Fidelis Private Fund, LP – 3rd Quarter 2025 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:

- 9.65% annualized average investor yield for the 3rd quarter of 2025.
- Increased Limited Partner capital balances by $6,513,018 in the 3rd quarter of 2025
- Fidelis Funded $24,929,250 in loan commitments and additional advances in the 3rd quarter of 2025
- We achieved a loan/loss reserve of $2,983,436 or 2.33% of total loan commitments.

We are excited to deliver an average annualized 3rd quarter yield to our Limited Partners of 9.65%.

Fidelis Private Fund – Q3 2025 – 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.

Q3 2025 Investor Annualized Return & Loan/Loss Reserve

- Fidelis Private Fund generated for the 3rd quarter an average annualized return of **9.65%** for those Limited Partners invested in the Fund before the last month of the quarter.
- The annualized yield includes a Loan/Loss Reserve of $2,983,436 or 2.33% 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 9/30/25, the Limited Partners' ending capital balance was $100,227,195. This increase in capital was due to a combination of earnings and new capital net of redemptions, a 6.95% increase over the last quarter.

Loan Commitments/Performance/LTV

- We closed $24,929,250 in new loan commitments and additional advances in the 3rd quarter for a total gross notes receivable of $128,170,135, with existing loan balances outstanding of $112,603,160, resulting in $15,566,975 in undisbursed loan commitments. We had $17,721,072 in loan principal paydowns in the 3rd quarter of 2025. Out of 144 loans in the portfolio, we had less than .81% loan deliquencies. The average loan portfolio LTV ratio was approximately 59%.

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. 2025 Real Estate Market Highlights

- Interest Rates: In September 2025, the Fed cut its short-term borrowing rate by ¼ point. As a result, the U.S. prime rate was reduced to 7.25 %. Mortgage rates, however, have remained elevated, as longer-term yields and market dynamics continue to drive borrowing costs.
- Home Prices: San Diego is now showing signs of flattening price growth, and in some neighborhoods, modest downward adjustments or increased price reductions are appearing.
- Housing Inventory: Elevated supply is now becoming more normative, giving buyers more options and reducing the intensity of bidding wars in many submarkets.
- Market Activity: Transaction volume is decelerating. More homes are being relisted with cuts or withdrawn as seller expectations adjust to market realities.
- Rental Trends: Rental demand remains solid, especially in more affordable zones and inland areas; with new rental construction limited, rent levels are holding firm.

4th Qtr. 2025 Real Estate Market Outlook

- Interest Rates: With the Fed having cut short-term rates by 25 basis points, markets may anticipate further gradual easing, provided inflation continues trending downward. But any future cuts are likely to be cautious and data-driven.
- Home Prices: Stability or modest declines in prices are plausible, particularly in overextended or higher-priced areas. Some submarkets could outperform if demand remains concentrated.
- Housing Inventory: Inventory is expected to stay elevated as more sellers enter the market, maintaining buyer leverage in many segments.
- Market Activity: Buyers with strong credit or cash positions may have an edge; more marginal buyers may pull back until rates become more favorable or incentives arise.
- Rental Trends: The rental sector should stay resilient. Limited new supply and continued demand—especially in more affordable brackets—could support rent growth or keep rates flat to modest increases.

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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