

Fidelis Private Fund, LP – 4th 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:

- 9.32% annualized average investor yield for the 4th quarter of 2023 and 8.94% average for 2023.
- Increased Limited Partner capital balances by \$1,655,057 in the 4th quarter of 2023
- Fidelis Funded \$15,637,500 in loan commitments and additional advances in the 4th quarter of 2023
- We achieved a loan/loss reserve of \$1,766,936 or 2.21% of total loan commitments.

We are excited to deliver an average annualized 4th quarter yield to our Limited Partners of 9.32%.

Fidelis Private Fund – Q4 2023 – Financial Performance

In this quarterly report, we provide 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.

Q4 2023 Investor Annualized Return & Loan/Loss Reserve

- Fidelis Private Fund generated for the 4th quarter an average annualized return of **9.32%** for those Limited Partners invested in the Fund before the last month of the quarter.
- The annualized yield includes a Loan/Loss Reserve of \$1,766,936 or 2.21% of total loan commitments. This reserve protects our partnership against unforeseen future pitfalls in the economy.

Limited Partner Capital

- For the 4th quarter, as of 12/31/23, the Limited Partner's ending capital balance was \$56,747,874. This increase in capital was due to a combination of earnings and new capital net of redemptions, a 3.00% increase over the last quarter.

Loan Commitments/Performance/LTV

- We closed \$15,637,500 in new loan commitments and additional advances in the 4th quarter for a total gross notes receivable of \$80,035,701, with existing loan balances outstanding of \$66,426,905, resulting in \$13,608,796 in undisbursed loan commitments. We had \$9,627,080 in loan principal paydowns in the 4th quarter of 2023. Out of 98 loans in the portfolio, we have two delinquent loans, \$100,000 and \$260,000, which are expected to be fully repaid by the 2nd quarter 2024. The average loan portfolio LTV ratio was approximately 57%.

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.

4th Qtr. 2023 Highlights

- Home sales fell by 16% from the same quarter in the previous year, affected by rising mortgage rates.
- Despite market challenges, home sale prices were up 5.7% from the third quarter of 2023, though the pace of growth has slowed due to affordability constraints and high mortgage rates.
- Continuing the trend, mortgage rates were at levels not seen since 2000, attributed to the economy's relative optimism and ongoing inflation. The Federal Reserve's stance indicated that short-term high rates might persist longer but should start to come down later in 2024.
- 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 from the Fidelis Limited Partner Appreciation Dinner on December 14, 2023. [Click here.](#)**

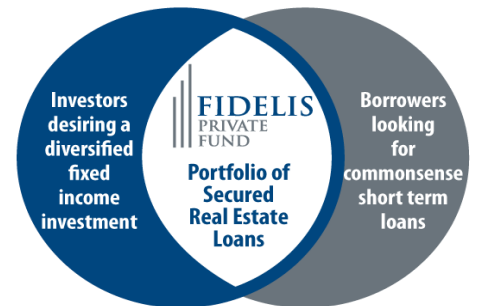
1st Qtr. 2024 Outlook

- A continued trend of residential price appreciation is expected in 2024.
- There's an anticipated increase in home sales, signaling a favorable demand for real estate in San Diego.
- The industrial market in San Diego set a new record for average asking rent at \$1.39/SF NNN, marking a 10.9% increase year-over-year.
- San Diego County's multifamily rent is predicted to increase only slightly, with slower rent growth going into 2024 and a slight increase in the vacancy rate to 3.44%.
- Borrowers seeking to refinance the existing short-term debt will see some relief as long-term interest rates moderate or even decrease going into 2024.

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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