

Fidelis Private Fund, LP – 1st Quarter 2021 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 investment in and commitment to Fidelis.



I am happy to share with you Fidelis Private Fund continues to thrive and grow, evidenced by these key performance indicators:

- 8%+ annualized investor yield each quarter since inception
- Increased Limited Partner capital balances by \$3,941,296 in the 1st quarter of 2021
- Zero loan delinquencies (51 loans)
- Fidelis Funded \$8,614,000 in loan commitments in the 1st quarter of 2021
- We achieved an allocation for loan/loss reserves of 2.00% of total loan commitments or \$442,720

We are excited to deliver an average annualized 1st quarter yield to our Limited Partners of 8.08%.

Fidelis Private Fund – Q1 2021 – Financial Performance

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 financial performance dashboard.

- Unique to most mortgage funds, Fidelis Private Fund is a one-stop for commercial real estate financing needs. Not every borrower needs a short-term bridge loan from Fidelis, nor do we have the capacity to fund all the loan requests we receive directly. Therefore, we broker loans we could not otherwise directly fund as a service to our clients, though the broker Cornerstone Commercial Mortgage, wholly owned by John Lloyd, and Fidelis shares in the fees. It's a win/win for our clients and our investors. Fidelis generated \$4,017 in brokerage fee income for the 1st quarter of 2021.

Q1 2021 Investor Annualized Return

- Fidelis Private Fund generated for the 1st quarter an average annualized return of 8.08% for those Limited Partners invested in the Fund before the last month of the quarter.
- The annualized yield achieved includes a Loan/Loss Reserve currently at 2.00% of total loan commitments. This reserve protects Limited Partners against unforeseen future pitfalls in the economy (note the reserve expense in any one quarter only applies to new loan commitments that exceed the previous quarter's total of loan commitments).

Limited Partner Capital

- Fidelis' Limited Partner capital as of 12/31/2020 was \$12,933,973. For the 1st quarter, as of 3/31/21, the Limited Partner ending capital balance was \$16,875,269. (*Beginning and ending capital balances include capital invested in the prior month not included in the yield calculation*). This increase in capital was due to a combination of earnings and new capital, a 30% increase over the last quarter.

Loan Commitments/Performance/LTV/Loan-Loss Reserve

- We closed \$8,614,000 in new loan commitments in the 1st quarter for total gross notes receivable of \$22,123,845, with existing loan balances outstanding of \$20,632,845, resulting in \$1,491,000 in undisbursed loan commitments. We had \$2,366,250 in existing loans pay off. Out of 51 loans in the portfolio, we have zero delinquencies. The average loan portfolio LTV ratio was 60%. As of 3/31/2021, the Loan/Loss Reserve was \$442,720 or 2.00% of total loan commitments.

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

1st Quarter 2021 Highlights

- Investor capital balances increased by \$3,941,296 in the 1st quarter or 30% from 4th Qtr. 2020
- We have received positive feedback from our limited partners about our online Fidelis Investor Portal that allows investors individualized access to their capital accounts. [Click for the investor portal on the website](#)
- CWDL CPA's completed the Fidelis 2020 Annual Audit. It's available in the reports section of your online investor portal.
- We have refreshed our Fidelis website this quarter with a few new features and updates (i.e., Historical Investor Yield Chart, Fidelis timeline, and more). Check it out at www.fidelispf.com.
- Fidelis is all about relationships. If you did not see the success story I previously shared in a short video testimonial from a long-time client and repeat borrower Bill Lewallen, I encourage you to watch it. [Click to Watch](#).



General Business Outlook

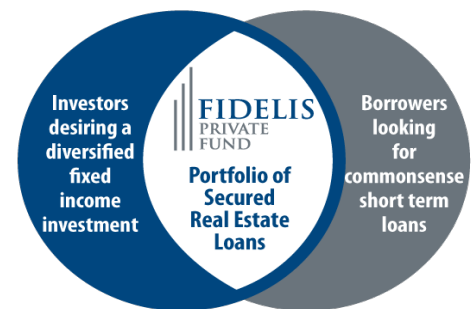
- As the economy opens up with more businesses moving towards getting back to normal, the pent-up economic demand will help offset an increase in interest rates and stabilize the real estate market.
- Fidelis has a finite source of capital, and we cannot directly fund all the loan opportunities that come across our desk. We actively arrange mortgage brokerage opportunities to help borrowers achieve their financial goals.

2nd Qtr. 2021 Outlook

- The residential real estate market will remain strong with low inventory and relatively low-interest rates. However, I expect rates to increase later on in the year, eventually slowing down the hot real estate market.
- There is still strong demand for businesses purchasing their own investment properties given the aggressive SBA lending program.
- As loan demand remains steady, we are accepting new limited partner capital. This benefits existing Fidelis Limited Partners and our client borrowers. With more capital, we improve our efficiencies and absorb our fixed costs through economies of scale, resulting in better investor yields, product diversification, and satisfied clients.

Our Model: Growing Value with Purpose

- The Fidelis business model is simple. We are a direct portfolio lender specializing in commercial and residential investment real estate loans offering accredited investors the opportunity to invest in a pool of real estate secured loans generating a competitive rate of return with moderate risk and reasonable liquidity. [Click to see an Overview of our Business Model](#) to share with prospective Fidelis investors you may know.



"We Provide Real Estate Financing Solutions for Timely Execution."

Investor Insights



If you know of an accredited investor who would benefit from an investment in Fidelis, please pass along this information. Potential investors may contact John Lloyd at 760-258-4486. Visit our website at FidelisPF.com for more information about Fidelis Private Fund. Thank you for the opportunity to help make Fidelis a successful investment vehicle for fixed-income investors.



John P. Lloyd
President & CEO

FIDELIS PRIVATE FUND
Growing Value with Purpose

845 15th Street, Ste 103; San Diego, CA 92101
760-258-4486 | www.FidelisPF.com