

# Fidelis Private Fund, LP – 3rd 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 \$3,991,662 in the 3rd quarter of 2021
- Zero loan delinquencies (56 loans with an average loan size of \$542,687)
- Fidelis Funded \$9,265,000 in loan commitments in the 3rd quarter of 2021
- We achieved an allocation for loan/loss reserves of 2.37% of total loan commitments or \$719,086.

**We are excited to deliver an average annualized 3rd quarter yield to our Limited Partners of 8.26%.**

### Fidelis Private Fund – Q3 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.

#### Q3 2021 Investor Annualized Return

- Fidelis Private Fund generated for the 3rd quarter an average annualized return of **8.26%** 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 2.37% of total loan commitments. This reserve protects our partnership 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 6/30/2021 was \$20,106,594. For the 3rd quarter, as of 9/30/21, the Limited Partner ending capital balance was \$24,098,256. This increase in capital was due to a combination of earnings and new capital, a 20% 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 \$9,265,000 in new loan commitments in the 3rd quarter for total gross notes receivable of \$30,390,464, with existing loan balances outstanding of \$27,078,266, resulting in \$3,312,198 in undisbursed loan commitments. We had \$5,620,532 in loan principal pay downs. Out of 56 loans in the portfolio, we have zero delinquencies. The average loan portfolio LTV ratio was 58%. As of 9/30/2021, the Loan/Loss Reserve was \$719,086 or 2.37% of total loan commitments.

#### Q3 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, through 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 \$30,607 in referral fee income for the 3rd quarter of 2021.

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

### 3rd Quarter 2021 Highlights

- The Fidelis Investors Appreciation Event held September 16, 2021 at the University Club in San Diego, was a success. We acknowledged our gratitude to our limited partners, shared the Fund's performance, and invited prospective investors interested in Fidelis to learn more and engage further. See links to [video highlights of the event \(1 minute\)](#).
- We continue to see “added value” type loan requests, i.e., single-family investment properties purchased to add ADU's (additional dwelling units).
- We continue to help our borrowers achieve their financial goals, evidenced by a short testimonial by a repeat client. [Click for a 1-minute video testimonial](#).

### General Business Outlook

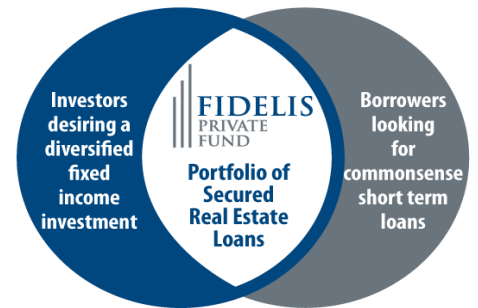
- The United States House of Representatives has proposed changes to the laws governing individual retirement accounts (IRAs) as part of its \$3.5 trillion reconciliation package. If enacted into law, these changes would have a **direct negative impact** on you and your ability to save for a secure retirement through an individual retirement account investing in a fund like Fidelis. [Click to see more information on the bill and how you can help](#).
- The overall economy is thriving as we see inflation tick up and with a good possibility that interest rates will be increasing soon.

### 4th Qtr. 2021 Outlook

- I anticipate the real estate market to slow slightly in the fourth quarter, robust but not as hot as it has been in the first half of the year. However, the regional market is 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](http://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*

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