Fidelis Private Fund, LP – 3rd 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:

- 9.17% annualized average investor yield for the 3rd quarter of 2026.
- Increased Limited Partner capital balances by $11,647,972 in the 3rd quarter of 2026
- Fidelis Funded $27,692,000 in loan commitments and additional advances in the 3rd quarter of 2026
- We achieved a loan/loss reserve of $4,286,813 or 2.28% of total loan commitments.

We are excited to deliver an average annualized 2nd quarter yield to our Limited Partners of 9.17%.

Fidelis Private Fund – Q3 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.

Q3- 2026 Investor Annualized Return & Loan/Loss Reserve

- Fidelis Private Fund generated for the 2nd quarter an average annualized return of **9.17%** for those Limited Partners invested in the Fund before the last month of the quarter.
- The annualized yield includes a Loan/Loss Reserve of $4,286,813 or 2.28% 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 09/30/26, the Limited Partners' ending capital balance was $140,158,236. This increase in capital was due to a combination of earnings and new capital net of redemptions, a 9.06% increase over the last quarter.

Loan Commitments/Performance/LTV

- We closed $27,692,000in new loan commitments and additional advances in the 3rd quarter for a total gross notes receivable of $188,422,198, with existing loan balances outstanding of $159,273,683, resulting in $29,148,515 in undisbursed loan commitments. We had $15,699,946 in loan principal paydowns in the 3rd quarter of 2026. Out of 165 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.

Q3 2026 Market Highlights

- **Interest Rates:** 30-year fixed mortgage rates rose from the mid-to-high 6% range to above 7%, 7.03% the week of Sept. 24; 7.28% by Oct. 1). The U.S. Prime rate, which had held steady at 6.75% for most of the quarter,
  increased 25 basis points to 7.00% effective September 17, 2026.
- **Home Prices:** County medians held firm to higher. Detached single-family medians reached $1.09M–$1.12M; overall county medians near $960k–$965k. Year-over-year appreciation of 5–7% in most metrics, led by detached product and outpacing national averages.
- **Housing Inventory:** Supply remained relatively tight at 2.8–3.3 months countywide (≈2.3 months for detached; higher for attached). Still seller-leaning overall despite modest listing increases in periods.
- **Market Activity:** Transaction volume softened. Closed sales down 8–17% year-over-year in key summer months; pending sales cooled. Days on market typically mid-20s to high-30s. Well-priced homes in desirable areas continued to attract interest.
- **Rental Market:** Fundamentals remained resilient. Vacancy elevated versus prior ultra-tight levels (reports 3.8–5%+ range by submarket) while rents stayed stable to modestly higher, supported by military, biotech, university, and related employment.

Q4 2026 Market Outlook

- **Interest Rates:** Expected to remain elevated near or above 7% near-term. Limited relief unless inflation cools or the Fed signals a clearer pause. Volatility possible from policy or external factors.
- **Home Prices:** Base case is modest further appreciation or stability, led by coastal and high-demand submarkets. Broader growth likely moderates under higher financing costs.
- **Inventory & Activity:** Listings projected to rise modestly with seasonal slowdown. Transaction volumes expected to stay subdued. Well-priced, move-in-ready homes favored; selective investor opportunities in a more negotiable setting.
- **Rental Trends:** Employment strength and constrained supply should support occupancy and relatively stable rents. Higher vacancy in select submarkets may limit rent growth.

- **Overall Assessment:** Q4 2026 is expected to continue market normalization under higher-rate conditions. San Diego's structural advantages, constrained supply, diverse employment base, and coastal demand support resilient values and long-term investment appeal, tempered by softer volume and greater buyer price sensitivity.

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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