



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@tciway.tc

MERIDIAN MORTGAGE FUND Q4 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	\$67,625,823
Total Cash & Certificate of Deposits	\$6,421,933
Total Fund Value	\$74,047,806
Value of Underlying Security	\$140,063,544
Loan To Value Ratio	48.28%

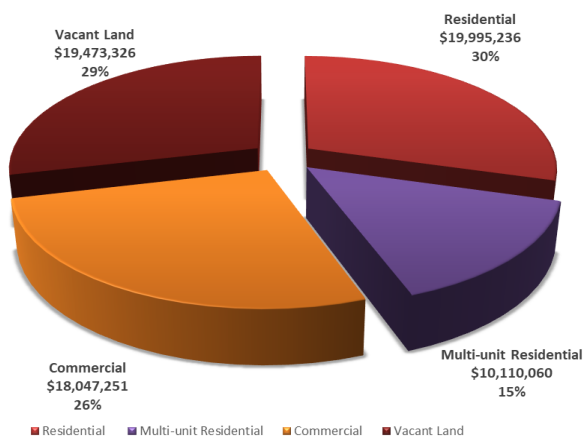
AVERAGE ANNUALISED NET RATE OF RETURN (%)

Q4 2018	3 YRS	5 YRS	INCEPTION (1996)
6.23	6.19	6.34	8.80

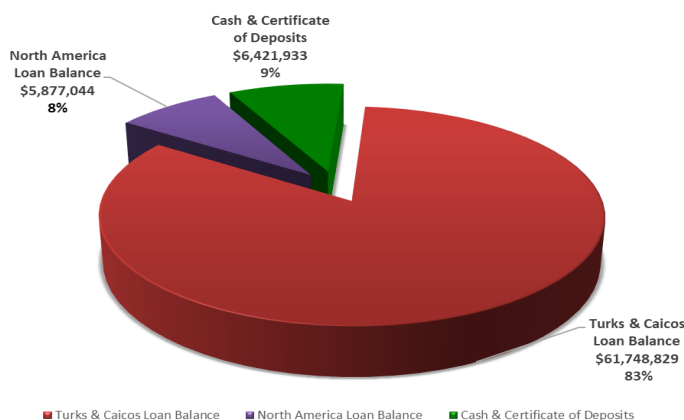
PREVIOUS QTR NET RETURNS (ANNUALISED) (%)

Q3 2018	Q2 2018	Q1 2018	Q4 2017
6.21	6.20	5.63	6.22

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 Q4 2018

The Meridian Mortgage Fund earned an annualized net return of 6.23% as of December 31st, 2018.

Mortgage Fund Highlights

- The Loan to Value ratio is currently at 48.28%, 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 continues to hold 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 also ensures that all habitable structures are appropriately insured.

TCI News

- The Ritz-Carlton Resort, TCI's first luxurious 12 storey development located on the world-famous Grace Bay beach is well on its way. The project started a week after they officially broke ground on February 26, 2018, and is scheduled to take around 3 years to complete. There will be a total of 317 rooms, made up of a mixture of hotel rooms, condo hotel units and residences. The project is scheduled to be constructed in 2 phases, with phase 2 to commence when phase one is about halfway completed. It is further confirmed that 75% of the residences in the first building have already been sold.
- Rock House, the first cliffside residential resort created by Grace Bay Resorts is now offering a select number of homes for purchase. This luxurious resort located on the north coast of Providenciales is schedule to officially open to its guests in 2020.
- American Airlines, one of the first US carriers to serve the TCI, has officially launched its new Chicago to Providenciales route on December 22, 2018. The new direct flight from Chicago will not only be a winter addition to the TCI, but a summer route will also take place from June 6, 2019 to September 3, 2019 on Tuesdays, Thursdays and Sundays and is currently available for sale online.
- Once again Grace Bay has topped the list of best beaches, this time being named the number one beach in Central America and the Caribbean for 2018, according to the online travel agency FlightNetwork. FlightNetwork collected insight from 1,200 journalist, editors, bloggers and agencies to create the top 50 list. Grace Bay also made it to number 6 on FlightNetworks list of world's best beaches for 2018.

Turks and Caicos Islands real estate continues to lead the pathway compared to most other countries within our region. Our brand continues to grow internationally bringing in many enthusiastic investors to our shores. We remain a destination filled with opportunities, whether it be to invest in our well-regulated financial industry or just to enjoy the crystalline waters and pristine beaches.

Thanking you for your business throughout 2018, as we continue to offer you the best products and services throughout 2019 and beyond.