

Fidelis Private Fund, LP – 3rd 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 delighted to inform you that Fidelis Private Fund continues to experience ongoing success, as demonstrated by the following significant performance indicators:

- 9.06% annualized average investor yield for the 3rd quarter 2023
- Increased Limited Partner capital balances by \$1,810,594 in the 3rd quarter of 2023
- Fidelis Funded \$7,745,000 in loan commitments and additional advances in the 3rd quarter of 2023
- We achieved a loan/loss reserve of \$1,654,436 or 2.23% of total loan commitments.

We are excited to deliver an average annualized 3rd quarter yield to our Limited Partners of 9.06%.

Fidelis Private Fund – Q3 2023 – Financial Performance

In this quarterly report, we provide you with a comprehensive summary of our financial performance, a glimpse into our future prospects, and additional details about our Fund and strategic approach. We have also included a financial performance dashboard for your reference.

Q3 2023 Investor Annualized Return & Loan/Loss Reserve

- Fidelis Private Fund generated for the 3rd quarter an average annualized return of **9.06%** 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 2.23% of total loan commitments. This reserve protects our partnership against unforeseen future pitfalls in the economy.

Limited Partner Capital

- For the 3rd quarter, as of 9/30/23, the Limited Partner's ending capital balance was \$55,092,816. This increase in capital was due to a combination of earnings and new capital net of redemptions, a 3.40% increase over the last quarter.

Loan Commitments/Performance/LTV/Loan-Loss Reserve

- We closed \$7,745,000 in new loan commitments and additional advances in the 3rd quarter for a total gross notes receivable of \$74,025,280, with existing loan balances outstanding of \$62,614,157, resulting in \$11,411,123 in undisbursed loan commitments. We had \$9,693,199 in loan principal paydowns in the 3rd quarter of 2023. Out of 98 loans in the portfolio, we have one delinquent loan, \$100,000. The average loan portfolio LTV ratio was approximately 58%.

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.

3rd Qtr. 2023 Highlights

- The Federal Reserve again raised short-term rates by an additional 1/4 percentage point, bringing the prime rate to 8.50%. Long-term interest rates increased slightly this quarter, with the 10-year treasury reaching its highest level in 16 years.
- **Highlights Video/audio from the CMA conference where John Lloyd summarizes how Fidelis compares with other Mortgage Funds in the State of California. [Click \(5 min.\)](#)**

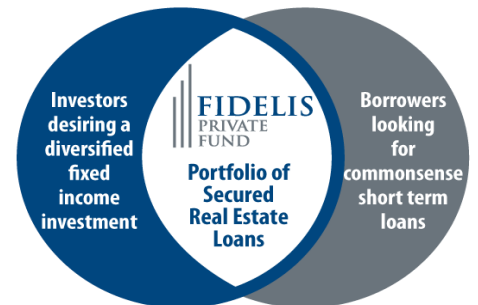
4th Qtr. 2023 Outlook

- Inflation still remains higher than the desired level by the Federal Reserve. Many anticipate that the Fed will raise rates another quarter point this year. The question is whether the Fed's efforts to combat inflation will lead to a real recession.
- The sharp rise in short-term interest rates over the last year will finally impact consumer spending and business investments, slowing down economic growth going into next year. The higher interest rates will impact the stock market negatively, leading to reduced investor confidence. Additionally, sectors sensitive to interest rates, such as housing and automotive industries, will experience decreased demand. Overall, the Fed's desire to slow down economic growth is working, resulting in the expected market volatility.
- The limited availability of single-family homes on the market will contribute to maintaining stable residential property values in San Diego.
- Borrowers seeking to refinance the existing short-term debt will face challenges in obtaining the desired long-term financing due to high-interest rates and stricter conventional lending conditions.

Our Model: Growing Value with Purpose

- The Fidelis business model is simple: We operate as a direct portfolio lender, focusing on providing commercial and residential investment real estate loans. Through our platform, accredited investors can invest in a pool of real estate-secured loans that offer an attractive rate of return, along with a moderate level of 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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