



MERIDIAN FINANCIAL GROUP

Unfolding a World of International Opportunity

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MERIDIAN MORTGAGE FUND Q4 2017 UPDATE

FUND FACTS

CURRENCY: US DOLLAR

CLASSIFICATION: MORTGAGE BACKED SECURITIES

FUND MANAGER: MERIDIAN MORTGAGE CORPORATION LTD.

REGULATOR: TCI FINANCIAL SERVICES COMMISSION

PORTFOLIO SUMMARY

Total Loan Portfolio	\$ 62,706,443
Total Cash & Certificate of Deposits	\$2,581,727
Total Fund Value	\$65,288,170
Value of Underlying Security	\$139,386,561
Loan To Value Ratio	44.99%

SECURED PROPERTY CLASSIFICATION

AVERAGE ANNUALISED NET RATE OF RETURN (%)

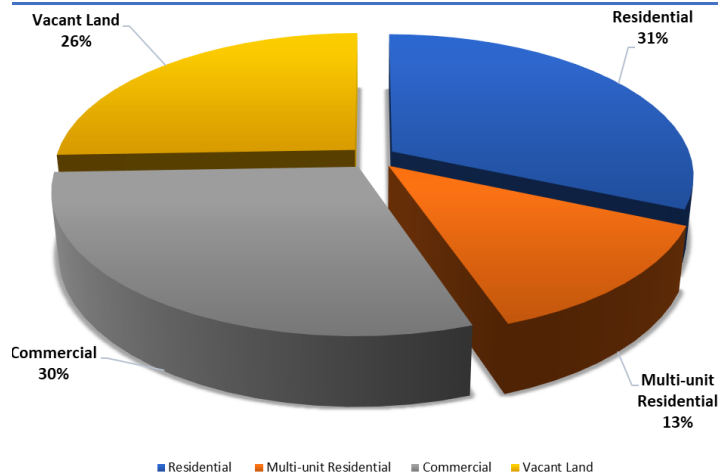
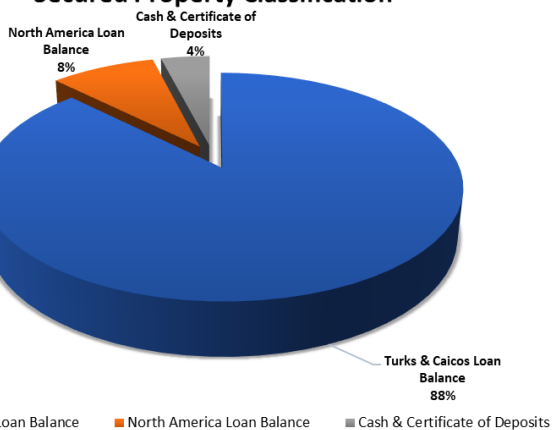
Q4 2017	3 YRS	5 YRS	INCEPTION (1996)
6.22	6.25	6.26	8.80

PREVIOUS QTR NET RETURNS (ANNUALISED) (%)

Q3 2017	Q2 2017	Q1 2017	Q4 2016
6.03	6.02	5.62	6.12

PORTFOLIO ANALYSIS

Secured Property Classification



MERIDIAN MORTGAGE FUND MANDATE

“A conservative fund which provides the discriminating investor with periodic income, high yields, stability, diversification and liquidity.”

The objective of the fund is to achieve the highest level of current return as is consistent with the preservation of capital. The fund intends to achieve its objective by investing primarily in first position mortgages:

- In the Turks and Caicos Islands
- With a maximum 3 year loan term
- With a maximum ratio of loan to appraised value of 50%



MERIDIAN MORTGAGE FUND Q4 2017 UPDATE

The Meridian Mortgage Fund earned an annualized net return of 6.22% as of December 31st, 2017.

Mortgage Fund Highlights:

- The overall annualized return remains very competitive at 6.22% per annum compared with other low risk investment products such as, fixed deposit rates offered at our TCI local banks at an average of 0.61%, as well as the US Treasury rates, which average at about 2.11% per annum.
- The Loan to Value ratio is currently at 44.99%, which is below the maximum ratio of 50% and translates into reduced risk.
- Meridian holds 74% of its total loan portfolio in the form of assets with the potential to generate income (buildings/structures); vacant land secures 26% of the loan portfolio. All habitable structures are appropriately insured.
- ◆ All properties (except raw land) in our mortgage fund portfolio were suitably insured prior to the storm due to Meridian staff's diligence to ensure that all properties were covered and all insurance proceeds reinvested into the affected properties.

News In Real Estate:

Beaches Turks and Caicos officially opened its doors to guests and staff on December 14, 2017. The resort reopened after a 10 week closure to allow for post-hurricane repairs. Gordon 'Butch' Stewart, founder and chairman of Sandals Resorts International, said: "We know how important vacation time is and so we're just delighted that Beaches Turks and Caicos is not only reopening its doors ahead of pace, but we've introduced some amazing new features making this award-winning resort better than ever."

Developers of a six star boutique resort in the Turtle Cove area are on track to break ground within the latter part of the first or early second quarter of 2018. According to Sam Hunt of NW Hamilton Real Estate, "In a few months, potential investors will be invited to purchase condos at 'The Cove Resort and Marina.'"

The Blue Cay Estate, the newest residential yachting community in the Leeward area celebrated the opening of its navigable canal. The Blue Cay Estate is a 16 home estate which comprises of 12 canal-front and four ocean-front homes. Blue Cay Estate, gladly reports that 12 of these beautiful homes have been already sold.

Other News:

Southwest Airlines, the world's largest low-cost carrier, became the latest to fly from Fort Lauderdale to the Turks and Caicos Islands with very affordable prices. Although the TCI was still recovering from hurricanes Irma and Maria, that did not deter the airline from launching a daily nonstop service to our territory.

Grace Bay was once again ranked as the world's best beach! According to the Canadian's online travel agency FlightNetwork, "Grace Bay beach, in the Turks and Caicos Islands is the most iconic and awe-inspiring stretch of sand in the world, and you'll know you've set foot on one of the most spectacular beaches the moment you arrive." FlightNetwork consulted more than 600 travel journalists, editors, bloggers and travel specialists who weighed in on their favorite beach destinations.

Many travelers consider the Turks and Caicos Islands a place filled with many opportunities, whether it be to invest in our well-regulated financial industry and low tax environment, or just to enjoy the crystalline waters and pristine beaches throughout the very diverse and intimate group of islands.

Thanking you for your business throughout 2017, we are committed to offering our clients the best products and services throughout 2018 and beyond.