



MERIDIAN FINANCIAL GROUP

Unfolding a World of International Opportunity

P.O. Box 599, Le Vele Plaza, Grace Bay, Providenciales, Turks and Caicos Islands
 Phone: (1649) 941-3082 Fax: (1649) 941-3223 E-mail: mtcl@tcipay.tc

MERIDIAN MORTGAGE FUND Q3 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	\$66,813,039
Total Cash & Certificate of Deposits	\$3,732,310
Total Fund Value	\$70,545,349
Value of Underlying Security	\$140,326,044
Loan To Value Ratio	47.61%

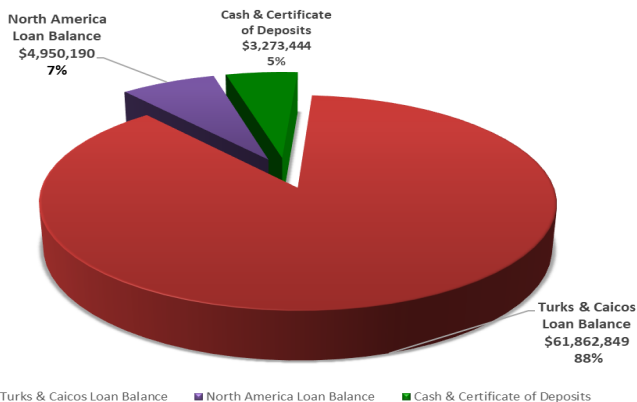
AVERAGE ANNUALISED NET RATE OF RETURN (%)

Q3 2018	3 YRS	5 YRS	INCEPTION (1996)
6.21	6.10	6.28	8.80

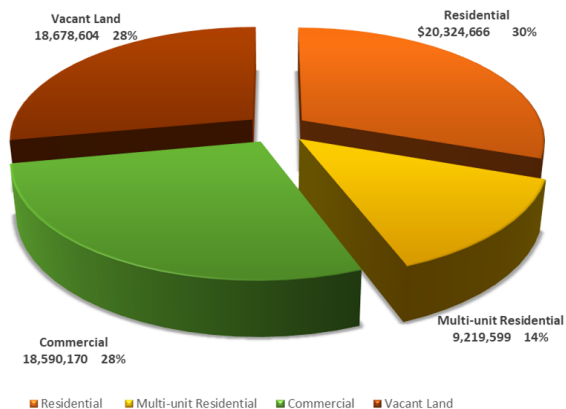
PREVIOUS QTR NET RETURNS (ANNUALISED) (%)

Q2 2018	Q1 2018	Q4 2017	Q3 2017
6.20	5.63	6.22	6.03

SECURED PROPERTY CLASSIFICATION



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%



MERIDIAN MORTGAGE FUND Q3 2018

The Meridian Mortgage Fund earned an annualized net return of 6.21% as of September 30th, 2018.

Mortgage Fund Highlights:

- The Loan to Value ratio is currently at 47.61%, which is below the maximum ratio of 50% and translates into reduced risk. This contrast with commercial and retail banks in the Turks and Caicos Islands, which tend to lend at an average ratio in the region of 70% - 75%.
- Meridian holds 72% of its total loan portfolio in the form of assets (buildings/structures), with the potential to generate income; vacant land secures 28% of the loan portfolio. Meridian ensures that all habitable structures are appropriately insured.

News In Real Estate:

- Reconstruction has commenced on the Royal Reef Resort's site, at Sandy Point, North Caicos. The project is being transformed into a \$100M five star hotel by Tony Tian, a Chinese developer. The project is scheduled to be completed in 18 months.
- The Andaz Turks & Caicos at Grace Bay, a luxury resort with residences, will break ground in the Turks and Caicos Islands in the coming months. The Hyatt officially announced their newest Andaz hotel and resort at the North American International Luxury Travel Market conference. The Andaz is expected to open in 2021, marking the Andaz brand's first property in the Caribbean.

Other News

The World Travel Awards, established in 1993, recognizes, acknowledges and rewards the leading travel tourism and hospitality organizations in the world. Headlining this year's Ceremony for the Caribbean was none other than the Turks and Caicos Islands. Some of the awards captured were:

- Caribbean's Leading Beach Destination - 2018
- Caribbean's Leading All Suite Hotel 2018 - The Palms Turks and Caicos
- Caribbean's Leading All-Inclusive Family Resort 2018 - Beaches Turks and Caicos for the 11th year
- Caribbean's Leading Beach Resort 2018 - Amanyara Villas, Turks and Caicos

The Turks and Caicos Islands has much to offer potential investors and continues to set the highest standard of excellence in travel and tourism. The islands are very diverse, from the main tourist haven of Providenciales, to the more tranquil islands of North, Middle and South Caicos, the historic island of Salt Cay, to the nation's capital Grand Turk. Each island offers different experiences for visitors and a different set of opportunities for investors.

With such continued strong tourism and investment activities, Meridian remains highly optimistic for the rest of 2018.

Turks and Caicos Islands...Beautiful by Nature for Business or Pleasure