



MERIDIAN FINANCIAL GROUP

Unfolding a World of International Opportunity

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MERIDIAN MORTGAGE FUND Q4 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	\$79,287,675
Total Cash & Certificate of Deposits	\$2,976,694
Total Fund Value	\$82,264,369
Value of Underlying Security	\$169,887,563
Loan To Value Ratio	46.67%

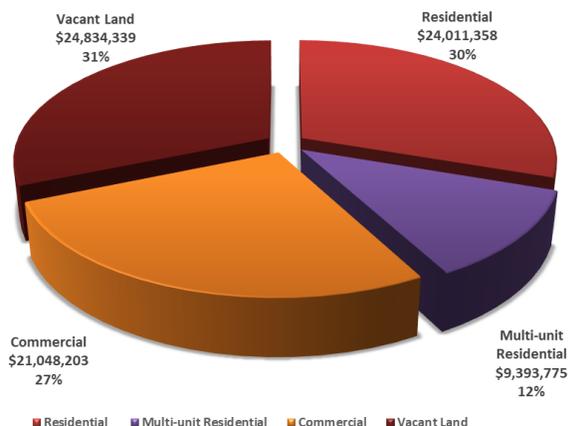
AVERAGE ANNUALISED NET RATE OF RETURN (%)

Q4 2019	3 YRS	5 YRS	INCEPTION (1996)
6.03	6.16	6.14	8.80

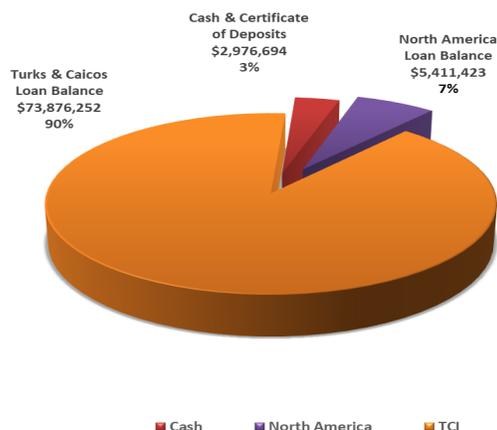
PREVIOUS QTR NET RETURNS (ANNUALISED) (%)

Q3 2019	Q2 2019	Q1 2018	Q3 2018
6.00	6.01	6.24	6.21

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 2019

The Meridian Mortgage Fund earned an annualized net return of 6.03% as of December 31, 2019.

Mortgage Fund Highlights

- The Loan to Value ratio is currently at 46.67%, 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 (TCI), which tend to lend at an average ratio in the region of 70% - 75%.
- Meridian holds 69% of its total loan portfolio in the form of assets (buildings/structures), with the potential to generate income; vacant land secures 31% of the loan portfolio. Meridian also ensures that all habitable structures are appropriately insured.

Real Estate News

- Beach Enclave, one of TCI's luxury villa ownership and rental companies, recently broke ground to signal a major expansion of the brand. The official ground breaking of phase two took place on November 26, 2019 at the site in Long Bay, Providenciales. This phase features 24 hotel keys and seven select club residences.
- Rock House, Grace Bay Resort's newest residential resort on the Northern Coast of Providenciales, has sold more than 80% of its residences and is currently under construction. This project is slated to be completed in 2021 and has only six homes left for sale in Phase 1, with pricing from \$700k.

Other TCI News

Hon. Sharlene Cartwright-Robinson reveals that the project for the dredging of the North Caicos Channel has begun, after carrying out an extended Environmental Impact Assessment (EIA). The project was released for tender during the month of December 2019 and is now in the process of waiting for an offer to be accepted by the Turks and Caicos Islands Government. The dredging of the channel is crucial to maintaining a deep enough passage for vessels to safely pass through, especially during periods of low tide.

In even greater news, Turks and Caicos has secured eight Caribbean nominations for the 27th annual World Travel Awards. The TCI as a destination has won the World Travel Award for Caribbean's Leading Beach Destination every year since 2015. From 2012 to 2014 the award for Caribbean's Leading Beach Destination was won by Grace Bay beach specifically. The territory also won the award for Caribbean's Most Romantic Destination in 2019 for the first time.

Porthole, a leading cruise magazine has also named Grand Turk as the Best Beach Port of the Caribbean. According to Publisher and Editor-in-Chief Bill Panoff, "For Grand Turk to be voted the Best Caribbean Beach Port speaks volumes about the quality of the islands and the ability of the island to exceed our readers' expectations."

Turks and Caicos Islands continue to be a beacon of light in the Caribbean as we see a steady influx of investor growth and activity in new development. The infrastructure improvements and ongoing utility upgrades further improve the luxury standards now set, especially with the most recent entrance of the world renowned Ritz-Carlton.

Thanking you for your business throughout 2019, we look forward to providing you with the best products and services throughout 2020 and beyond.

Meridian Mortgage Fund Team