JULY 24, 2026
W FINANCIAL FUND, LP
QUARTERLY INVESTOR LETTER
Q2 2026

re: W Financial Fund, LP — 2nd Quarter 2026 Investor Update and Statement

Dear W Financial Investors,

We hope that you are enjoying your summer travels, (which might have even included attending a World Cup match here in the U.S.), and having an opportunity to reconnect with friends, family and the great outdoors.

Q2 Portfolio Performance

During Q2, W's lending team closed fourteen new loans, totaling $76,065,000 secured by properties located in Evansville, Indiana; West Hollywood, California; Miami Beach, Florida; Manhattan, NYC; Cliffside Park, New Jersey; Beaumont, Texas; Bohemia, Long Island, New York; Philadelphia, Pennsylvania; Cypress, Texas; Brooklyn, New York; Hollywood, Florida and Columbus, Ohio. We ended the quarter with a portfolio of 87 loans and real estate totaling $417,561,153. We are also pleased to report that all investor capital remained deployed during Q2.

W Financial posted a .67% fund-level return for April, a .62% return for May, and a .62% return for June, (which was our 276th consecutive month of positive fund performance). Our 1, 3 and 5-year trailing net returns through June 30th were: **1-year: 10.17%, 3-year: 9.21% and 5-year: 8.59%.**

From our 2003 inception through June 30, 2026, W has provided an average annual compound, fund-level return of 9.01 %, net of fees*. Thus, $100,000 invested at our 2003 launch had increased to $699,341 as of June 30, 2026, resulting in a total return of 627.21%.

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New W Financial Loan Origination During Q2

Loan highlights and pictures are provided on the following pages:

- a $7,900,000 first mortgage bridge loan secured by a mostly occupied multifamily property in Evansville, Indiana. The borrower required the loan to refinance the property and needed to close quickly. The borrower plans to repay the W Financial loan with a conventional loan.
- An $8,500,000 first mortgage bridge loan collateralized by a partially occupied retail condominium property located in West Hollywood, California. The borrower needed the loan to refinance the existing debt on the property. Once the borrower leases the remaining vacant space, they plan to repay the W Financial loan with a conventional loan.
- a $3,375,000 first mortgage bridge loan secured by a short-term rental property located in Miami Beach, Florida. The borrower needed the loan to refinance the existing debt on the property and complete minor capital expenditures to four of the nine units. The borrower plans to repay the W Financial loan with a sale of the property.
- a first mortgage bridge loan of $4,640,000 collateralized by an occupied, cash-flowing, single-tenant retail condominium property in Manhattan's Lower East Side neighborhood. The borrower needed the loan to refinance the existing debt on the property. The borrower plans to repay the W Financial loan with a conventional loan.
- a $2,450,000 first mortgage bridge loan secured by two residential condominium units in Cliffside Park, New Jersey. One of the units is currently rented and cash-flowing, while the other unit has an executed lease with the new tenant planning to take occupancy shortly. The borrower needed the bridge loan to refinance the property's current debt. The borrower plans to repay the W Financial loan by selling the units.



EVANSVILLE – INDIANA



WEST HOLLYWOOD – CALIFORNIA



MIAMI BEACH – FLORIDA



BOWERY – MANHATTAN



CLIFFSIDE PARK – NEW JERSEY

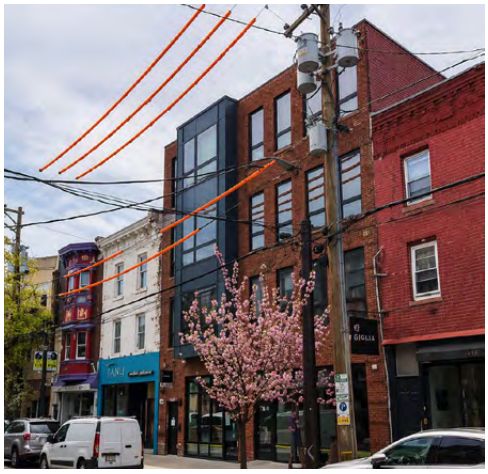
- a first mortgage bridge loan of $1,400,000 secured by a fully occupied multifamily property in Beaumont, Texas. The borrower needed the loan to refinance the property, and needed to close quickly. The borrower plans to repay the W Financial loan with a conventional loan.
- a first mortgage bridge loan of $3,125,000 collateralized by a fully occupied, cash-flowing, single-tenant industrial property located in Bohemia, Long Island, New York. The borrower required the bridge loan to acquire the asset and needed to close quickly. The borrower plans to repay the W Financial loan with a conventional loan.
- a $6,250,000 first mortgage bridge loan secured by a partially occupied mixed-use property in the Queen Village neighborhood of Philadelphia, Pennsylvania. The property is comprised of two retail units and sixteen residential units. The borrower needed the loan to refinance the existing debt on the property. The borrower plans to repay W Financial's bridge loan with a conventional loan upon stabilization of the property.
- a first mortgage bridge loan of $2,400,000 collateralized by an occupied retail property in Cypress, Texas. The tenant occupying the property was originally a franchisee but the corporation has now stepped in to guaranty the lease. The borrower needed the loan to refinance the existing debt on the property while the guarantor of the lease was being amended. The borrower plans to repay the W Financial loan with a conventional loan.
- a first mortgage bridge loan of $10,500,000 secured by a portfolio of four single-family residences in both Brooklyn and Nyack, New York. The borrower owns the properties unencumbered of any debt, and needed the loan to recoup equity and utilize funds for another business venture. The borrower is a repeat client of W Financial and plans to repay W Financial either with a conventional loan, or through the sale of assets.



BEAUMONT – TEXAS



BOHEMIA – LONG ISLAND – NEW YORK



PHILADELPHIA – PENNSYLVANIA



CYPRESS – TEXAS



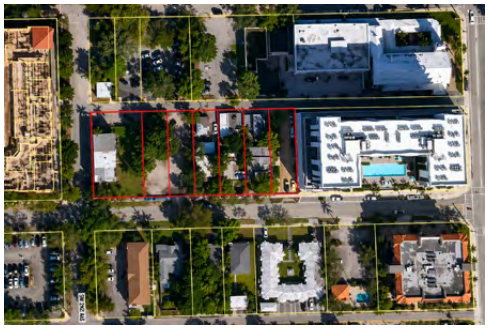
FORT LAUDERDALE – FLORIDA

- a $6,250,000 first mortgage bridge loan collateralized by a fully entitled multifamily development site and a vacant office condominium unit in Hollywood, Florida and Hallandale Beach, Florida, respectively. The borrower needed the loan to refinance the existing debt on the property and recoup a portion of his equity. The borrower plans to repay the W Financial loan with a construction loan.
- a first mortgage bridge loan of $8,150,000 on a mostly occupied retail condominium property in the Upper West Side neighborhood of New York, NY. The borrower required the loan to acquire the asset, and needed to close quickly. The borrower plans to repay the W Financial loan with a conventional loan upon stabilization of the property.
- a $9,500,000 first mortgage bridge loan secured by a mostly occupied multifamily property in Columbus, Ohio. The borrower needed the loan to refinance the existing debt on the property and recoup a portion of their equity. The borrower plans to repay the W Financial loan with a conventional loan upon stabilization of the property.
- a first mortgage bridge loan of $1,625,000 collateralized by an occupied, single-tenant retail condominium property in the Nolita neighborhood of New York, NY. The current tenant's lease is nearing expiration, and the borrower is in talks with the tenant to extend them on a short term basis given the below market rent. Once the borrower identifies a new tenant at market rent, the existing tenant will vacate the space. The borrower required the bridge loan to acquire the retail condominium and fund TI & LC (tenant improvements and leasing commissions) for the future tenant. The borrower plans to repay the W Financial loan with a conventional loan.

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.



BROOKLYN – NEW YORK



HOLLYWOOD – FLORIDA



COLUMBUS AVE – MANHATTAN



TAMARACK BOULEVARD – COLUMBUS – OHIO



BROOME STREET – SOHO – MANHATTAN

During Q2, thirteen loans were repaid that were secured by properties located in Orlando, Florida; San Francisco and Los Angeles, California; Great Neck, Buffalo, Water Mill, Brooklyn, and West Babylon, New York; Tacoma, Washington; Bridgeport, Connecticut; Miami, Florida; Hoboken, New Jersey and Maui and Kauai in Hawaii, totaling $77,022,167. We also received partial paydowns on six loans totaling $537,500.

A Reminder about W Financial's Beneficial REIT Tax Status:

A recent conversation with one of our long-time investors about his W Financial taxable account made us think it was time to remind our taxable investors (many of whom are in the highest tax bracket) about the lower-tax benefits resulting from W's REIT (Real Estate Investment Trust) conversion which occurred in late 2019.

For our taxable investors:

Whereas before the November 2019 conversion, all W Financial income in taxable accounts was taxed as "ordinary income", after the conversion it is reported on your K1 as REIT Dividend Income (QBI).

Qualified Business Income (QBI) Deduction: Individual shareholders may deduct up to 20% of their taxable ordinary REIT dividends, effectively reducing the highest marginal tax rate (e.g., from 37% down to 29.6%).

For our tax-exempt investors (investors using IRAs, Profit-Sharing Plans, etc.),

REIT Dividend Income eliminates Unrelated Business Taxable Income (UBTI).

A Notable Loan Repayment: Bridgeport, Connecticut

In addition to our regular loan repayment activity during the quarter, we also experienced a noteworthy loan payoff involving our $15,475,000 bridge loan secured by Soundview Apartments, located at 855 Main Street in downtown Bridgeport, Connecticut.

Our loan was collateralized by a 12-story mixed-use building consisting of 121 residential units and one commercial unit. Originally an office building, the property had recently been converted by our borrower from office use to multifamily and offered a mix of studio, one-bedroom, and two-bedroom apartments. At the time we originated the loan, the property was approximately 80% occupied, and our financing was utilized to allow the borrower time to complete the lease-up of the remaining vacant units. (This is a classic use of a bridge loan for borrowers).

During the term of our loan, the borrower successfully executed its business plan by leasing the remaining residential units and stabilizing the asset, demonstrating the success of the office-to-multifamily conversion. Upon achieving stabilization, the borrower refinanced the property with a conventional lender and repaid our loan in full. The successful refinance represented the culmination of the borrower's business plan and resulted in the full repayment of our loan principal along with all accrued interest and fees.

W Financial's Modus Operandi: Whether Lending Locally Or Nationally

Whether a potential loan request is local, or across the country, W Financial's due diligence and underwriting protocol is essentially the same.

Once we receive an executed term sheet and the borrower's good faith deposit, W Financial's underwriting process kicks into high gear and extends beyond a traditional review of a borrower's financial statements and third-party reports (such as the appraisal, an environmental report and a credit and background search).

As part of our due diligence process, a member of the lending team travels to inspect the subject property firsthand, verifying that the property's physical condition and operations align with the information provided by the borrower. This includes inspecting all vacant units to assess their condition. We also inspect a cross-section of apartments to represent each unit line within the building and if the tenant is present, we inquire as to the rent they are paying as an additional check to confirm that it matches the rent roll we received from the owner.

Additionally, our team visits competing properties in the market to independently assess rental rates and market conditions, frequently engaging with leasing agents and local real estate professionals to gain further insight into confirming asset values. By combining traditional underwriting with extensive boots-on-the-ground investigations, we believe we are better positioned to identify risks, validate assumptions, and make informed lending decisions that protect our investor capital.

Also, when our lending team members are out on the road, it's a natural marketing opportunity where they can meet or reconnect with property sales brokers, commercial mortgage brokers, real estate attorneys and other key industry players to continue to expand our network around the country.

Update on REO and Loan Defaults

129 West 46th Street, Times Square Area, Manhattan:

We are currently negotiating with several prospective buyers for this property. Fortunately, the Manhattan hotel market has been doing well throughout 2026. We have already signed a contract to sell 18,000 SF of excess development rights for approximately $5,850,000 (also known as "air rights") to a major NYC developer that will be able to use them to augment a large new development several blocks away, thus the sale price of this hotel will be realized as a combination of: a) the sale price for the 79-unit hotel building, plus (at a later date), b) the sale of the excess development rights, if and when that closing occurs. 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. Therefore, we are optimistic that W Financial will be able to achieve a positive outcome from the disposition of this asset for our investors. Listing

Baton Rouge, Louisiana:

During Q2, leasing activity has been good, and our 100-unit multifamily property located in Baton Rouge, near LSU (Louisiana State University) has stabilized its cash flow. Once we can demonstrate a solid year of stabilized cash flow we will list the property for sale. Properties are more compelling to buyers once you can demonstrate a trailing 12-month track record of consistent performance.

West 44th Street, Minneapolis:

We took ownership on March 7, 2025, of this cash-flowing, 36-unit multifamily building, with views overlooking Lake Harriet in an upscale residential neighborhood of Minneapolis. The property was built in 2020 and is currently 83% leased. We recently had our property manager assign a new manager to our property. That person has moved into one of the units so they can be more accessible showing the vacant units to prospective tenants. Once the property is fully stabilized, we will decide whether to hold it for the cash flow, or to sell it.

53 East 67th Street, Upper East Side, Manhattan:

53 East 67th Street is a pre-war, five-story, 7,800 square foot multifamily townhouse 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. It is currently on the market, and a buyer is most likely to convert it to a single-family, luxury townhome. Listing

548 West 28th Street, West Chelsea, Manhattan:

As previously reported, this was a $5 million bridge loan to a repeat borrower that we had been successfully working with for many years. Our second mortgage loan was collateralized by a cash-flowing, multi-tenanted loft office and gallery building in a prime, West Chelsea, Manhattan location.

Our borrower had been paying our loan but had defaulted on his first mortgage held by a major bank. In 2025, our borrower filed Chapter 11 to stop a foreclosure action filed by the first mortgagee. Recognizing the additional risks the bankruptcy court process presented, we elected to write down the loan to $2,645,490 in Q4 2025.

We recorded an additional write down of $725,000 in Q2 of this year, reducing the loan on our books to $1,920,490. While the borrower had been diligently marketing the property for sale, he was ultimately unable to sell it ahead of the foreclosure auction date, and unfortunately, the foreclosure auction did not result in a bid that would enable the fund to recover any portion of this loan.

Accordingly, as of June 30th we have written off the remaining loan balance in its entirety. The Fund will recognize $1,920,490 of income from our loan loss reserve, which was established in prior years to help deal with this type of occurrence. This amount will be reflected on your statement in the “Other Income/Expense” line item.

To offset this loss, the General Partner has elected to waive $2,645,490 of its performance fee. To this end, the General Partner has waived approximately $800,000 of performance fees in May and June and will continue to waive a portion of their performance fees in the coming months to offset this loss. Please contact our CFO Adam Windwer if you have any questions or would like him to walk through the numbers with you.

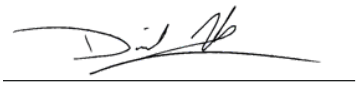
Contact Us

If you have updated your email, phone number or mailing address, please let Karen Mannoia, our VP of 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!

As a reminder, always 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.

Very truly yours,

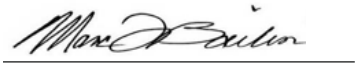
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By: David Heiden, Member



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.*