Fidelis Private Fund, LP – 2nd Quarter 2026 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:

- 9.31% annualized average investor yield for the 2nd quarter of 2026.
- Increased Limited Partner capital balances by $11,031,003 in the 2nd quarter of 2026
- Fidelis Funded $29,004,000 in loan commitments and additional advances in the 2nd quarter of 2026
- We achieved a loan/loss reserve of $3,977,918 or 2.25% of total loan commitments.

We are excited to deliver an average annualized 2nd quarter yield to our Limited Partners of 9.31%.

Fidelis Private Fund – Q2 2026 – 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.

Q2- 2026 Investor Annualized Return & Loan/Loss Reserve

- Fidelis Private Fund generated for the 2nd quarter an average annualized return of **9.31%** for those Limited Partners invested in the Fund before the last month of the quarter.
- The annualized yield includes a Loan/Loss Reserve of $3,977,836 or 2.25% of total loan commitments. This reserve protects our partnership against unforeseen future pitfalls in the economy.

Limited Partner Capital

- For the 2nd quarter, as of 06/30/26, the Limited Partners' ending capital balance was $128,510,264. This increase in capital was due to a combination of earnings and new capital net of redemptions, a 9.38% increase over the last quarter.

Loan Commitments/Performance/LTV

- We closed $29,004,000 in new loan commitments and additional advances in the 2nd quarter for a total gross notes receivable of $176,430,324, with existing loan balances outstanding of $145,455,754, resulting in $30,974,570 in undisbursed loan commitments. We had $11,810,535 in loan principal paydowns in the 2nd quarter of 2026. Out of 164 loans in the portfolio, we had less than 1% loan delinquencies. 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.

2nd Qtr. 2026 Real Estate Market Highlights

- **Interest Rates:** The Fed held the U.S. prime rate steady at 6.75% throughout Q2. 30-year fixed mortgage rates averaged between approximately 6.0% and 6.75%, reflecting some stabilization.
- **Home Prices:** San Diego's median detached home price remained around $1,050,000 to $1,080,000 in Q2 2026, with modest year-over-year appreciation of 1-2% amid balanced supply dynamics.
- **Housing Inventory:** Inventory has increased modestly to approximately 2.8-3.0 months of supply, providing buyers with slightly more options while remaining relatively tight overall.
- **Market Activity:** Transaction volume was steady with some softening; homes are taking a bit longer to sell on average, but well-priced properties in desirable areas continue to attract interest.
- **Rental Market Stability:** San Diego's rental market remains strong, with low vacancy rates and stable-to-elevated rents supported by the region's key employment sectors including military, university, and biotech.

3rd Qtr. 2026 Real Estate Market Outlook

- **Interest Rates:** The Fed is expected to maintain a steady stance near-term, with mortgage rates potentially easing modestly toward the low-to-mid 6% range if economic conditions allow.
- **Home Prices:** Countywide appreciation of 1%–3% is projected, with coastal and high-demand submarkets continuing to lead as supply constraints support overall values.
- **Housing Inventory:** Listings are expected to rise modestly, but strong demand should absorb additional inventory and maintain a competitive environment in key areas.
- **Market Activity:** Seasonal summer activity, along with any rate stability, should support buyer engagement and opportunities for investors in a normalizing market.
- **Rental Trends:** Ongoing employment strength and limited new supply in some segments should support high occupancy and stable rents across core neighborhoods.
- **Overall:** Q3 2026 is expected to reflect continued normalization — stable prices, balanced activity levels, and resilient fundamentals — as San Diego's structural advantages support long-term investment appeal.

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.

"With over 30 years in the real estate financing business, including 18 years managing two private mortgage funds, no investor has lost a penny of capital under my management even through the 2008-2010 financial crisis."

John P. Lloyd
President & CEO

FIDELIS PRIVATE FUND

Growing Value with Purpose

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