



MERIDIAN FINANCIAL GROUP

Unfolding a World of International Opportunity

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MERIDIAN MORTGAGE FUND Q1 2019 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	\$73,272,887
Total Cash & Certificate of Deposits	\$2,781,212
Total Fund Value	\$76,054,099
Value of Underlying Security	\$155,052,183
Loan To Value Ratio	47.26%

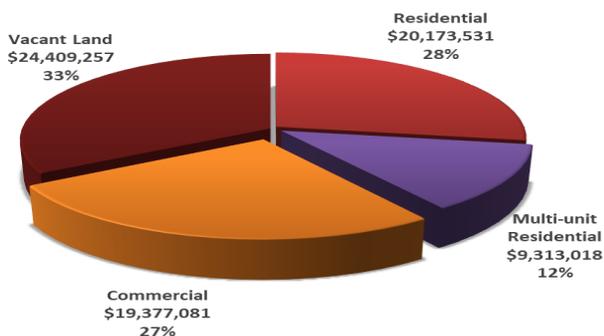
AVERAGE ANNUALISED NET RATE OF RETURN (%)

Q1 2019	3 YRS	5 YRS	INCEPTION (1996)
6.24	6.22	6.29	8.80

PREVIOUS QTR NET RETURNS (ANNUALISED) (%)

Q4 2018	Q3 2018	Q2 2018	Q1 2018
6.23	6.21	6.20	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 Q1 2019

The Meridian Mortgage Fund earned an annualized net return of 6.24% as of March 31st, 2019.

Mortgage Fund Highlights

- The Loan to Value ratio is currently at 47.26%, 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 67% of its total loan portfolio in the form of assets (buildings/structures), with the potential to generate income; vacant land secures 33% of the loan portfolio. Meridian also ensures that all habitable structures are appropriately insured.

TCI News

- Windward Development Company is proud to announce one of the newest waterfront communities on Providenciales, the South Bank on Long Bay Beach. This site is strategically located along the southern shoreline of Providenciales, offering unobstructed views of the Caicos Banks with a rich blend of condominiums, beachfront lagoon villas and townhouses with boat docks. South Bank will be expertly managed by Grace Bay Resorts, one of the leading hospitality providers in the Caribbean. This project is scheduled to break ground in the coming months.
- The developers of the Wymara Turks and Caicos are pleased to offer the Wymara Villas, which is a collection of 5 Coast-Architect designed four and five bedroom modern villas. The site is about 2.5 miles away from the Wymara resort on Grace Bay, where Wymara Villa owners can enjoy beach services, restaurant, spa and a host of comprehensive services at the five star Wymara resort.
- Turks and Caicos islands celebrated another victory at the 26th World Travel Awards by winning the prestigious awards for Caribbean's Leading Beach Destination 2019 and Caribbean's Most Romantic Destination 2019. Since the beginning of the New Year, the TCI has received several travel industry award nominations, continuing its multi-year-streak of accolades, including, Caribbean Leading Cruise Destination, Caribbean's Leading Honeymoon Destination, Caribbean's Leading Dive Destination and Caribbean's Leading Luxury Island Destination.

Turks and Caicos Islands real estate market has regained its strength from 2017's historic hurricane season by achieving a record year in 2018. The overall market was buoyed by the single-family home market which represented nearly 50% of all sales volume, for a total of just over US\$1,123M up from US\$1,111.67M in 2017.

Meridian is very optimistic about the opportunities that lie ahead in 2019. With the increasing trend in the real estate market, coupled with major airline access to our shores from Miami, Fort Lauderdale, Philadelphia, Atlanta, Charlotte NC, New York, New Jersey, Washington DC, Boston, Montreal, Chicago, Dallas, Toronto and the UK, as well as the high volume of private jets trafficking into our two private air terminals, Turks and Caicos has once again positioned itself as the number one destination in the Caribbean for Business or Pleasure.

Our team looks forward to continue offering excellent financial service products and client services during 2019 and the many years to come.