

Fidelis Private Fund, LP – 4th 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:

- 9.50% annualized average investor yield for the 4th quarter of 2025.
- Increased Limited Partner capital balances by \$6,484,874 in the 4th quarter of 2025
- Fidelis Funded \$11,940,500 in loan commitments and additional advances in the 4th quarter of 2025
- We achieved a loan/loss reserve of \$3,401,716 or 2.33% of total loan commitments.

We are excited to deliver an average annualized 4th quarter yield to our Limited Partners of 9.50%.

Fidelis Private Fund – Q4 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.

Q4 2025 Investor Annualized Return & Loan/Loss Reserve

- Fidelis Private Fund generated for the 4th quarter an average annualized return of **9.50%** for those Limited Partners invested in the Fund before the last month of the quarter.
- The annualized yield includes a Loan/Loss Reserve of \$3,401,716 or 2.33% 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 12/31/25, the Limited Partners' ending capital balance was \$106,712,069. This increase in capital was due to a combination of earnings and new capital net of redemptions, a 6.47% increase over the last quarter.

Loan Commitments/Performance/LTV

- We closed \$11,940,500 in new loan commitments and additional advances in the 4th quarter for a total gross notes receivable of \$146,013,398, with existing loan balances outstanding of \$122,700,055, resulting in \$23,313,343 in undisbursed loan commitments. We had \$6,798,310 in loan principal paydowns in the 4th quarter of 2025. Out of 150 loans in the portfolio, we had less than .99% 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.

4th Qtr. 2025 Real Estate Market Highlights

- **Interest Rates**: The Fed cut rates by 25 basis points in December, lowering the U.S. Prime Rate to 6.75%. Mortgage rates ended the year between 6.0% and 6.25% as markets reacted to easing inflation.
- **Home Prices**: San Diego saw a seasonal pullback with the median price settling near \$985,000. While lower than summer peaks, prices remain resilient year-over-year as the market recalibrates.
- **Housing Inventory**: Supply declined seasonally to ~5,000 active listings. With 2.9 months of inventory, the market is shifting toward a more balanced environment compared to early 2025.
- **Market Activity**: Sales volume decelerated by 6% year-over-year. Homes are taking longer to sell (25–28 days), providing buyers more leverage for negotiations and due diligence.
- **Rental Trends**: The rental sector remains stable with a 3.6% vacancy rate and 2%–4% annual rent growth. High home prices continue to sustain strong rental demand and investor cash flow.

1st Qtr. 2026 Real Estate Market Outlook

- **Interest Rates**: Mortgage rates are expected to trend toward the high 5% range. The Fed will likely remain data-dependent, pausing further cuts until labor and inflation trends fully stabilize.
- **Home Prices**: Prices should remain stable with modest growth (2%–5%) anticipated as the spring season approaches. High-demand coastal and suburban submarkets will likely lead the recovery.
- **Housing Inventory**: Inventory is predicted to rise as lower rates encourage "rate-locked" sellers to move. However, pent-up demand is expected to absorb this new supply quickly.
- **Market Activity**: Lower borrowing costs should spark a rebound in buyer engagement. Well-capitalized investors may find a window of opportunity before the spring surge increases competition.
- **Rental Trends**: Demand will remain resilient due to limited new supply. Occupancy should stay high, supporting flat to modest rent increases in core San Diego neighborhoods.



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

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Growing Value with Purpose

12481 High Bluff Drive, Ste 160 San Diego, CA 92130
760-258-4486 | www.FidelisPF.com