



MERIDIAN FINANCIAL GROUP

Unfolding a World of International Opportunity

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MERIDIAN MORTGAGE FUND Q2 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	\$75,039,016
Total Cash & Certificate of Deposits	\$3,765,541
Total Fund Value	\$78,804,557
Value of Underlying Security	\$159,801,083
Loan To Value Ratio	46.96%

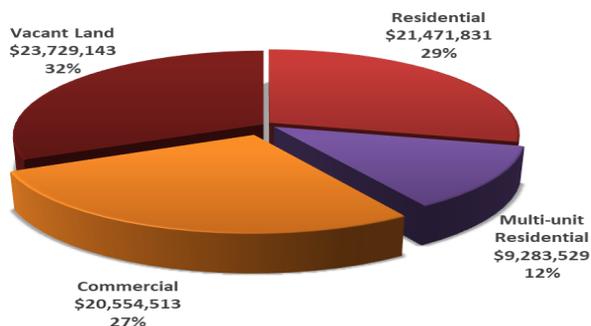
AVERAGE ANNUALISED NET RATE OF RETURN (%)

Q2 2019	3 YRS	5 YRS	INCEPTION (1996)
6.01	6.22	6.29	8.80

PREVIOUS QTR NET RETURNS (ANNUALISED) (%)

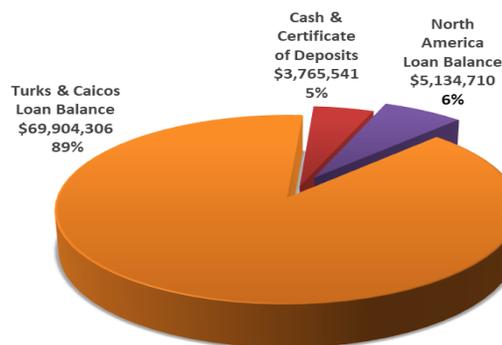
Q1 2019	Q4 2018	Q3 2018	Q2 2018
6.24	6.23	6.21	6.20

SECURED PROPERTY CLASSIFICATION



Residential Multi-unit Residential Commercial Vacant Land

PORTFOLIO ANALYSIS



Cash North America TCI

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 Q2 2019

The Meridian Mortgage Fund earned an annualized net return of 6.01% as of June 30, 2019.

Mortgage Fund Highlights

- The Loan to Value ratio is currently at 46.96%, which is below the maximum ratio of 50% and translates into reduced risk. This contrasts 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 68% of its total loan portfolio in the form of assets (buildings/structures), with the potential to generate income; vacant land secures 32% of the loan portfolio. Meridian also ensures that all habitable structures are appropriately insured.

Real Estate News

- Rock House, the first cliffside hotel in the Turks and Caicos Islands (TCI), developed by Grace Bay Resorts, officially broke ground on June 22, 2019. This luxurious resort located on the north coast of Providenciales and slated to open in 2021, will feature 37 studio suites and one and two bedroom ridge and beachfront cottages. Further, highlights will include a 100 feet infinity pool perched on a 25ft limestone cliff, a Beach Club and a jetty.
- The Sibonne Beach Hotel, one of the more desirable yet affordable resorts located on Grace Bay Beach has recently been sold. This boutique style resort offers one of the best values in the Grace Bay area, with just steps away from its very own Bay Bistro Restaurant and Bar. According to the new owner, "the Sibonne promises to maintain its cozy style with a few upgrades whilst continuing its modest prices."
- The Turks and Caicos Villa formerly owned by the music legend Prince was also recently sold for \$10.8 million. According to Turks and Caicos Sotheby's, which had the listing for the property, 'Emara Estate', as it is now called, "will be available as a highly exclusive rental destination, boasting private beachfront and exceptional elevated views as well as a dock area".

Other TCI News

The Premier of the Turks and Caicos Islands, Hon. Sharlene Cartwright-Robinson, has announced the approval of the Turks and Caicos Islands Homeowners Policy, which took effect on April 1, 2019. This policy provides Turks and Caicos Islanders the opportunity to purchase or build their first home or carry out necessary refurbishments to their existing homes. These incentives will include either a reduction of \$20k in stamp duty or an import duty waiver on building materials, appliances, furniture and or fixtures. The Turks and Caicos Islands Government is committed to the development of the islands and its people and has thus implemented this policy to further boost investment.

The Turks and Caicos Islands continues to bloom, setting the highest standards of excellence in travel and tourism. Based on the very encouraging real estate trends, Meridian remains highly optimistic for the rest of 2019.

Thanking you for your Business

Meridian Mortgage Fund Team