

Fidelis Private Fund, LP – 1st Quarter 2023 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 that 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 \$2,801,641 in the 1st quarter of 2023
- No loans delinquent out of 98.
- Fidelis Funded \$13,774,250 in loan commitments and additional advances in the 1st quarter of 2023
- We achieved a loan/loss reserve of \$1,686,186 or 2.39% of total loan commitments.

We are excited to deliver an average annualized 1st quarter yield to our Limited Partners of 8.65%.

Fidelis Private Fund – Q1 2023 – Financial Performance

This quarterly report includes an overview of financial performance, an outlook for the future, and further information regarding our Fund and our strategy. Included is a financial performance dashboard.

Q1 2023 Investor Annualized Return & Loan/Loss Reserve

- Fidelis Private Fund generated for the 1st quarter an average annualized return of **8.65%** for those Limited Partners invested in the Fund before the last month of the quarter.
- The annualized yield includes a Loan/Loss Reserve currently at 2.39% 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

- For the 1st quarter, as of 3/31/23, the Limited Partner ending capital balance was \$49,290,704. This increase in capital was due to a combination of earnings and new capital, a 5.85% increase over the last quarter.

Loan Commitments/Performance/LTV/Loan-Loss Reserve

- We closed \$13,774,250 in new loan commitments and additional advances in the 1st quarter for total gross notes receivable of \$70,462,182, with existing loan balances outstanding of \$58,756,651, resulting in \$ in undisbursed loan commitments. We had \$3,894,420 in loan principal pay downs in the 1st quarter of 2023. Out of 98 loans in the portfolio, we have zero delinquent loans. The average loan portfolio LTV ratio was approximately 60%. As of 3/31/2023, the Loan/Loss Reserve was \$1,686,186 or 2.39% of total loan commitments.

Community Impact

- Since its inception, Fidelis Private Fund has worked with investors who see value and potential in the commercial and residential real estate investment sectors. We have been privileged to help investors from diverse backgrounds while doing business primarily in San Diego County. The results are an overall improvement in the quality of individual properties with net gains in terms of economic development and the increase of residential housing units. We feel that in addition to striving to be a valuable financial partner to entrepreneurs and developers, Fidelis Private Fund is contributing to strengthening neighborhoods, serving diverse urban communities, and improving property values and related tax bases for the city and regional government.

1st Qtr. 2023 Highlights

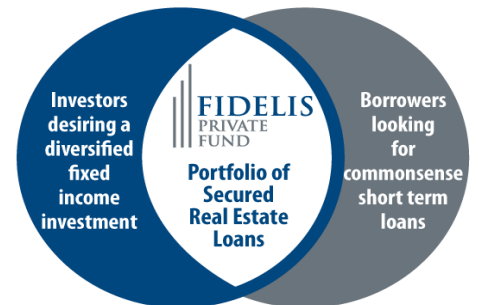
- The bank failures of SVB and Signature Bank are evidence of how fragile our financial system is. The speed at which information was passed among bank clients to withdraw deposits was a direct result of online technology. It shows how vulnerable banks are now with the prevalent use of social media. The result of these events will change how all banks invest their reserves and affect their profitability in the future
- The Fed increased short-term rates another 1/2 pt. in the 1st quarter resulting in an 8.00% prime rate.
- Regardless of the increase in interest rates, we have not seen a material decrease in residential and commercial property values in San Diego County, mainly due to the lack of inventory.

2nd Qtr. 2023 Outlook

- I don't see the Fed increasing rates, if they do, it may be only a quarter %, as banks are now helping the Fed achieve lower inflation by tightening the availability of credit on their own.
- The new legislation aimed at increasing housing density in San Diego with ADUs (Additional Dwelling Units) to properties will continue to generate investment opportunities, translating into loan opportunities for Fidelis.
- Long-term interest rates will remain stable.
- Multi-family property values will still improve slightly with low vacancies resulting in a strong rental market (higher rents). The lack of inventory for single-family homes will continue to keep property values stable.
- In this higher interest rate environment, the exit strategy for loans in the Fidelis portfolio will be challenged and squeeze the borrower's profit margin, whether in a refinance or sale.

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

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