

MARKET SUMMARY

Stock market gains in the fourth quarter provided an upbeat finish to an otherwise dismal 2022. Evidence that aggressive moves from the U.S. Federal Reserve (the “Fed”) were effectively slowing the rate of inflation contributed to the market’s positive quarterly returns, although wariness over the path forward diminished investor enthusiasm late in the period. While the mid-December 50-basis-point hike was a reprieve from the 75-basis-point hikes the Fed implemented in each of its four previous meetings, policymakers maintained a hawkish tone, likely in response to continued strength in the labor market.

Interest rates remained elevated, which contributed to outperformance by value stocks relative to growth stocks, according to the Russell family of indices. From a sector perspective, the energy and consumer staples sectors led the benchmark higher while the healthcare sector declined.

FUND PERFORMANCE

For the quarter ended December 31, 2022, the Meridian Growth Fund (the “Fund”) returned 4.69% (net), slightly underperforming its benchmark, the Russell 2500 Growth Index, which returned 4.72%.

Our investment process prioritizes the management of risk over the opportunity for return. We look to build an enduring fund that can mitigate capital losses during turbulent bear market environments and, secondarily, participate on the upside during strong market environments. Our philosophy proved effective during the quarter, as the Fund outperformed on five of the seven days in which the Index declined 2% or more.

Factors were generally positive during the quarter as our shift into high-quality companies that experienced material share price declines over the past 12 to 18 months was beneficial in the up market, most notably in the software industry. The quality emphasis also proved advantageous as companies without earnings significantly lagged the market while less expensive, slower-growth names generally outperformed. Hindering performance was an underweight exposure to high-momentum stocks, which considerably outperformed low-momentum stocks during the period.

Past performance does not guarantee future results. Current performance may be lower or higher than the performance data shown. The investment return and principal value of an investment will fluctuate so that you may have a gain or loss upon sale. You can obtain performance data current to the most recent month-end at www.arrowmarkpartners.com/meridian.

TOP 10 HOLDINGS (% OF PORTFOLIO)

Holding ¹ (subject to change)	Weighting
Ritchie Bros. Auctioneers, Inc.	3.39%
QuidelOrtho Corp.	3.29%
Sensata Technologies Holding PLC	3.07%
Ziff Davis, Inc.	2.84%
Frontdoor, Inc.	2.61%
Alight, Inc.	2.52%
Skechers USA, Inc.	2.31%
Steris PLC	2.29%
The Cooper Companies, Inc.	2.29%
Merit Medical Systems, Inc.	2.25%

At the sector level, our position in the information technology sector contributed positively to returns during the period, outperforming the benchmark holdings by over 6%. In addition, stock selection was positive in the healthcare sector. Specifically, our stocks within the healthcare equipment and life sciences and tools industry appreciated meaningfully, while the stocks in the index declined. Conversely, an underweight position in several sectors, including the energy, materials, and consumer staples sectors, weighed on relative performance. While we continue to look for investment opportunities in the energy space, we have yet to find companies that meet our strict investment criteria and overcome concerns about the potential for a decline in commodity prices during a recession.

BOTTOM THREE DETRACTORS

The three largest detractors to the Fund’s relative performance during the quarter were **Generac Holdings Inc.**, **Omniceil, Inc.**, and **Syneos Health, Inc.**

Generac Holdings, Inc., is a manufacturer of power generation equipment with a leading position in home standby generators. Generac also offers consumers a home energy management system that harnesses and stores power from

the sun to be used for backup during utility power outages. Severe weather events that strained already-overburdened power grids in California, Texas, and other key markets have created a significant opportunity for home power generation equipment manufacturers. Moreover, with the future potential to aggregate these distributed energy resources through the company's grid services business, homeowners have the potential to monetize these assets. The stock declined during the quarter as the company reduced its full-year revenue guidance due largely to labor shortages in Generac's dealer network which resulted in a slowdown in installations and implementations. As a consequence, dealers have reduced their on-site inventory. During the period, we exited our position in the company.

Omnicell, Inc., develops medication management systems for healthcare systems and retail pharmacies in the U.S. and internationally. Its offerings consist of hardware and software components and are used by customers ranging from robot-central pharmacies to hospitals that deploy automated dispensing systems such as bedside cabinets. We believe Omnicell's market-leading position holds attractive growth potential, especially as we anticipate healthcare systems and pharmacy operators will remain aggressively cost-conscious. The stock slumped during the quarter as the company lowered its near-term revenue and profit targets due primarily to two key factors. First, the implementation of completed deals slowed, bogged down by industry labor shortages and an overly active respiratory illness season that prompted customers to extend their plans by three to six months. Second, the company experienced a slowdown in capital budgeting decisions by over-stressed hospitals, which resulted in a decline in new bookings and awarded contracts. Despite the near-term challenges, we continue to believe in Omnicell's potential and maintained our position during the quarter.

Syneos Health, Inc., is a clinical research organization that partners with small and mid-sized biotech firms as well as large pharmaceutical companies to complete clinical trials. It has been one of the leading players in the market, but a CEO change last spring appears to have led to higher-than-usual turnover, which resulted in market share losses. Furthermore, the overall life sciences environment softened amid a drop-off in biotech funding and a reprioritization of pipelines and research and development efforts among large pharmaceutical firms. As its business model relies on a

healthy backlog, Syneos' ongoing issues appear to set it up for a tough 2023 from a fundamental standpoint, so we exited the position.

TOP THREE CONTRIBUTORS

The three largest contributors to the Fund's relative performance during the period were **Skechers USA, Inc.**, **Ziff Davis, Inc.**, and **Merit Medical Systems, Inc.**

Skechers USA, Inc., designs and sells lifestyle and athletic footwear. It is the third-largest footwear company in the U.S. and has a strong and growing international presence. In our view, the market does not fully recognize the growth opportunity represented by Skechers' international business. During the quarter, the company reported strong gains worldwide, led by a 48% increase in sales in the EMEA region and a 9% rise in the APAC region despite COVID-related slowdowns, as well as 16% growth in the Americas, powered by healthy demand in the U.S. and Canada. The company is still contending with some expense issues, primarily related to ongoing supply chain and distribution channel challenges, but investors are increasingly recognizing management's success at managing through the issues and setting the company up for potentially strong cash flow growth in 2023. Amid the growing optimism, we maintained our position in the stock.

Ziff Davis, Inc., is a leading internet and software services company, operating through two segments: business cloud services and digital media. The combined company has grown revenues for 25 consecutive years with high margins and attractive returns on invested capital. The cloud services business provides niche products to small and mid-sized businesses and enjoys a high percentage of recurring revenues, low churn, and high margins. Ziff Davis' digital media business generates revenue through subscriptions to websites it owns, including tech, entertainment, and culture site Mashable, and through advertising on those sites. Ziff Davis' advertising business model is unique in that it is almost entirely performance-based, as opposed to other sites that rely heavily on banner advertisements. Furthermore, while companies that rely on tracking users' online behaviors to target advertising must navigate stronger privacy rules and regulations, Ziff Davis does not use tracking technology, so it has no exposure to the related operational and financial challenges presented by the tougher rules. In addition, part of our initial attraction to Ziff Davis was its successful track record of acquiring undermanaged companies and

them to significantly increase profitability. In what has become an ideal market for acquirers, Ziff Davis has more than \$600 million in cash and the patience to wait for acquisition opportunities that meet its recently increased threshold for potential returns. During the period, we slightly trimmed our position as the share price appreciated.

Merit Medical Systems, Inc., designs, develops, manufactures, and markets single-use medical products on a global basis for thousands of purposes ranging from surgical procedures to biopsies. Long focused almost exclusively on revenue growth, the company is now more focused on improving margins, returns and cash flow as part of its three-year strategic plan it rolled out in 2021. Impressively, the company is executing ahead of plan and is on track to achieve its revised financial targets, yet top-line performance remains strong, as evidenced by broad-based 10.5% organic revenue growth in its most recent quarter. Given the prospects for continued outperformance, we maintained our stake in the company.

OUTLOOK

With the likelihood of continued Fed tightening in the coming months, we expect the economy to weaken and equity markets to remain volatile. Against this backdrop, we are poised to take advantage of current market weakness and multiple contraction by adding to existing positions and building positions in new names as valuations continue to decline to attractive levels, although we remain cognizant of the risks inherent in such a challenging environment. This is especially true in certain sectors that we have long seen as overvalued, such as information technology.

Our focus going forward remains on companies that can not only weather the current market downturn, but also participate when the market ultimately rebounds. The current correction continues to present us with opportunities to upgrade the quality of the portfolio while maintaining our strict valuation discipline.

Thank you for your continued partnership with ArrowMark.

MERIDIAN GROWTH FUND

FOURTH QUARTER 2022



FUND TOTAL PERFORMANCE (As of 12/31/2022)

Share Class ³	Ticker	Gross Expense Ratio	Net Expense Ratio	Inception Date	3 Month	1 Year	3 Year ⁴	5 Year ⁴	10 Year ⁴	Since Inception ^{4,5}
Class A Shares – No Load	MRAGX	1.17%	1.17%	11/15/13	4.64%	-29.46%	0.27%	3.54%	8.47%	10.86%
Class A Shares – Load	MRAGX	1.17%	1.17%	11/15/13	-1.37%	-33.52%	-1.69%	2.32%	7.83%	10.69%
Class C Shares	MRCGX	1.87%	1.87%	7/1/15	4.41%	-29.97%	-0.44%	2.81%	7.77%	10.23%
Investor Class Shares	MRIGX	0.92%	0.92%	11/15/13	4.64%	-29.31%	0.52%	3.81%	8.79%	11.15%
Legacy Class Shares	MERDX	0.85%	0.85%	8/1/84	4.69%	-29.26%	0.58%	3.86%	8.92%	11.51%
Russell 2500 Growth Index ²	-	-	-	-	4.72%	-26.21%	2.88%	5.97%	10.62%	n/a

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¹Listed holdings are presented to illustrate examples of the securities the Fund has bought and do not represent all of the Fund's holdings or future investments. Information about the Fund's holdings should not be considered investment advice. There is no guarantee that the Fund will continue to hold any one particular security or stay invested in any one particular sector. Holdings are subject to change at any time and are as of the date shown above.

²The Fund's Index, the Russell 2500™ Growth Index, measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2500 Index companies with higher price-to-value ratios and higher forecasted growth values. One cannot invest directly into an index.

³Closed to new investors.

⁴Performance is annualized.

⁵Since inception returns are calculated using the Fund's Legacy class inception date of 8/1/84.

A Class: Prior to 7/1/15, the A Class was named Advisor Class. The historical performance shown for periods prior to inception on 11/15/13 was calculated using historical Legacy class performance as adjusted for estimated class-specific expenses, for distribution, shareholder servicing and sub-transfer agency fees, without consideration to any expense limitation or waivers. The annual gross expense ratio is 1.17% as of 12/30/22. The net expense ratio is 1.17% as of 12/30/22. If the class had been offered prior to 11/15/13, the actual performance and expenses may have differed from the amounts shown. Performance shown for class A shares with load includes the Fund's maximum sales charge of 5.75%. C Class: The historical performance shown for periods prior to inception on 7/1/15 was calculated using historical Legacy class performance as adjusted for estimated class-specific expenses, for distribution, shareholder servicing and sub-transfer agency fees, without consideration to any expense limitation or waivers. The annual gross expense ratio is 1.87% as of 12/30/22. The net expense ratio is 1.87% as of 12/30/22. If the class had been offered prior to 7/1/15, the actual performance and expenses may have differed from the amounts shown. Investor Class: The historical performance shown for periods prior to inception on 11/15/13 was calculated using historical Legacy class performance as adjusted for estimated class-specific expenses for shareholder servicing and sub-transfer agency fees without consideration to any expense limitation or waivers. The annual gross expense ratio is 0.92% as of 12/30/22. The annual net expense ratio is 0.92% as of 12/30/22. Legacy Class: The annual gross expense ratio is 0.85% as of 12/30/22. The annual net expense ratio is 0.85% as of 12/30/22. Legacy class shares of the Fund are no longer available for purchase by new investors, except under certain limited circumstances which are described in the Statement of Additional Information.

Investors should consider the investment objective and policies, risk considerations, charges and ongoing expenses of an investment carefully before investing. The prospectus contains this and other information relevant to an investment in the fund. Please read the prospectus carefully before you invest or send money. To obtain a prospectus, please contact your investment representative or access the website at www.arrowmarkpartners.com/meridian.

Principal Investment Risks

There are risks involved with any investment. The principal risks associated with an investment in the Fund, which could adversely affect its net asset value, yield and return, are set forth below. Please see the section “Further Information About Principal Risks” in the Prospectus for a more detailed discussion of these risks and other factors you should carefully consider before deciding to invest in the Fund. *An investment in the Fund may lose money and is not a deposit of a bank or insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.* **Investment Strategy Risk:** The Investment Adviser uses the Fund’s principal investment strategies and other investment strategies to seek to achieve the Fund’s investment objective of long-term growth of capital. There is no assurance that the Investment Adviser’s investment strategies or securities selection method will achieve that investment objective. **Equity Securities Risk:** Equity securities fluctuate in price and value in response to many factors including historical and prospective earnings of the issuer and its financial condition, the value of its assets, general economic conditions, interest rates, investors’ perceptions and market liquidity. **Market Risk:** The value of the Fund’s investments will fluctuate in response to the activities of individual companies and general stock market and economic conditions. As a result, the value of your investment in the Fund may be more or less than your purchase price. **Growth Securities Risk:** Because growth securities typically trade at a higher multiple of earnings than other types of securities, the market values of growth securities may be more sensitive to changes in current or expected earnings than the market values of other types of securities. In addition, growth securities, at times, may not perform as well as value securities or the stock market in general, and may be out of favor with investors for varying periods of time. **Small Company Risk:** Generally, the smaller the capitalization of a company, the greater the risk associated with an investment in the company. The stock prices of small capitalization and newer companies tend to fluctuate more than those of larger capitalized and/or more established companies and generally have a smaller market for their shares than do large capitalization companies. **Foreign Securities Risk:** Investments in foreign securities may be subject to more risks than those associated with U.S. investments, including currency fluctuations, political and economic instability and differences in accounting, auditing and financial reporting standards. Foreign securities may be less liquid than domestic securities so that the Fund may, at times, be unable to sell foreign securities at desirable times or prices. In addition, emerging market securities involve greater risk and more volatility than those of companies in more developed markets. Significant levels of foreign taxes are also a risk related to foreign investments. **Glossary: Earnings Per Share:** A company’s profit divided by its number of common shares outstanding. **EBITDA:** Earnings before interest, taxes, depreciation & amortization. **Free Cash Flow:** A measure of a company’s financial performance, calculated as operating cash flow minus capital expenditures. **Price-to-earnings:** A valuation ratio of current share price compared to its per-share operating earnings over the previous four quarters. **Return On Invested Capital (ROIC):** A calculation used to assess a company’s efficiency at allocating the capital under its control to profitable investments. **Basis Point:** A common unit of measure for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01%, or 0.0001, and is used to denote the percentage change in a financial instrument. **Russell 2500™ Value Index:** An index that measures the performance of the small to mid-cap value segment of the US equity universe. It includes those Russell 2500™ companies that are considered more value oriented relative to the overall market as defined by Russell’s leading style methodology. One cannot invest directly into an index.

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