

MERIDIAN SMALL CAP GROWTH FUND

December 31st, 2022 Update



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

The Meridian Small Cap Growth Fund (the “Fund”) returned 7.41% (net) during the quarter ended December 31, 2022, outperforming its benchmark, the Russell 2000 Growth Index, which returned 4.13%.

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 each 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. At the sector level, healthcare was the largest

TOP 10 HOLDINGS (% OF PORTFOLIO)

| Holding ¹ (subject to change) | Weighting |
|--|-----------|
| Ritchie Bros. Auctioneers, Inc. | 3.32% |
| QuidelOrtho Corp. | 3.20% |
| Heritage-Crystal Clean, Inc. | 2.82% |
| Merit Medical Systems, Inc. | 2.73% |
| Alight, Inc. | 2.66% |
| Frontdoor, Inc. | 2.57% |
| Skechers USA, Inc. | 2.24% |
| Momentive Global, Inc. | 1.91% |
| Stoneridge, Inc. | 1.81% |
| Forward Air Corp. | 1.79% |

positive contributor to outperformance. Specifically, our stocks within the healthcare equipment and life sciences and tools industry appreciated meaningfully, while the stocks in the index declined. Additionally, although underweight the sector, our information technology holdings outperformed the benchmark holdings by almost 10%, providing a positive tailwind to performance. 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.

TOP THREE CONTRIBUTORS

The three largest individual contributors to the Fund’s relative performance during the quarter were **4D Molecular Therapeutics, Hudson Technologies, Inc.**, and **Dice Therapeutics, Inc.**

4D Molecular Therapeutics, Inc., is a clinical-stage gene therapy company with product candidates in three areas: ophthalmology, cardiology, and pulmonology. Our initial enthusiasm for this company was driven primarily by its lead product candidate, 4D-310, for the treatment of Fabry

The Fund’s performance data represents past performance and 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.

Not FDIC-Insured, Not Bank Guaranteed, May Lose Value
www.arrowmarkpartners.com/meridian |
contactmeridian@arrowmarkpartners.com

MERIDIAN SMALL CAP GROWTH FUND

December 31st, 2022 Update

disease, a rare genetic disorder. While the clinical development of 4D-310 continued to progress during the quarter, early-stage readouts on two other experimental treatments boosted the stock. Initial clinical trial data on 4D-710 for the treatment of cystic fibrosis lung disease and 4D-150 for the treatment of wet age-related macular degeneration was favorable, helping validate the company's proprietary Therapeutic Vector Evolution platform for developing therapies. During the quarter, we trimmed our position as the share price appreciated based on our risk discipline.

Hudson Technologies, Inc., is the market leader in recycled and reclaimed refrigerants with proprietary reclamation technology and a national distribution network. We have owned shares of the company for several years due to our belief that its leading position would allow the company to capitalize on improving supply-demand dynamics from the Environmental Protection Agency's (EPA's) phaseout of R-22 (refrigerant used in air conditioners). The phaseout concluded in 2020 and virgin R-22 is no longer being produced. This has resulted in strong refrigerant pricing given stable demand and more limited supply. Such industry dynamics contributed to 48% year-over-year revenue growth and a sizeable expansion in the company's gross margin to 49% in its most recent quarter. Capitalizing on the robust cash generation, management has improved the company's balance sheet, most notably by reducing overall debt. We are optimistic that another catalyst for growth is the AIM Act to reduce the production of hydrofluorocarbons (HFCs). Similar to the phaseout of R-22, we believe this will result in strong supply-demand dynamics for reclaimed HFC refrigerants and allow Hudson to capitalize on its market-leading position. During the quarter, we maintained our position in the stock.

Dice Therapeutics, Inc., is a clinical-stage biopharmaceutical company developing oral treatments for chronic autoimmune and inflammatory diseases. Our interest stems largely from the company's novel approach to therapies for conditions that are currently primarily addressed with injectable medicines, including its lead product candidate DC-806 for the treatment of psoriasis. The stock benefited during the quarter from a clinical trial readout that contained favorable data on both the efficacy and safety of DC-806. Similar to 4D, we trimmed our position as the share price appreciated based on our risk discipline.

BOTTOM THREE DETRACTORS

The three largest individual detractors from the Fund's relative performance during the period were **Omniceil, Inc.**, **Syneos Health, Inc.**, and **Instil Bio, Inc.**

Omniceil, 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.

Instil Bio, Inc., is a clinical-stage biopharmaceutical company developing cancer treatments. We initially found its focus on tumor-infiltrating lymphocytes (TILs), which are white blood cells that work to kill cancer cells, compelling. Yet, during the quarter, the company announced it was discontinuing trials of its primary ITIL-168 program due largely to manufacturing issues and laying off 60% of its workforce. It also announced

MERIDIAN SMALL CAP GROWTH FUND

December 31st, 2022 Update



it was focusing on its CoStAR-TIL research, with an emphasis on its ITIL-306 program for lung, ovarian, and kidney cancers. Given the change in direction and the lack of data until late 2023 for the early-stage ITIL-306 program, we exited the position.

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 SMALL CAP GROWTH FUND

December 31st, 2022 Update



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

| Share Class ² | Ticker | Gross Expense Ratio | Net Expense Ratio | Inception Date | 3 Month | 1 Year | 3 Year ⁴ | 5 Year ⁴ | Since Inception ^{4,5} |
|--|--------|---------------------|-------------------|----------------|---------|---------|---------------------|---------------------|--------------------------------|
| Class A Shares – No Load | MSGAX | 1.49% | 1.49% | 12/16/13 | 7.29% | -24.95% | 0.94% | 4.15% | 8.55% |
| Class A Shares – With Load | MSGAX | 1.49% | 1.49% | 12/16/13 | 1.10% | -29.25% | -1.04% | 2.92% | 7.84% |
| Class C Shares | MSGCX | 2.17% | 2.17% | 7/1/15 | 7.01% | -25.53% | 0.22% | 3.41% | 7.79% |
| Investor Class Shares | MISGX | 1.22% | 1.22% | 12/16/13 | 7.38% | -24.79% | 1.18% | 4.41% | 8.83% |
| Legacy Class Shares | MSGGX | 1.15% | 1.15% | 12/16/13 | 7.41% | -24.71% | 1.27% | 4.50% | 8.91% |
| Russell 2000 Growth Index ³ | - | - | - | - | 4.13% | -26.36% | 0.65% | 3.51% | 6.56% |

The Fund's performance data represents past performance and 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.

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.

²Share classes are closed to new investors.

³The Fund's Index, the Russell 2000[®] Growth Index, measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 Index companies with higher price-to-value ratios and higher forecasted growth values. One cannot invest directly into an index.

⁴Performance is annualized.

⁵Since inception returns are calculated using the Fund's Legacy class inception date of 12/16/13.

A Class: Prior to 7/1/15, the A Class was named Advisor Class. The historical performance shown for periods prior to inception on 12/16/13 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 1.49% as of 12/30/22. The net expense ratio is 1.49% as of 12/30/22. If the class had been offered prior to 12/16/13, 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 2.17% as of 12/30/22. The net expense ratio is 2.17% 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 12/16/13 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 1.22% as of 12/30/22. The annual net expense ratio is 1.22% as of 12/30/22. Legacy Class: The annual gross expense ratio is 1.15% as of 12/30/22. The annual net expense ratio is 1.15% 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 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: Amortization:** Gradually writing off the initial cost of an intangible asset. **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. **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.

ALPS Distributors, Inc., a member FINRA, is the distributor of the Meridian Mutual Funds, advised by ArrowMark Colorado Holdings, LLC. ALPS, Meridian and ArrowMark are unaffiliated.

The statements and opinions expressed in this commentary are as of the date of the commentary. All information is historical and not indicative of future results and is subject to change

MRD000343