



MERIDIAN FINANCIAL GROUP

Unfolding a World of International Opportunity

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MERIDIAN MORTGAGE FUND Q1 2018 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	\$ 62,604,151
Total Cash & Certificate of Deposits	\$5,158,398
Total Fund Value	\$67,762,549
Value of Underlying Security	\$149,200,561
Loan To Value Ratio	41.96%

SECURED PROPERTY CLASSIFICATION

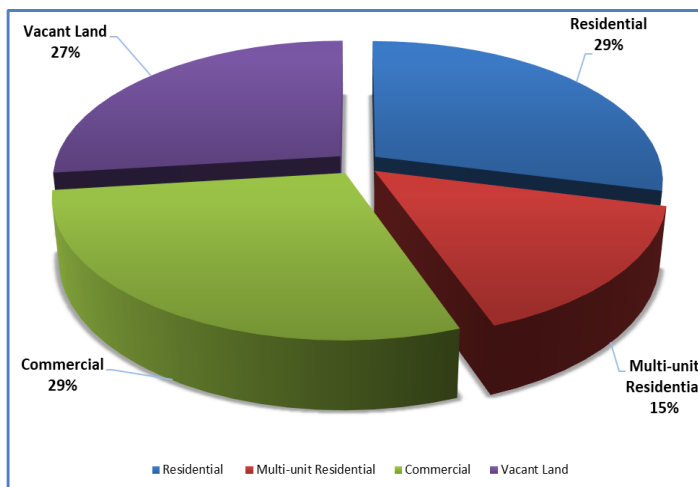
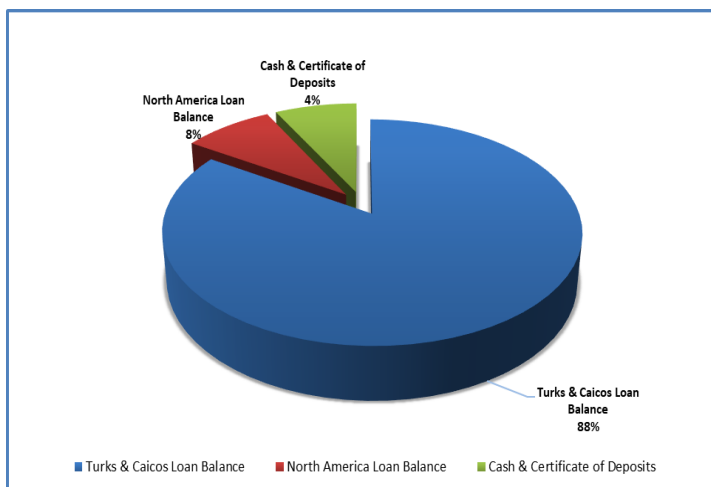
AVERAGE ANNUALISED NET RATE OF RETURN (%)

Q1 2018	3 YRS	5 YRS	INCEPTION (1996)
5.63	6.10	6.17	8.80

PREVIOUS QTR NET RETURNS (ANNUALISED) (%)

Q4 2017	Q3 2017	Q2 2017	Q1 2017
6.22	6.03	6.02	5.62

PORTFOLIO ANALYSIS



MERIDIAN MORTGAGE FUND MANDATE

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%

The Meridian Mortgage Fund is designed for investors who are seeking high yield returns over the mid to long term horizon.



MERIDIAN MORTGAGE FUND Q1 2018 UPDATE

The Meridian Mortgage Fund earned an annualized net return of 5.63% as of March 31st, 2018.

Mortgage Fund Highlights:

- The overall annualized return remains very competitive at 5.63% per annum compared with other low risk investment products. The return for Quarter 1 (Q1) is typically lower than later quarters due to February being a shorter month. We expect the return to improve in the coming quarters.
- The Loan to Value ratio is currently at 41.96%, which is below the maximum ratio of 50% and translates into reduced risk.
- Meridian holds 73% of its total loan portfolio in the form of assets (buildings/structures), with the potential to generate income; vacant land secures 27% of the loan portfolio. All habitable structures are appropriately insured.
- The Royal Reef Resort located in Sandy Point, North Caicos has been sold with renovations for the said project to begin sometime during this year. Meridian is happy to report that the principal and the interest posted for this loan has been fully paid. Consequently, since these funds have been repaid, this will add modestly to the return of the fund and also increase our cash balance.

News In Real Estate:

The world famous Ritz Carlton Resort officially broke ground on a new luxury development on February 26, 2018, at their Grace Bay construction site and future home of the TCI's first 12 storey resort hotel and spa. According to the representative for the Dessarollos Hotelco Group, the construction started a week after they officially broke ground and the project is scheduled to take around 3 years to complete. It was further confirmed that 75% of the residences in the first building have already been sold. There will be a total of 317 rooms, made up of a mixture of hotel rooms, condo hotel units and residences, with 3 prominently centrally located boardwalks which offer uninterrupted beach access. The project is scheduled to be constructed in 2 phases, with phase 2 to commence when phase one is about halfway completed.

The \$100 million hotel and marina project in Turtle Cove, Providenciales is expected to break ground in July 2018. The resort will consist of studio units, one bed room units, two bedroom units, cabanas, swimming pools, four restaurants, bars, spa area, penthouses, 55 seat IMAX cinema and a multipurpose sports facility which will be computerized. The project is expected to be very beneficial to the Turks and Caicos Islands by not only boosting the tourism industry but also by creating numerous job opportunities.

TripAdvisor, one of the world's leading travel planning and booking site has recently announced Grace Bay Beach as the best beach in the world for 2018, this is up from the number two ranking last year and reclaiming the number one spot held in 2016.

The Turks and Caicos Islands have earned a solid reputation with discerning buyers seeking to own some of the most exclusive properties under the sun, coupled with the most beautiful beaches in the world.

Based on the encouraging tourism numbers and the increase trend in the real estate market, Meridian remains highly optimistic for the rest of 2018.

Turks and Caicos Islands...Beautiful by Nature for Business or Pleasure
The Meridian Mortgage Fund Team