

“We’ve never had any investor capital losses” -- John Lloyd, CEO Fidelis Private Fund

John Lloyd, CEO of [Fidelis Private Fund](#), has three decades of experience in commercial real estate financing. After emerging as the President of a mortgage fund and steering it through the 2008-2009 economic downturn, his passion for managing risk and protecting capital during challenging economic times took him to co-founding of Fidelis Private Fund in 2019 along with two partners.

“When we established Fidelis, we started with zero capital,” Lloyd told the California Business Journal. “Today, we have over \$65 million in capital and more than 180 investors managing a fund of short-term bridge loans. We’re slammed with business, and the market is bustling with opportunities. Our mission is to help people achieve their financial goals by providing secure and transparent investment opportunities while delivering competitive returns.”

Specializing in providing bridge loans, Fidelis offers a strategic financial solution for clients seeking short-term capital for real estate investment properties where timing is critical, creativity and flexibility are essential, or you want to add value to a property. By facilitating immediate funding for real estate purchases and refinances, Fidelis meets the urgent needs of its borrowing clients and leverages its business model with secured collateral to maximize profitability and minimize risk for investors.



“Fidelis is a mortgage fund,” Lloyd says. “Our limited partners are accredited investors investing their money, which is secured by trust deeds on properties. That security along with prudent underwriting practices, knowledge of the local market, and the repeat loyal client base are reasons why we’ve never had any investor capital losses. Real properties back the investment.”

There just not enough housing in California to meet the demand. Because banks have tightened up making it more difficult to obtain conventional financing. “This environment gives us an edge,” Lloyd says. “We’re busier than we’ve ever been. People are seeking private money because its faster and easier than getting financing from the banks.”

The recent banking environment led to increased capital requirements imposed by the government regulators, prompting banks to reassess their balance sheets.

With interest rates rising after years of minimal returns on deposits, banks faced higher costs of funds, necessitating efforts to bolster their equity. This was achieved through a combination of raising deposit rates, which increased their cost of funds, and reducing lending, thus strengthening their balance sheets in response to the crisis.

Lloyd keeps a close eye on the changing markets, looking for cracks. The only issue he believes could affect the market would be if unemployment grows. California's unemployment rate has remained steady between 5.1% and 5.3% in the November 2023-April 2024 period, according to the [U.S. Bureau of Labor Statistics \(BLS\)](#). If employment stays current, the lack of inventory will keep the market thriving.

"I believe rents will start stabilizing because multifamily units and big projects have come online. But I don't see a huge downturn unless some unexpected calamity occurs, which can happen," Lloyd says.

In California, Fidelis capitalizes on the growing demand for accessory dwelling units (ADUs) by offering quick, short-term bridge loans under \$3 million for small, infill added value projects. Ability to close deals in two weeks or less gives borrowers a competitive edge, often securing properties at discounted prices. This niche lending approach meets urgent housing needs while delivering fast, steady returns to investors.

Fidelis' investment opportunity is classified as an alternative investment backed by

real estate, offering fixed income through interest payments secured by a diversified portfolio of over 120 properties.

"Several factors contribute to our consistent annualized returns of over 9%," Lloyd says. "First, our disciplined underwriting process and focus on high-quality, low-LTV loans reduce the risk of default. Investors benefit from spreading their risk across this portfolio, with the added advantage of monthly compounding interest to accelerate growth.

"Additionally," he adds, "our fund boasts a loan loss reserve over 2%, higher than typical banks, and focuses on the stable and desirable San Diego County market, ensuring specialized local expertise and reduced risk."

[See Fidelis' company video here.](#)

The strength of Fidelis is its investment focus. The private fund doubles down on residential investment properties, precisely non-owner occupied homes, such as rental properties. This distinction is crucial because owner-occupied loans are classified as consumer loans with different and more stringent regulations. By targeting non-owner occupied properties, Fidelis avoids these complications and maintains its focus on investment properties.

"We are utilizing AI in all aspects of our marketing and correspondence, significantly boosting our efficiency, response times, and content quality," Lloyd says. "By integrating AI, we stay ahead of industry trends, continually finding new ways to enhance our operations. This strategic use of AI streamlines our processes and positions us to adapt quickly to changing market dynamics, ensuring we remain competitive and effective."

Fidelis also prioritizes transparency in its operations, exemplified by its detailed quarterly reports to investors. These reports (accessible on the Fidelis' website under investor testimonials), offer comprehensive insights into fund performance and investments. Unlike funds that only provide basic capital statements, Fidelis makes an effort to give its investors all the information they need to fully understand their investments.

“Our commitment to transparency stems from our relationship-driven approach to business,” Lloyd says. “By consistently offering clear, detailed information and fostering strong, repeat relationships with both borrowers and investors, we emphasize ease of doing business and mutual trust. Additionally, we engage with our community through success stories and weekly Motivational Minutes [footage by Lloyd giving investment insight], focusing on personal growth and freely sharing valuable content to build trust and support.”

Financing and financial services, especially those focusing on investment, are becoming topics of elevated interest among the public. Cryptocurrencies and the ease of access to stock exchange trading have created a buzz among people who want to invest their money. “However, these approaches are highly volatile. We focus on a less volatile and more tangible approach,” Lloyd adds.

“Real estate,” he says, “is a hard asset, attracting many cash buyers seeking properties in prime locations. Unlike the volatile stock market, real estate offers a tangible investment that people can physically own and feel secure about. In a geographically constrained market like San Diego, sur-

rounded by the ocean, military bases, mountains, and the Mexican border, demand remains high, ensuring its properties' continued value and prestige.”

Private lending as a permanent fixture in the financial landscape. During economic downturns, investment opportunities increase, and Fidelis steps in where banks withdraw, providing essential liquidity.

“In times of prosperity, our services remain in demand, ensuring there's always a niche for private lending, which is crucial for maintaining economic stability by enabling deals that might not otherwise happen,” Lloyd says.

The Fidelis leader's leisure time activity hints at a mindset of long-term strategic thinking. As an ultra-marathon trail runner completing challenging tracks against elevation, he has to focus on long-term gains, remaining undeterred by short-term challenges.

“I believe perseverance and consistency are the key to my success in growing a previous fund from \$30 million to \$190 million and our current Fidelis fund from zero to \$65 million in five years,” he says. “As an ultra-marathon runner who has completed a 100-mile race and dozens of 50-mile runs, I've developed the mental toughness to overcome challenges and never give up. This mindset translates directly into my professional life, where I approach every issue with determination and a problem-solving attitude.”

Motivational Video [1](#) and [2](#) by John Lloyd.

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