square area of Manhattan:

We were the successful bidder at the foreclosure auction on January 14, 2026, for this 79-room hotel located in the Times Square area of Manhattan. We have retained CBRE to market the property for sale and the listing is: loopnet.com/Listing/129-W-46th-St-New-York-NY/39931712/.

We are also pleased to report that we entered into contract to sell the approximately 18,000 square feet of excess development rights to a major New York City developer (air rights) for approximately $5,850,000 (the final number will depend upon the exact square footage being transferred). The sale of the excess development rights requires the adjacent church and developer to obtain two different municipal approvals which will take six to nine months.

53 East 67th Street (between Madison and Park Avenues):

This is a pre-war, 5-story multifamily building with 8 apartments and a ground floor professional office in a superb location, between Madison and Park Avenues on Manhattan's Upper East Side, near Central Park. The ~7,800 square foot property was being developed by an experienced townhome developer who was working to convert the building into a luxury, single-family townhome. It was intentionally left vacant in order to facilitate the renovation.

At the end of 2024, the borrower had been unable to find a construction loan and went into default. W subsequently executed a settlement agreement with the borrower, wherein he would agree to convey the property to W at a time of our choosing in exchange for releasing him from his personal guaranty.

We recently signed a new listing agreement with Compass, a premier Manhattan broker in this space, to sell the property. They have been actively showing the building, and we expect offers in the coming weeks.

548 West 28th Street, West Chelsea, Manhattan:

As mentioned in our Q4 2025 letter, our borrower on this $5 million second mortgage bridge loan for a cash-flowing, mixed-use loft, art gallery property, recently filed Chapter 11 to stop a foreclosure action filed by the first mortgagee. During this time, the borrower has been diligently marketing the property for sale with major real estate brokerage firm Avison Young.

Here is a link to the property listing: platform.reverecre.com/project/b9e29b7b-d4e6-425c-8858-91fdf17a6667. The court has imposed an auction date of May 5th. We will keep you posted on any developments as they unfold.

W Financial's Secure Investor Portal:

As you know, **our Secure Investor Portal is now up and running and many of you were able to access your K1 tax reporting and your account statements using it**. While many of you early adopters have already signed on and created your own unique password, there are still many of our investors who have yet to take the plunge.

Since there is no quicker or more secure way to access your documents, we highly encourage you to jump on board. We will continue to mail statements and updates for the next few quarters, but we plan to phase out "snail mail" by the end of 2026. Feel free to reach out to Karen Mannoia, who knows every detail and can easily walk you through the process.

Our New Revolving Credit Facility:

Every three years, our revolving line of credit comes up for renewal. Our credit line is a valuable tool that helps us to achieve efficient cash management and enhances our ability to keep our investor capital fully deployed.

In mid-January, we refinanced our $125 million, revolving line of credit with a new, 3-year, $150 million revolving credit facility from Western Alliance Bank. Our line of credit is priced at a floating rate of 30-day SOFR + 290 basis points, which equates to ~6.54% as of now.

W Financial's 2025 Audited Financial Statements:

W Financial completed 2025 with an 11.14%, compounded, fund-level return, net of fees*. Our auditor, CBIZ, LLP (cbiz.com) has completed our 2025 audited financial statement, which is now available for your review by visiting our secure, private, password-protected Investor Information website at the following link: private.w-financial.com - and then entering the username: W-Private and the password: delta14six.

Scroll down to "Audited Financial Statements" and then click on the 2025 box. If you would prefer to have a copy mailed to you, please contact Karen Mannoia in Investor Relations (per her contact info below), and she will be happy to mail you a hard copy.

2025 K1 Tax Reporting:

This year your 2025 K1 was uploaded to your Secure Investor Portal, therefore you should have already received your 2025 Schedule K1 in late March. Your K1 reflects REIT Dividend Income. The REIT dividend income qualifies for the Qualified Business Income tax deduction. If you or your accountant or tax preparer have any questions, please feel free to contact our CFO Adam Windwer (212) 532-9284 adam@w-financial.com.

Latest Form ADV:

As required every March, W Financial's Investment Manager, Sag Harbor Capital Management, LLC, a Registered Investment Advisor, files an updated form ADV with the SEC. These regulatory documents (along with the latest versions of our other fund documents) are always available here: private.w-financial.com (username: W-Private, password: delta14six).

W Financial is Open for Existing and New Investors:

The fund is open to our existing investors for additions to existing accounts and to new investors. As usual, you can coordinate the process of adding to an account or opening a new account with Karen Mannoia. Karen's contact information is provided below.

We are pleased to enclose your Q1 statements. As a reminder, note that we have a guide for our investors called “How to Read Your Statement”, which is available on our private investor website: private.w-financial.com username: W-Private, password: delta14six.

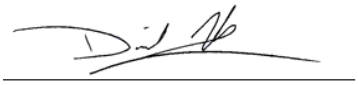
Contact Us

If you have updated your email or mailing address, please let Karen Mannoia know. Karen can be reached at karen@w-financial.com | (631) 750-0937 | (212) 532-9178.

As a reminder, our door is always open to our investors. Always feel free to call David Heiden at (516) 633-1424 or Gregg Winter at (212) 532-9170 with any questions that you may have, (including any questions about any of the content or real estate terminology in this letter that you would like us to explain in greater detail). Contact our CFO Adam Windwer with any questions regarding our audited financial statements, or your quarterly statement at (212) 532-9284 | adam@w-financial.com. Alternatively, you can always email us directly at gregg@w-financial.com and david@w-financial.com.

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.