

Fidelis Private Fund, LP – 2nd Quarter 2021 Performance Report

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

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 \$3,231,325 in the 2nd quarter of 2021
- Zero loan delinquencies (51 loans with an average loan size of \$524,431)
- Fidelis Funded \$8,365,000 in loan commitments in the 2nd quarter of 2021
- We achieved an allocation for loan/loss reserves of 2.00% of total loan commitments or \$534,520.

We are excited to deliver an average annualized 2nd quarter yield to our Limited Partners of 8.08%.

Fidelis Private Fund – Q2 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.

Q2 2021 Investor Annualized Return

- Fidelis Private Fund generated for the 2nd 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 3/31/2021 was \$16,875,269. For the 2nd quarter, as of 6/30/21, the Limited Partner ending capital balance was \$20,106,594. This increase in capital was due to a combination of earnings and new capital, a 19% increase over the last quarter. (*Beginning and ending capital balances include capital invested in the prior month not included in the yield calculation*).

Loan Commitments/Performance/LTV/Loan-Loss Reserve

- We closed \$8,365,000 in new loan commitments in the 2nd quarter for total gross notes receivable of \$26,745,996, with existing loan balances outstanding of \$23,815,798, resulting in \$2,930,198 in undisbursed loan commitments. We had \$3,842,839 in loan principal pay downs. Out of 51 loans in the portfolio, we have zero delinquencies. The average loan portfolio LTV ratio was 60%. As of 6/30/2021, the Loan/Loss Reserve was \$534,520 or 2.00% of total loan commitments.

Q2 2021 – Referral Fee Income

- Unique to most mortgage funds, Fidelis Private Fund is a one-stop solution 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 generate referral fee income on loans we could not otherwise directly fund as a service to our clients, though the broker Cornerstone Commercial Mortgage, wholly owned by John Lloyd. Fidelis shares in the fees. It's a win/win for our clients and our investors. Fidelis generated \$7,348 in referral fee income for the 2nd quarter of 2021.

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

2nd Quarter 2021 Highlights

- We continue to see “added value” type loan requests, i.e., single-family investment properties purchased to add ADU’s (additional dwelling units).
- It has been a real estate sellers market creating timing issues for buyers required to close quickly on properties, generating loan opportunities for Fidelis.
- We have received positive feedback from our limited partners about our online Fidelis Investor Portal, allowing investors individualized access to their capital accounts and other company information. [Click for the investor portal on the website](#)

General Business Outlook

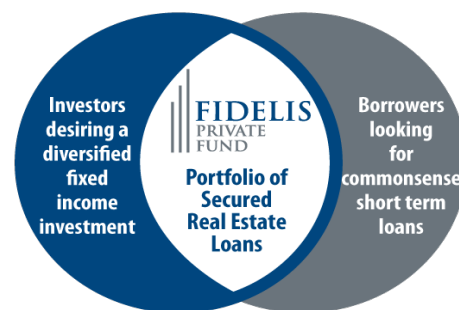
- The overall economy is thriving as we see inflation tick up and whether that will spur a faster increase in interest rates is yet to be seen.
- Supply constraints caused by COVID continue to show up in a broad spectrum of products, from the cost of materials, cars, computer chips to many consumer goods produced overseas.
- Cash savings are at an all-time high, so there is an abundance of capital on the sidelines waiting to enter the market.
- The secondary market for conventional real estate loans continues to be slow and burdensome to the borrower, causing inefficiencies in the market and opportunities for private lenders like Fidelis.

3rd Qtr. 2021 Outlook

- I anticipate the real estate market to slow slightly in the third quarter, robust but not as hot as it has been in the previous two quarters. However, still producing some great loan opportunities.
- 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 yield, 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