

# Fidelis Private Fund, LP – 4th 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 \$5,791,450 in the 4th quarter of 2021
- Zero loan delinquencies (68 loans with an average loan size of \$539,482)
- Fidelis Funded \$11,667,500 in loan commitments in the 4th quarter of 2021
- We achieved a loan/loss reserve of 2.50% of total loan commitments or \$915,738.

**We are excited to deliver an average annualized 4th quarter yield to our Limited Partners of 8.14%.**

### Fidelis Private Fund – Q4 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.

#### Q4 2021 Investor Annualized Return

- Fidelis Private Fund generated for the 4th quarter an average annualized return of **8.14%** 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 2.50% 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 9/30/2021 was \$24,098,256. For the 4th quarter, as of 12/31/21, the Limited Partner ending capital balance was \$29,889,706. This increase in capital was due to a combination of earnings and new capital, a 24% 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 \$11,667,500 in new loan commitments in the 4th quarter for total gross notes receivable of \$36,684,792, with existing loan balances outstanding of \$32,467,595, resulting in \$4,217,198 in undisbursed loan commitments. We had \$5,373,173 in loan principal pay downs in the 4<sup>th</sup> quarter 2021. Out of 68 loans in the portfolio, we have zero delinquencies. The average loan portfolio LTV ratio was 58%. As of 12/31/2021, the Loan/Loss Reserve was \$915,738 or 2.50% of total loan commitments.

#### Q4 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. **Click the link to a 1-minute video of a brokered loan we did for one of our clients.** It's a win/win for our clients and our investors. Fidelis generated \$4,679 in referral fee income for the 4th quarter of 2021.

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

#### 4th Quarter 2021 Highlights

- We hosted a successful Networking Event for our borrowers and brokers - [Click the link for 1-minute video highlights](#)
- We funded a Company record for loan commitments in one quarter - \$11,667,500
- We continue to see “added value” type loan requests, i.e., single-family investment properties purchased to add ADU’s (additional dwelling units).

#### General Business Outlook

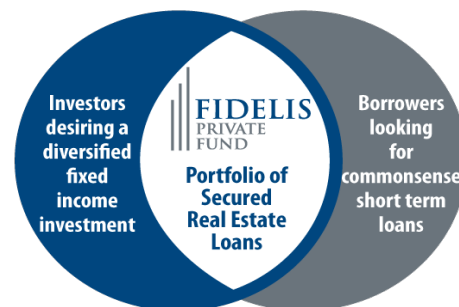
- The pandemic continues to influence consumer behavior and affect the economy on national, state, and local levels. However, despite the news, many economists predict a stronger performance than anticipated for California and the US.
- The overall economy is thriving as we see inflation spike to its highest level in 30 years.

#### 1st Qtr. 2022 Outlook

- Now that the Fed said they would raise short-term interests possibly three times in 2022, we expect the hot real estate market to cool off slightly in the latter part of the year.
- Despite the headwinds of higher interest rates coming we expect Fidelis to have another strong first quarter in 2022.
- 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



[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*

845 15th Street, Ste 103; San Diego, CA 92101  
760-258-4486 | [www.FidelisPF.com](http://www.FidelisPF.com)