

MERIDIAN GROWTH FUND

September 30, 2024 Update

MARKET SUMMARY

The U.S. Federal Reserve (“Fed”) cut interest rates by 0.5% on September 18th, offering investors some much-anticipated relief. This significant move helped to stabilize markets after a volatile August marked by concerns over weakening job-market signals. Small caps outperformed large caps in the quarter, gaining 9.3% and 6.1% respectively, as indicated by the Russell family of indices. Most of the small cap gains occurred in July before cooling off in August and September. Bond yields fell throughout the quarter, reflecting market expectations of Fed easing; the yield on the ten-year U.S. Treasury decreased from 4.4% to 3.8%. Overall, optimism for a soft landing was buoyed by expectations of a stabilizing job market.

FUND PERFORMANCE

The Meridian Growth Fund (the “Fund”) returned 6.78% (net) during the quarter ended September 30, 2024, slightly underperforming its benchmark, the Russell 2500 Growth Index, which returned 6.99%.

Our investment approach is grounded in three core principles: focusing on high-quality businesses with recurring revenue and sustainable competitive advantages; prioritizing the management of risk over the opportunity for return; and constructing a resilient portfolio capable of mitigating capital losses during turbulent periods while participating in gains during robust market conditions.

The investment strategy’s emphasis on downside protection proved effective this quarter, as the strategy outperformed the index on all six days when it declined 2% or more. While smaller cap companies outperformed during the period, high-momentum companies continued to lead the market, creating a headwind to our more valuation-disciplined approach.

From a sector perspective, positive stock selection in the healthcare and energy sectors aided returns. Conversely, select holdings in the industrials, financials, and consumer discretionary sectors detracted from relative returns.

BOTTOM THREE DETRACTORS

OKTA, Inc., **Ziff-Davis, Inc.**, and **Global Foundries, Inc.** were the three top detractors from the Fund’s relative performance during the quarter.

TOP 10 HOLDINGS¹ (% OF PORTFOLIO)

Holding ¹ (subject to change)	Weighting
RB Global, Inc.	3.35%
Trimble, Inc.	3.31%
Smartsheet, Inc.	3.10%
CarGurus, Inc.	2.85%
Steris PLC	2.82%
Churchill Downs, Inc.	2.82%
Euronet Worldwide, Inc.	2.75%
Ziff Davis, Inc.	2.72%
Sensata Technologies Holding PLC	2.57%
Doximity, Inc.	2.33%

OKTA, Inc. is the largest independent identity software company, serving a large and diverse clientele, including enterprises, universities, and government agencies. Its solutions provide advanced security authentication, and integration with over 7,000 software vendors enhances its competitive advantage. Despite beating earnings expectations and raising guidance, the stock underperformed due to concerns about a slightly lower-than-expected forward growth metric, which led to worries about fiscal year 2026 growth prospects. Historically, management has been conservative in its guidance and has consistently over-delivered, and we believe the market overreacted as fundamentals remain strong. As a result, we added to our position during the quarter.

Ziff Davis, Inc. operates a leading internet and software services company through two segments: business cloud services and digital media. The stock fell in the quarter on missed earnings and evidence of slowing business in June, reversing some of the stabilization and positive momentum reported in the prior quarter. The company cited pockets of weakness in its business-to-business tech advertising unit, and its subscription business came in below expectations, largely on shifting sales bookings that impacted the timing of sales, making comparisons difficult.

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.

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On a positive note, Ziff Davis announced the acquisition of CNET, a significant media asset in technology and consumer electronics. Ziff-Davis is well-known for its ability to acquire assets and create long-term value. Selling at an attractive valuation we believe growth could reaccelerate, especially with further accretive acquisitions, and modestly trimmed our position during the period.

Global Foundries, Inc. is a semiconductor contract manufacturing and design company. The strategically valuable company operates facilities in the U.S., Singapore, and Europe, reducing exposure to geopolitical risks in China and Taiwan. The stock's underperformance in the period aligned with broader weakness in the semiconductor industry while facing softening demand from end markets. As the sector recovers from a downturn, the company's revenue sources are shifting toward lower-margin, but much healthier revenue sources. This dynamic will make for tough comparisons in the near term but overall, allows the company to drive higher revenues through product sales instead of collecting capacity underutilization fees. During the period, we slightly trimmed our position in the company.

TOP THREE CONTRIBUTORS

Doximity, Inc., Smartsheet, Inc., and The Cooper Companies, Inc. were the three top contributors to the Fund's relative performance during the quarter.

Doximity, Inc. operates a digital platform tailored for medical providers, functioning similarly to LinkedIn for healthcare professionals. Its cloud-based tools facilitate collaboration, patient care, virtual visits, medical news, research, and career management. With approximately 80% of U.S. doctors using Doximity, the platform presents a significant advertising opportunity, especially for pharmaceutical companies. The stock performed strongly during the quarter, driven by robust revenue growth and margin expansion. Additionally, the introduction of a new portal allowing pharmaceutical clients to self-manage marketing campaigns could further enhance market share. During the quarter, we trimmed the stock as the share price appreciated based on our valuation discipline.

Smartsheet, Inc. provides a comprehensive work-management software solution that enhances project management and workflow organization. Its platform significantly boosts productivity and offers a strong return on investment for customers. With over a billion potential knowledge workers globally, Smartsheet is well-positioned for growth, supported by established relationships with large enterprises that contribute to 95% recurring revenues and high gross margins. We identified these promising dynamics earlier this year when Smartsheet was trading at a significant discount to its peers.

The company attracted the attention of private equity, which made what we believe to be a fair offer to take it private, propelling the stock higher during the quarter. As a result, we trimmed our position during the period.

The Cooper Companies, Inc. is a medical technology firm with two main divisions: CooperVision, a leader in contact lenses, and CooperSurgical, which focuses on women's health, including reproductive care and fertility. The stock experienced solid performance during the quarter, driven by strong organic growth and margin expansion. CooperVision gained market share and continues to generate pricing gains because of industry capacity constraints and a favorable product mix. During the quarter, we trimmed our position in the stock based on our valuation discipline.

OUTLOOK

The Fed's September rate cut and dovish stance signal the potential for further reductions in the months ahead. While this news is welcome, the relief can't come soon enough for the consumer. Historically, rate cuts can take 12 to 18 months to impact the economy, and even with moderating inflation rates, ongoing price pressures continue to weigh heavily. Until we see clearer signs of stabilization, we remain cautious about consumer-facing stocks and are keeping the portfolio underweight in this sector.

In contrast, we're gradually gaining confidence in the healthcare outlook. After several years of underperformance, healthcare stocks are now trading slightly below historical valuations with stable to improving fundamentals. Our recent company checks reinforce a sound basis for the portfolio's overweight position in this sector.

Throughout all market conditions, our strategy remains focused on owning quality businesses with stable revenues that are priced attractively. We prioritize risk management over the pursuit of returns, and we remain confident in the resilience of our portfolio of companies.

Thank you for your continued partnership with ArrowMark.

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FUND TOTAL PERFORMANCE (As of 9/30/2024)

Share Class	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	1.12%	1.12%	11/15/13	6.85%	18.87%	-4.04%	6.23%	8.21%	10.94%
Class A Shares – Load	MRAGX	1.12%	1.12%	11/15/13	0.70%	12.04%	-5.91%	4.98%	7.57%	10.78%
Class C Shares ³	MRCGX	1.89%	1.89%	7/1/15	6.70%	18.06%	-4.72%	5.48%	7.47%	10.30%
Investor Class Shares	MRIGX	0.94%	0.94%	11/15/13	6.79%	19.02%	-3.87%	6.45%	8.49%	11.22%
Legacy Class Shares ³	MERDX	0.88%	0.88%	8/1/84	6.78%	19.05%	-3.82%	6.51%	8.57%	11.57%
Russell 2500 Growth Index ²	-	-	-	-	6.99%	25.20%	-0.75%	9.75%	9.98%	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 1.12% as of 6/30/23. The net expense ratio is 1.12% as of 6/30/23. 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 1.89% as of 6/30/23. The net expense ratio is 1.89% as of 6/30/23. 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 0.94% as of 6/30/23. The annual net expense ratio is 0.94% as of 6/30/23. Legacy Class: The annual gross expense ratio is 0.88% as of 6/30/23. The annual net expense ratio is 0.88% as of 6/30/23. 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: 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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