



MERIDIAN FINANCIAL GROUP

Unfolding a World of International Opportunity

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MERIDIAN MORTGAGE FUND Q2 2020 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	\$78,342,428
Total Cash & Certificate of Deposits	\$4,424,862
Total Fund Value	\$82,767,290
Value of Underlying Security	\$168,178,233
Loan To Value Ratio	46.58%

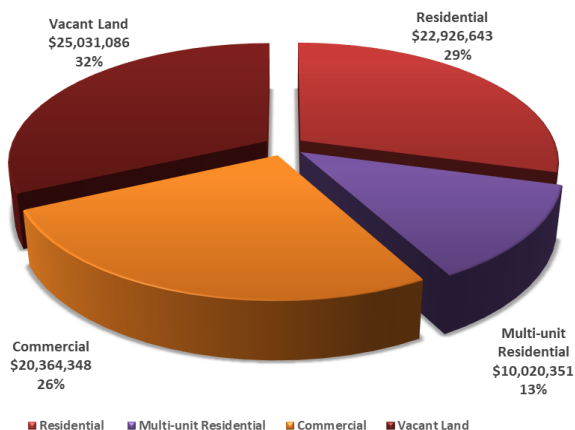
AVERAGE ANNUALISED NET RATE OF RETURN (%)

Q2 2020	3 YRS	5 YRS	INCEPTION (1996)
5.85	6.16	6.14	8.80

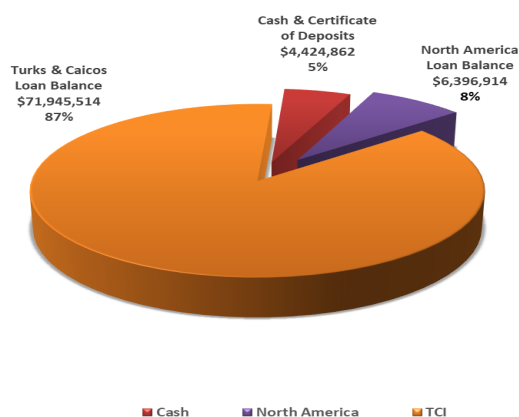
PREVIOUS QTR NET RETURNS (ANNUALISED) (%)

Q1 2020	Q4 2019	Q3 2019	Q2 2019
5.71	6.03	6.00	6.01

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 Q2 2020

The Meridian Mortgage Fund (MMF) earned an annualized net return of 5.85% as of June 30, 2020.

Mortgage Fund Highlights

- The Meridian Mortgage Fund closed off Q2 at 5.85% annualized. Whilst high uncertainty and strict lockdown measures increasingly weighed down on the economy, Meridian's return on investment continues to remain very competitive compared with other low risk investment products offered at our TCI local banks and US Treasury rates.
- The Loan to Value ratio is currently at 46.58%, 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 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.

TCI Update - Covid-19

The events of the past few months have certainly been a challenging time for the global community. As of 5 July 2020, there were 35 active cases of the Coronavirus (COVID-19) in the Turks and Caicos Islands, 5 of which requiring hospitalization. The total number of cases which have been confirmed, including these 35 active cases, is 48. The total number of deaths is 2.

The Turks and Caicos Islands Government (TCIG) has announced planned phases to gradually reopen our islands and our international borders. The TCI's local economy is scheduled to fully open all its businesses and activities, following all established protocols on July 13, 2020. The Providenciales Airport is scheduled to open on 22 July 2020 for international passengers and the Grand Turk Cruise Center reopens on 31st August 2020. Also, note that masks are required in all public places until 31 December 2020.

According to the Tourist Board, airlines have confirmed flight services from the United States, Canada and Europe. Further, the Providenciales Airport carried out a simulation exercise ahead of the border's reopening to examine and strengthen existing plans, procedures and capabilities in preparation for the opening of this main point of entry.

In further preparation for the opening of the international borders, the TCIG is scheduled to launch "***TCI Assured***", an online portal where international travelers to the Turks and Caicos will be required to provide the following prior to travel:

- A negative COVID-19 test from place of origin, taken within five (5) days of arrival to the TCI (with the exception of children aged ten (10) or under). This must be a PCR test (not an antibody test).
- Travel medical insurance will be required and must cover in country medical treatment, cost of quarantine, and medical repatriation.
- Completion of an online health questionnaire.

This portal is scheduled to launch in the immediate future. For additional queries, please contact the Ministry of Health at covid19@gov.tc

The Meridian Mortgage team has resumed its full office hours adhering to TCIG's established protocols, whilst closely monitoring any daily developments in TCI and around the world. We are grateful to our leaders and essential workers who have kept us all safe throughout the past few months.

Continue to Stay Safe.

The Meridian Mortgage Team