



MERIDIAN MORTGAGE CORPORATION LTD.

1st Quarter, 2010
Loan Portfolio Report
March 31st 2010

1ST QTR. 2010 DIVIDEND YIELD*	8.11%
4TH QTR. 2009 DIVIDEND YIELD*	9.28%
3RD QTR. 2009 DIVIDEND YIELD*	9.34%
2ND QTR. 2009 DIVIDEND YIELD*	9.34%
1ST QTR. 2009 DIVIDEND YIELD*	9.42%
ACTUAL. 2008 DIVIDEND YIELDS**	9.96%
ANNUALIZED RETURN SINCE 1996	9.83%

* Annualised return for year based on YTD performance
** Past performance is not necessarily a guide to future performance

PORTFOLIO SUMMARY

Total Loan Portfolio	\$	38,742,101.10
Cash	\$	1,303,691.89
Certificate Of Deposit	\$	-
Percentage of 2nd Mortgage		0.00%
Percentage of 1st Mortgage		100.00%
Market Value of Underlying Security		104,580,500.00
Loan to Value Ratio		37.05%

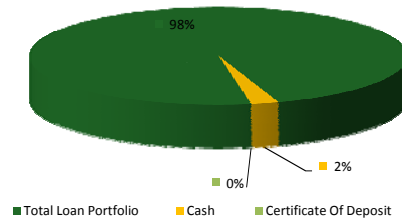
PROPERTY LOCATION

Turks & Caicos Loan Balance	\$	35,701,229.14
North America Loan Balance	\$	3,040,871.96
Cash & Certificate of Deposits	\$	1,303,691.89
Total Value of Portfolio	\$	40,045,792.99

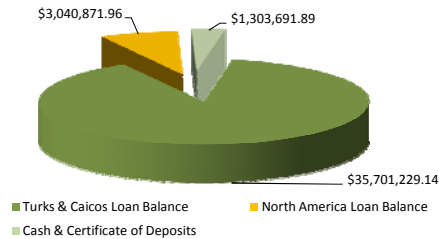
PROPERTY CLASSIFICATION

Residential	35
Multi-unit Residential	24
Commercial	20
Vacant Land	36
Number of Loans	115

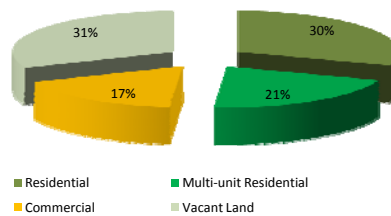
PRIORITY OF MORTGAGE



PROPERTY LOCATION



PROPERTY CLASSIFICATION



Fund Manager's Update:

The Meridian Mortgage Fund began 2010 with a net annualized return of 8.11% p.a. Although lower than 2009's 9.28% p.a., this level of return remains favourable in comparison to many other investment products.

The decrease versus 2009 can be attributed to several factors. Firstly, the Fund Manager has implemented a policy of holding a greater proportion of the portfolio in cash. The average cash holding in 2009 was approximately \$500,000 whereas in 2010 the target shall be at least 2% of the Fund value. This policy is a direct response to feedback from clients and potential investors who said they would feel more confident about investing, or increasing their investment, in the Fund knowing that sufficient cash was available to meet large redemption requests at short notice. As many of you will know, cash held on certificate of deposit earns a less favorable return compared to secured mortgage loans.

The second reason for the return decrease is that Meridian transferred a significant portion of its loan to Royal Reef Resorts Ltd to a 3rd party client as at 31st December 2009, adding to our cash holdings in Q1 2010. Although we move quickly to loan surplus cash in the form of new mortgage loans, we are selective in the properties we will accept as security. In addition, it can take several weeks to get the necessary security in place before funds may be advanced. Finally, in keeping with our conservative strategy, we have stopped accruing interest on 2 loans where payments are overdue, pending sale of the underlying properties.

In the wider TCI economy, the insolvency of TCI Bank Limited made headlines in early April. Investors are becoming increasingly vigilant about the financial strength and management ability of the financial organizations they are involved with. We are glad to report that Meridian was not directly affected by this news, as we did not hold any funds at the bank.

On a brighter note, the decline in property prices which began in 2008 appears to be flattening out, with real estate agents reporting an increase in sales volumes over the Christmas period versus the same period last year, albeit at reduced prices. Price corrections of 15-20% seem to be attracting buyers back to the marketplace. The bill passed on 22nd April to reduce Stamp Duty on land transfers by up to 6.15% from 9.75% to 3.6% for properties up to a value of \$500,000 and by up to 4.35% from 9.75% to 5.4% for properties up to a value of \$1.5m is welcome news.

The Turks and Caicos Airport Authority (TCIAA) announced the decision to award the contract for completing phase one of the Airport Expansion and Rehabilitation project to Dexter Construction, a Canadian firm, with major sub-contractors Cove Construction Ltd. and CBMS of the Turks and Caicos Islands. This will create jobs in the local economy in the short term as the project is completed and in the longer term as the ability to accommodate Boeing 777 Jumbo jets from across the Atlantic should see tourist arrival increase in the future. As was anticipated by the solid hotel booking numbers for the Christmas period, tourist arrivals in 2009 were greater than in 2008.

In summary, 2010 has begun positively for the Fund and investors can expect to see a net return in the region of 8.5% p.a. in 2010 as funds paid out on the sale of 2 properties are recycled into new loans later in the year.