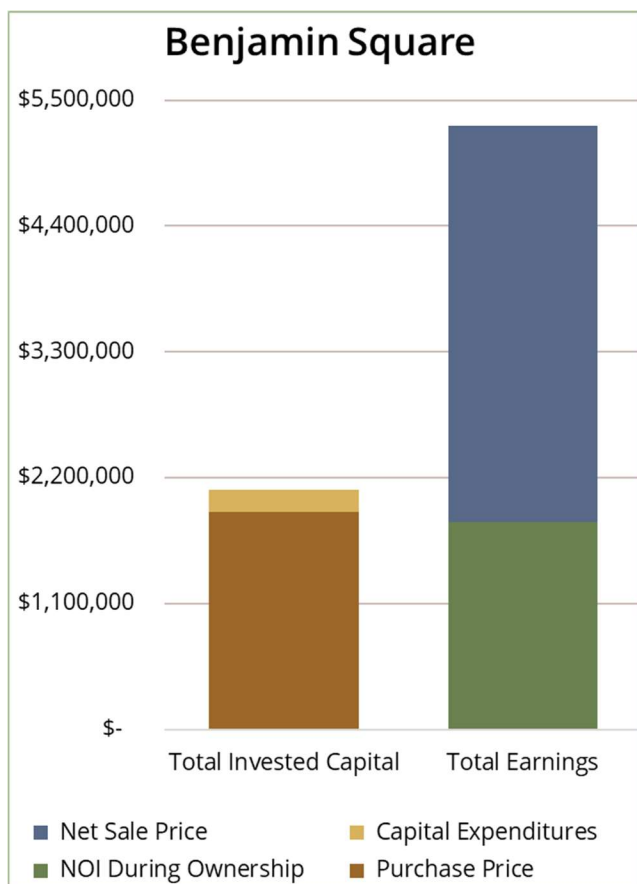


December 2024 Update

This year's December investor meeting was the best-attended such event we've hosted. Thanks to the PWL Investors who attended the winter Investor Lunch and zoomed in.

As we do each year at this gathering, we reviewed PWREI and PWRE2 year-to-date results through Q3. **Both PWREI and PWRE2 are doing well.** PWREI is regularly selling off properties as it is in the harvest phase. Net income is up from last year thanks to property sales and the highlight of the quarter was the disposition of Benjamin Square. The investment was very successful for investors.

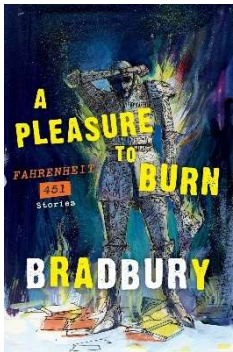


	Gross
IRR	12.8%
MOIC	2.7x

PWRE2 vacancy remains low while rents continue to increase. PWRE2's revenue and expenses are both down, while cash flow is up 33% from a year ago. This reflects the sales of multifamily properties late last year. PWRE2 had been regularly investing improvement dollars into those properties. Now that the properties have been sold, more cash is making its way to the bottom line. **Overall, we are very pleased with the trajectories of both PWREI and PWRE2 .**

One highlight of the meeting was recognizing **Sally for her tenth anniversary with PWL**. In the days of yore, meaning just a few years ago, we would have gifted her with an engraved watch. In the days of the Dick Tracy wrist computer, aka Apple watch, that doesn't work quite as well. We got her a fancy Tumi bag instead. We are lucky to have her as part of our team.

This year, I've achieved my annual goal of reading and/or listening to 100 books a little ahead of schedule. As we have done each December for several years, here are my book recommendations based on my reading and listening of the last 12 months.

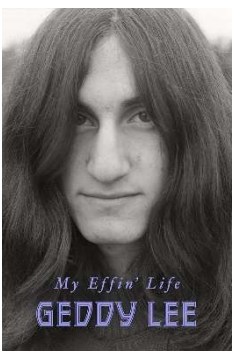


Best Fiction: [“A Pleasure to Burn: Fahrenheit 451 Stories”](#) by [Ray Bradbury](#).

I've enjoyed reading Bradbury stories since I was a kid. His writing is lyrical, prophetic, and filled with emotion. While all of us know, to one degree or another, the plot of Bradbury's best-known and most widely read novel, *“Fahrenheit 451,”* few know that Bradbury wrote several short stories tangentially connected to the book. These stories were published over many years and appeared in many different venues. Brought together for the first time, they sharpen the themes central to *“Fahrenheit 451.”* While Bradbury was

focused on how television turns people into couch potatoes. Certainly, ideas expressed in his book apply to the Internet as well. He fully understood, well ahead of others, that electronic media causes people to lose their empathy for the individual. No writer has matched Bradbury's ability to manipulate the English language into beautiful sentences, making this a pleasure to read.

Runners-up: [“Resurrection Walk”](#) by [Michael Connelly](#). I've read all of Connelly's books. Every few years he exceeds his own high standard of excellence, as he does here. [“Shards of Honor”](#) by [Lois McMaster Bujold](#). I've read many of Bujold's books over the years; this is my new favorite, pure space opera.



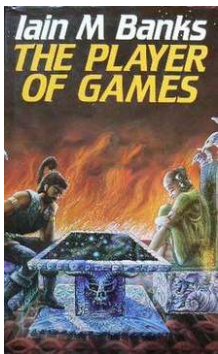
Best Non-fiction: [“My Effin' Life”](#) by [Geddy Lee](#). This one had a head start, as [Rush](#) has been my favorite band for a long time. Lee was the band's frontman, singing while playing both bass and keyboards. Most rockers have him listed as one of their top bass players of all time. This book surprises, however, in that it is not just the story of a rock band's journey from teenagers playing in Toronto basements to touring the globe and cutting multi-platinum albums.

The first 20% of the book recounts the story of Lee's parents. They were Jews who spent all of WWII in German forced labor camps and who first met in such a camp. Their

story, which is at times difficult to read, is told honestly and thoughtfully. I teared up several times as I learned of Lee's parents' plight and of the terrible fates endured by members of their families. This is important reading, both in the face of the rise of antisemitism around the world and because of the recent habit adopted by some of casually using the label "Nazi" to degrade any number of their political opponents. Any effort to dehumanize the Jewish people must be rejected. No one should trivialize an almost incomprehensible event that remains one of the worst stains on human history, as Lee reminds us here.

The other 80% of the book is good, too. I've read a half-dozen rock and roll memoirs. This one is easily the best of the lot. It will certainly be a much better read if you're a fan of the band.

Runner-up: "[Thinking, Fast and Slow](#)" by [Daniel Kahneman](#). We all have two minds. One is logical; the other is intuitive. For those with a WSJ subscription, the [review](#) is spot on.



Best Audiobook: "[The Player of Games](#)" by [Iain M. Banks](#). I've read/listened to a couple of other Banks' books, but they were not exactly to my taste. Just before he passed away, my friend, Stephen Graham, encouraged me to give Banks another go. Here one of the best players of board and card games in the galaxy is dispatched on a diplomatic mission to meet a strange alien race. The aliens' place in their social and political hierarchy is determined, it seems, by how they fare in a mind-bendingly complex board game. Excellent narration.

Runner-up: "[Through the Brazilian Wilderness](#)" by [Theodore Roosevelt](#). This is a first-hand account of TR's year in South America, after his failed bid for the Presidency in 1912. He and his son Kermit set out with a small party to explore the previously unmapped River of Doubt in the Amazon basin, and nearly got themselves killed. Great narrator. Their journey was also the subject of an excellent PBS documentary, "[American Experience: Into the Amazon](#)."

New policy for processing changes to K-1s: to expedite delivery of K-1s to all investors, **PWL will no longer accept tax information changes affecting K-1s between February 1 and March 31.** This policy includes changes related to names, addresses, entity names, etc. This past cycle, the K-1 distribution process was delayed for several days due to multiple last-minute change requests. The software used by PWL's tax accountants won't issue anyone's K-1s until all such changes are processed. Then all the K-1s are issued as a single batch. Just a single last minute address change to a K-1 can hold up everything for all of PWL's for a couple of days, because, of course, all of the tax preparers' clients are howling for attention trying to get their K-1s issued as fast as possible, just as we are. While an address change may only take 5 minutes to accomplish, we have found ourselves waiting days at a time to get those 5 minutes of

attention. We are going to seek to avoid this situation from repeating in the future. Any Member with changes that need to be processed to update the information on any future K-1s will please get that information to us no later than December, so everything can be processed before the February 1 deadline. We appreciate Members' and their advisors' cooperation and understanding in helping us speed up K-1 delivery for everyone.

Club Deals

As you can see from our recent sales, we continue to source high-quality, tax-advantaged real estate investments even in this challenging market. **If you're interested in participating, please give me a call.** The terms for club deals are very similar to those underlying PWREI & PWRE2. We charge a 1% one-time acquisition fee and 1% per year of asset value. We split the profits 80/20, in favor of investors. The minimum investment is typically \$250K. **In general, Club Deals are only circulated to potential investors who ask about participating.**

1031 Exchanges

In the last two years, PWL helped facilitate **eight 1031 exchanges** for investors, including the very recent [Conquistador Apartments](#) to [Anderson Central](#) exchange. The tight 45-day property identification period is the biggest challenge of the 1031 exchange process. Unlike most of us, Josh and his team analyze every single property that comes onto the market, which is critical to not miss a potentially excellent investment in the current, challenging market. This wide-net view of the current offerings, along with our thorough and conservative evaluations, means we only put opportunities in front of potential investors that we feel will make for truly high-quality investments.

We do not reduce the rigorousness of our evaluation process on properties simply because we have an investor needing to make a 1031 exchange, so the more advance notice we have, the higher the likelihood you will make a successful exchange.

PWL signed two lease extensions in November



Pho Saigon exercised their option to extend their 1,900 sq. ft. lease for 5 years at [Lexington Commons](#).

Dominican Hair Salon by Maria exercised their option to renew their 1,400 sq. ft. lease for 3 years at [Powder Springs](#).

If you'd like to meet for breakfast or lunch, please give Martin a shout so we can get something on the calendar.

Merry Christmas and Happy Holidays from all of us at PWL –

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PWREI Scorecard

Approximate investment by PWREI

Data as of 10/31/2024

Willow Hill Center

The 21,082 sq. ft. center located in Puyallup, WA, was purchased in May 2014 with an 83% stake by PWREI. We sold the Starbucks pad in October 2014 for ~\$2.35M net and the Ivar's pad in April 2015 for ~\$1.27M net. The property currently has 9 tenants, the most recognizable being F45 Fitness, Pho Tai Vietnamese, and Rainier Growlers.

Initial Investment	Net Investment	Occupancy	2024 Q3 NOI
\$5,625,000	\$2,943,228	66%	\$253,670

Gulf Breeze

PWREI purchased this 27,739 sq. ft. property located in Port Arthur, TX in January 2015. The property is shadow-anchored by the major grocery store, H-E-B, and maintains great visibility from both HWY 347 and HWY 365. Gulf Breeze's tenants include Edward Jones, World Finance, Super Cuts, Republic Finance, The Nutrition Store, Pizza Hut, and a Wells Fargo ATM.

Initial Investment	Net Investment	Occupancy	2024 Q3 NOI
\$2,677,500	\$2,889,380	87%	\$283,963

Log Pond Plaza

Located in a dense residential area just north of State Route 16 in Newark, OH, this 27,368 sq. ft. property was purchased by PWREI in March 2015. The property is shadow-anchored by a Walmart Super Center with a Home Depot across the street. Log Pond boasts a healthy mix of 12 local and national tenants, which include Hertz, Cheng's Chinese, Fiesta Salon, CX Staffing, and CATO.

Initial Investment	Net Investment	Occupancy	2024 Q3 NOI
\$1,850,000	\$2,179,603	90%	\$225,771

Massard Farms

This large shopping complex in Fort Smith, AR was purchased in April 2015. In September 2018, the Kohl's building sold for \$8.9M net. After its sale, PWREI still owns 71,592 sq. ft. of leasable space. Massard Farms tenants include an IHOP, Savers, Sports Clips, and Pad Thai Cuisine.

Initial Investment	Net Investment	Occupancy	2024 Q3 NOI
\$13,415,287	\$7,401,127	98%	\$380,993

Massillon Commons

Located along the busy Lincoln Way corridor in Massillon, Ohio, this property was purchased in June 2015 for a 66.7% stake for PWREI. In June 2016, the Home Depot pad sold for ~\$9.36M net, with the proceeds used to pay off debt. In addition to a 50,503 sq. ft. Dunham's Sports, Massillon Commons boasts 63,048 sq. ft. of leasable space that includes 10 tenants, the largest being P.S. Cook's, OakPark Preschool, and Stark Medical.

Initial Investment	Net Investment	Occupancy	2024 Q3 NOI
\$8,618,667	\$2,502,750	87%	\$291,796

Greensburg Commons

Purchased in July 2015 for a 66.7% stake for PWREI, this large 88,953 sq. ft. shopping center is located at the intersection of I-74 and State Rd. 3 in Greensburg, IN. In December 2016, the Walmart parcel sold for ~\$13.9M net with most of the proceeds used to pay off debt. Greensburg Commons holds a mix of 15 local and national tenants. The most recognizable tenants are Jimmy John's, Great Clips, GameStop, GNC, Rent-A-Center, Feeder's Pet Supply, Goodwill, and Bath & Body Works. A new lease was signed at the end of February with Marshalls to lease almost 22,000 square feet and we expect them to be open in October 2024.

Initial Investment	Net Investment	Occupancy	2024 Q3 NOI
\$12,512,000	\$3,884,907	91%	\$242,261

Gateway Center

PWREI purchased this 28,056 sq. ft. mixed retail space, located in Newberry, SC, in October 2015. Gateway Center sits at the intersection of US 76 and Main St. and is shadow-anchored by a Walmart. With 10 tenants, the center's most notable occupants include GameStop, Quick Credit, Nexien, and T-Mobile.

Initial Investment	Net Investment	Occupancy	2024 Q3 NOI
\$2,030,055	\$2,233,215	100%	\$263,476

Powder Springs

Purchased in October 2015 by PWREI, this 15,050 sq. ft. strip center is located on Richard D. Sailors Pkwy in Powder Springs, GA. Upon purchasing the property, we also acquired a vacant pad that we sold in February 2016 for ~\$280K net. Powder Springs is shadow-anchored by a Home Depot and has 8 tenants total, including Hanger Prosthetics, Premier Martial Arts, and Esteem Dental Studio. The property is now 100% leased.

Initial Investment	Net Investment	Occupancy	2024 Q3 NOI
\$1,100,000	\$745,182	91%	\$169,015

Sugarcreek Crossing

Located in Centerville, OH, PWREI purchased Sugarcreek Crossing in October 2015 and holds a 66.7% stake. Upon purchase, the property included three parcels: a ground leased Cracker Barrel pad that was eventually sold in May 2016 for ~\$2.28M net; a Tire Discounters pad that was sold in December 2016 for ~\$2.96M net; and a multi-tenant retail building containing a UPS store, a Chiropractic office, and Five Guys burgers, among others.

Initial Investment	Net Investment	Occupancy	2024 Q3 NOI
\$5,117,333	\$2,161,342	96%	\$247,861

East West Market

Purchased as a joint deal with Castleberry Promenade, PWREI acquired this 17,017 sq. ft. property in February 2016. East West Market is located along the East-West Connector in Austell, GA. The 1.09-acre Dunkin Donuts pad sold in June 2020 for ~\$522K net. The property currently holds 6 tenants, the largest being WellStar Health System, American Health Imaging, and Thumbs Up Diner.

Initial Investment	Net Investment	Occupancy	2024 Q3 NOI
\$2,660,000	\$2,206,308	100%	\$229,340

Castleberry Promenade

PWREI acquired this 26,651 sq. ft. property in February 2016 as a joint deal with East West Market. Castleberry Promenade is located at the busy intersection of Bethelview Rd. and Castleberry Rd. in Cumming, GA. Upon purchase, the property included leasable space as well as two small developable pads. This property currently has 10 tenants, among them Kumon Learning, Castleberry Ale House, and Ovo Salon. A lease was signed in March for a new Mexican restaurant concept and the tenant recently opened.

Initial Investment	Net Investment	Occupancy	2024 Q3 NOI
\$2,906,000	\$3,237,237	100%	\$241,400

Village at Las Sendas

PWREI purchased this 39,144 sq. ft property in June 2016 for a 33.4% stake. The Village at Las Sendas is located at the intersection of McDowell Rd. and Power Rd. in Mesa, AZ. This shopping center has a diverse mix of 16 national and local tenants, with the most recognizable being Chipotle, Jimmy John's, and Smashburger. A new lease was signed with Body 20 in May 2024.

Initial Investment	Net Investment	Occupancy	2024 Q3 NOI
\$2,922,500	\$3,030,034	88%	\$197,847

Benjamin Square – SOLD September 2024

PWREI purchased this 9,950 sq. ft. property in May 2014. Benjamin Square is in a highly visible center just off of I-5 in Woodland, WA. The property has 7 tenants and is now 100% leased; the national tenants include Starbucks (drive-thru), Subway, Papa Murphy's, T-Mobile, and H&R Block. Benjamin Square Sold in September 2024 for \$3.46M.

Initial Investment	Profit	Deal Multiple	Deal IRR
\$1,900,000	\$3,876,230	2.68x	12.8%

Auburn Road – SOLD August 2023

Located in Dacula, GA, this 8,400 sq. ft. property was purchased by PWREI in August 2014. The center is located at the busy intersection of Auburn Rd. and Jim Moore Rd. and is at the center of a sprawling residential area. Auburn Road's 4 tenants include State Farm, Intracore Healthcare, Georgia Veterinary, and Center Stripe Golf. Auburn Road sold in August 2023 for \$2.2M

Initial Investment	Profit	Deal Multiple	Deal IRR
\$1,000,000	\$2,457,306	3.1x	16.3%

Oak Creek Commons– SOLD June 2022

This small 10,462 sq. ft. strip center located in Oak Creek, WI was purchased by PWREI in May 2015. Being south of Milwaukee, the area's population growth and average household income are projected to outpace the national average over the next five years. Oak Creek Commons sold in June 2022 for \$2.5M.

Initial Investment	Profit	Deal Multiple	Deal IRR
\$1,191,750	\$2,499,248	2.81x	18.4%

Shoppes at Buford – SOLD June 2022

This 20,844 sq. ft. property was purchased by PWREI in May 2014 and is located in Buford, GA. The center's location across from the Mall of Georgia puts it in a retail corridor ideal for drawing shoppers. Shoppes at Buford sold in June 2022 for \$5.7M.

Initial Investment	Profit	Deal Multiple	Deal IRR
\$2,740,600	\$5,699,583	2.68x	15.1%

Roosevelt Place – SOLD November 2021

This 14,000 sq. ft. property was purchased in August 2014 by PWREI. The property is located in the industrial corridor of Phoenix, AZ, by I-10. This location allows for heavy daytime traffic. In May 2016, the Jack in the Box pad sold for ~\$1.08M. Roosevelt Place sold in November 2021 for \$5.02M.

Initial Investment	Profit	Deal Multiple	Deal IRR
\$2,960,000	\$4,620,030	2.55x	19.9%

Dail Center – SOLD August 2020

PWREI purchased Dail Center in December 2014. This 16,145 sq. ft. center is located along US Route 17 in famous Myrtle Beach, SC. Due to its popular location, the area attracts over 14 million visitors each year. In August 2020, Dail Center was sold for \$2.4M and was 100% occupied.

Initial Investment	Profit	Deal Multiple	Deal IRR
\$1,522,500	\$1,990,807	2.08x	16%

Little Corona – SOLD August 2020

Located at the busy intersection of Rural Rd. and Ray Rd. in Chandler, AZ, this 6,074 sq. ft. property was purchased by PWREI in December 2014. Little Corona was sold in August 2020 for \$1.57M. At the time of sale, Little Corona held 100% occupancy.

Initial Investment	Profit	Deal Multiple	Deal IRR
\$1,010,000	\$1,170,646	1.82x	13%

Note: 2024 NOI numbers reflect the PWREI's portion of the total. All profit, NOI, Gross IRR, and Deal Multiple calculations presented are unaudited gross estimates. All numbers within this report are unaudited and should be considered as close approximations. Members receive audited results on an annual basis from a PCAOB-registered public accounting firm.