

## 4th Quarter 2019 Performance Report

### Message from John Lloyd, Co-Founder, President & CEO

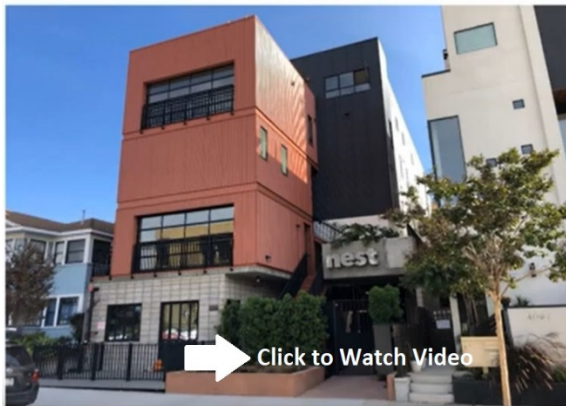
On behalf of the General Partner of Fidelis Private Fund, LP, I would like to thank the limited partners for their commitment and loyalty. Our name, Fidelis, means trust, which is the foundation of our fund.

We are excited to share with you the 4<sup>th</sup> Quarter Fidelis Private Fund Performance Report.

This quarterly report includes an overview of financial performance, outlook for the future, and further information regarding our Fund and our strategy. Included is a performance dashboard that is updated quarterly to provide specifics on Fidelis financial performance.

Fidelis Private Fund is a one-stop-shop for commercial real estate financing needs. This is unique to most mortgage funds. Not every borrower needs a short-term bridge loan from Fidelis, nor do we have the capacity to service all the loan requests we receive.

We are a consultant, as well as a direct lender, and we can help our clients achieve their financial goals no matter the loan request.



As an example of how we help our clients in a consultant capacity, hit the ctrl key and click the photo to the right at the same time to watch a testimonial video where we arranged financing for a client who did not need a Fidelis loan but a long-term permanent conventional loan, and we were able to help.

**A win/win with the client as well as the Fidelis investors.**

### Fidelis Private Fund – Q4 2019 Financial Performance

#### Q4 2019 Investor Annualized Return

Fidelis Private Fund generated an annualized return of approximately **8.10%** for those limited partners invested in the Fund before the last month of the quarter.

- The yield achieved includes a Provision for Doubtful Accounts (Loan/Loss Reserve) of 1.50% of total loan commitments, protection for limited partners against unforeseen future pitfalls in the economy (note the reserve expense only applies to new loan commitments that exceed the previous quarter's total balance).

#### Limited Partner Capital

Fidelis' Limited Partner capital as of 9/30/2019 was \$3,009,373. The 12/31/2019 Partner ending capital balance was \$4,606,300 from a combination of earnings and new capital. Therefore, from the 3<sup>rd</sup> quarter to the 4<sup>th</sup> quarter of 2019 we had a 53% increase.

**Loan Commitments/Performance/LTV**

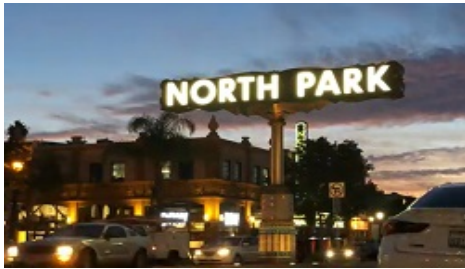
We closed over \$2.6M in new loan commitments in the 4<sup>th</sup> quarter for total loan commitments of \$7.2M at 4<sup>th</sup> quarter-end, resulting in a 48% increase in loans from last quarter. We have zero loan delinquency with an average loan portfolio LTV ratio of less than 60%.

**Business Plan Trajectory**

We are ahead of our projected budget for both investor capital and loan growth. With increased growth comes improved economies of scale resulting in a more efficient and profitable Fund for our investors.

*Further performance detail is provided in the ensuing pages with our Fidelis Financial Performance Dashboard.*

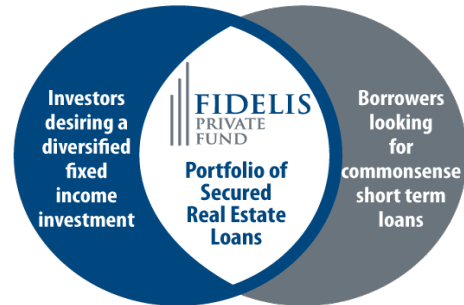
**4<sup>th</sup> Quarter Highlights:**



- In December 2019, we held our Annual Building Relationship Event in North Park for our borrowers/brokers, which was a huge success. [Hit the ctrl key and click the photo to the right at the same time to watch a short video recap of the event.](#)

**Fidelis Business Outlook**

- We are actively expanding our base of brokers and borrowers and continue to capitalize on loan opportunities where timing is critical and where there is added value potential upside for properties financed.
- The general metrics of the economy remain healthy. The global economy continues to remain sluggish and will keep interest rates low. With employment strong, real estate inventories low, and modest real estate price appreciation, we are looking to have a great year in 2020.



**Fidelis 1<sup>st</sup> Qtr. 2020 Outlook**

- We purchased a new software system that will allow us to be more efficient, saving costs and at the same time provide better customer service to both our borrowers/brokers and Limited Partners. We look to have the system fully functional by the 2<sup>nd</sup> Quarter of 2020.



John P. Lloyd  
President & CEO

**FIDELIS** || PRIVATE FUND  
*Growing Value with Purpose*

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- We will be scheduling a Limited Partner seminar to demonstrate the new software technology and real-time transparency for the Limited Partners capital accounts.
- We are revamping our Fidelis website, and it should be rolling out by the end of January.
- Look for a weekly blog I will be doing in later January in conjunction with the revised Fidelis Website.



### **Our Model: Growing Value with Purpose**

The Fidelis Fund may be a fairly new fund, but there is nothing new about the business model or the Fund Manager's experience and prior success. John Lloyd has been fortunate to establish long-term relationships with investors, borrowers, and brokers over many years resulting in a solid foundation from which to scale our fund.

The combination of a familiar business model, a loyal client base, and general partners who have a long-term investment approach, has allowed Fidelis to generate an exceptional return to our investors while establishing a loan/loss reserve of 1.50% of total loan commitments.

### **Investor Insights**

As a reminder, existing Limited Partners can add to their capital account anytime with no minimum amount required. If you have any questions about your investment, do not hesitate to contact us.

If you know of an accredited investor who would benefit from an investment in Fidelis, please pass along this information. They may contact John Lloyd at 760-258-4486.