

D.B. Fitzpatrick & Co., Inc. - Idaho Commercial Mortgages

Domestic Fixed: BB Mortgage Benchmark

For the month of: **January** **2025**

Manager Performance Calculations

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Idaho Commercial Mortgages	0.54%	0.45%	4.02%	0.78%	1.36%
BB Mortgage	0.51%	0.17%	2.19%	-1.47%	-0.77%

Portfolio Summary

Market Value: \$ 869,706,033

Delinquencies/REOs

Originations/Payoffs			\$ Amt	% of Portfolio
		30 days	\$ -	0.00%
Month:	\$ 4,864,758	60 days	\$ -	0.00%
YTD:	\$ 4,864,758	90 days	\$ -	0.00%
		120+ days	\$ -	0.00%
Payoffs:	\$ 386,230	REOs	\$ -	0.00%

Performance Attribution & Strategy Comments

The PERSI Commercial Mortgage Portfolio returned 4.02% during the last year, outperforming its benchmark by 183 basis points. Looking at the longer term, PERSI's portfolio has returned 1.36% (annualized) during the last five years, outperforming its benchmark by 213 basis points (annualized). Outperformance over longer periods is driven by the portfolio's low delinquency rate and coupon advantage vis-à-vis the benchmark.

As 2025 gets underway the commercial mortgage portfolio continues to perform well, with no delinquencies or real estate owned (REO) properties. New loan originations were \$4.9 million in January and we are seeing more inquiries from borrowers compared to this time last year. This notwithstanding, there remains a dearth of activity generally in the commercial real estate market, with potential buyers and sellers struggling to agree on valuations in today's interest rate environment. Investor demand for Idaho commercial real estate remains high, however, and we expect investment activity to slowly increase throughout 2025.

Also of note, we believe there is an upcoming "maturity wall" of commercial mortgages (both nationally and in the local market) set to come due during the next two to three years. These maturities might provide a jolt to market activity, and we believe they will be accretive to our loan production figures as borrowers not currently in our portfolio explore all potential sources of financing.

Manager Style Summary

The Idaho Commercial Mortgage portfolio is managed by DBF and consists of directly owned Idaho commercial mortgages. DBF oversees the origination process, the monitoring of the portfolio, and services 50% of the portfolio.

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