

MERIDIAN HEDGED EQUITY FUND

March 31, 2024 Update



MARKET SUMMARY

The market rally extended through the first calendar quarter buoyed by strong economic signals and generally encouraging inflation reports. Investors appeared to gain comfort with the U.S. Federal Reserve's (Fed) higher-for-longer stance on interest rates, even as the U.S. Treasury yields rose to 4.2%, ten percent above end-of-year levels.

Strong early gains in large caps and tech leaders eventually broadened to include other sectors and smaller companies, particularly late in the quarter. Large companies outpaced small companies, gaining 10.3% and 5.2%, respectively. From a style perspective, growth stocks outperformed value by a small margin among larger companies and by a greater margin at the lower end of the market cap spectrum, according to the Russell family of indices.

Market volatility remained muted in the first quarter and risk assets continued their upward trajectory, perhaps providing indications that investors might be growing somewhat complacent. The VIX index, a key measure of expected market volatility, is currently at 13.6, well below its long-term average of around 20. With valuations beginning to look stretched and volatility relatively cheap, we believe it is prudent to look at hedging some incremental exposure with options.

FUND PERFORMANCE

The Meridian Hedged Equity Fund (the "Fund") gained 5.46% (net) during the quarter, trailing its benchmark, the S&P 500 Index, which gained 10.56%. In addition, the Fund slightly underperformed its secondary benchmark, the CBOE S&P 500 Buy/Write Index, which returned 6.02%

Our investment strategy prioritizes the management of downside risks over chasing excess returns. Over time, we expect the preservation of capital in down markets to be a quiet and powerful contributor to the long-term compounding of returns.

Our goal is to build and maintain a durable portfolio capable of minimizing losses during market downturns while participating in upswings. To achieve this, we focus on high-quality businesses with attractive valuations, substantial competitive advantages, strong balance sheets, robust cash flow, and limited volatility.

TOP 10 HOLDINGS (% OF PORTFOLIO)

Holding ¹ (subject to change)	Weighting
Qualcomm, Inc.	3.16%
D.R. Horton, Inc.	3.06%
Amazon.com, Inc.	2.89%
Nvidia Corp.	2.81%
Vistra Corp.	2.77%
Clear Secure, Inc.	2.76%
MGM Resorts International	2.66%
Microsoft Corp.	2.60%
Zoom Video Communications, Inc.	2.57%
Live Nation Entertainment, Inc.	2.51%

We focus on quality as a central tenet of our strategy. We own long positions in high-quality companies for growth potential, and when conditions warrant, we hedge select positions through call options in an attempt to enhance safety, generate income, and mitigate downside risks. We underpin this approach with thorough fundamental analysis that seeks to balance risks with the potential for long-term growth.

BOTTOM THREE DETRACTORS

Sally Beauty Holdings, Inc., **Liberty Broadband Corp.**, and **Rivian Automotive, Inc.** were the three bottom detractors from the Fund's relative performance during the quarter.

Sally Beauty Holdings, Inc. is an international specialty retailer and distributor of professional beauty products, with a focus on hair color and hair care. The company has two segments: Sally Beauty Supply ("SBS"), which serves retail customers and salon professionals, and Beauty Systems Group ("BSG"), which serves professional stylists and salons. The company has faced several challenges in recent quarters, impacting both the top and bottom lines. The lower- to middle-income consumer who shops at SBS has felt pressure from inflation and has been more cautious with their spending. This has led to softer traffic at

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 HEDGED EQUITY FUND

March 31, 2024 Update

SBS as customers have been extending the time between hair treatments and buying fewer discretionary items. Unfavorable weather conditions in the early part of the second quarter of fiscal 2024 further pressured traffic. This is especially impactful to SBS, as it is the larger and higher-margin segment for the company. Despite near-term headwinds, Sally Beauty is implementing several initiatives that should benefit the company over time. The company has launched several programs, including the “Studio by Sally” store concept and the “Licensed Colorist on Demand” online platform, that should drive customer engagement and retention. Sally Beauty has also launched a new store concept called “Happy Beauty Co.,” a value-focused beauty store with all items priced under \$10. The company is also focused on increasing the penetration of its owned brands across its segments, which carry higher margins than national brands. We expect these initiatives will aid in a return to positive comparable sales growth over time and help drive margin expansion. Given the uncertainty of the timing of these turnaround initiatives, we re-hedged our exposure to the stock during the period.

Liberty Broadband Corporation is a holding company. The largest asset at Liberty Broadband is a 26% ownership stake in Charter Communications, which is a cable company. This ownership exposes Liberty Broadband to trends in the cable industry and the equity value of Charter shares. The underperformance of Liberty Broadband shares over the past quarter was largely driven by the underperformance of Charter. Charter shares have been under pressure since its recent earnings report when management raised the near-term capital expenditures (capex) outlook for network upgrades and line extensions. Higher capex, the looming defunding of the Affordable Connectivity Program (ACP), continued competitive pressure on broadband net adds, and some incremental free cash flow pressure from higher cash taxes have also represented recent/current headwinds for the stock. Despite these near-term challenges, we remain optimistic about the long-term prospects for both Charter and the cable industry. Cable companies are well-positioned to benefit from the growing demand for high-speed internet access, as more and more people work from home and consume streaming video content. Additionally, cable companies have been investing heavily in network upgrades and new technologies, such as DOCSIS 4.0, that will allow them to offer even faster speeds and more reliable service. We also see an opportunity for cable companies to bundle their broadband services with other products, such as mobile phone service and home security, which could help to drive further growth. Given this favorable outlook, we continue to hold shares of the company.

Rivian Automotive, Inc. is a US-based manufacturer of electric vehicles, namely the R1T pickup truck and R1S SUV. They also have exposure to the commercial vehicle market with their electric delivery vans (EDVs) that are sold to companies like Amazon. The company has faced challenges amid the broader slowdown in electric vehicle demand and rising interest rates. This has contributed to Rivian underperforming expectations over the past few quarters. Rivian has also incurred losses as it continues to invest in the development of its products and manufacturing capabilities. We own Rivian in a hedged structure, which provides a significant margin of safety. Despite the near-term challenges, several factors provide optimism that Rivian can emerge as a long-term winner in the EV market. Rivian's balance sheet is strong, with a substantial cash position that enables the company to continue investing in its growth and navigate through the current economic headwinds. Rivian is also unveiling the R2, which is a smaller and more affordable EV platform that will open the company's products to a wider customer base. Lastly, Rivian's investment in the enhancement of its production capabilities should improve the company's manufacturing efficiency and drive a path to profitability. We continue to hold the company in a hedged structure.

TOP THREE CONTRIBUTORS

Vistra Corp., NVIDIA Corp., and Amazon.com, Inc. were the three largest contributors to relative Fund performance during the quarter.

Vistra Corp. is an integrated retail electricity and power generation company based in Irving, Texas. It operates in 12 states and six of the seven competitive markets in the U.S. Vistra's retail brands serve approximately 2.9 million customers and its power generation fleet totals approximately 41,000 megawatts of natural gas, nuclear, coal, and solar facilities. Vistra was a top performer in the strategy over the past quarter, with its shares rallying over 80%. A key driver has been the thesis that the projected growth of power-hungry data centers, spurred by the rise of generative AI, will increase electricity demand and power prices. This is expected to significantly benefit incumbent power generators like Vistra. The company's efficient generation portfolio, especially its nuclear and natural gas plants, is well-positioned to capitalize on rising demand, scarcity pricing, and ancillary services in the Texas power market. Vistra is also pursuing opportunities to potentially sign high-margin power offtake agreements directly with data center customers for its nuclear plants, similar to a recent deal by peer Talen Energy and Amazon. We continue to like Vistra's strong free cash flow generation supporting continued share buybacks and debt reduction,

MERIDIAN HEDGED EQUITY FUND

March 31, 2024 Update

synergies from the recent Energy Harbor acquisition, and a favorable power market backdrop with rising spark spreads. We trimmed the stock following its strong performance during the period.

NVIDIA Corporation is a leading designer of graphics processing units (GPUs) for the gaming and professional markets, as well as system-on-a-chip units for the mobile computing and automotive markets. The company has experienced strong performance recently due to booming demand for its data center products, particularly those related to artificial intelligence. A major driver of Nvidia's recent success has been the growing adoption of its GPU accelerators for AI training and inference across various end markets. The company's GPUs have become an industry standard for training large language models (LLMs), and its networking solutions, such as NVLink and InfiniBand, are critical to maximizing the performance of AI systems. Nvidia's latest Blackwell GPU platform is expected to further extend its lead in the AI accelerator market, with significant performance and total cost of ownership benefits over its predecessors. As the AI market continues to expand with growing adoption across enterprises and sovereign nations, we expect Nvidia to maintain its dominance and experience sustained growth in its data center business. Beyond data centers, Nvidia has also benefited from strong demand in its gaming business, which has recovered after a period of inventory digestion in 2022. The company's gaming GPUs have been well-received, and its focus on the high-end market has supported growth in average selling prices. Looking ahead, we expect the gaming market to remain healthy with ongoing growth potential. Nvidia also sees opportunities to diversify its business and foray into new markets, such as automotive and robotics. We continued to hold our position in Nvidia.

Amazon.com, Inc. reported a strong quarter. Its focus on streamlining its fulfillment network through regionalization efforts has yielded significant cost savings and efficiency gains. These improvements, coupled with strategic investments in automation and robotics, are expected to further enhance margins and profitability in the coming quarters. We believe the set-up for margin expansion over the coming years is compelling. Driven both by efficiency gains and growth in more profitable businesses like advertising, Amazon continues to invest strategically in innovation and expansion initiatives. These include advancements in artificial intelligence and machine learning,

the development of new fulfillment centers and delivery stations, and the expansion of Prime services and digital content offerings. We believe these strategic investments are laying the groundwork for sustained growth and market leadership in the years to come and continue to hold shares in Amazon as an unhedged position.

OUTLOOK

The Fed has so far held firm in its belief that it will likely cut interest rates up to three times this year. Investors, who are looking at robust economic data, don't seem quite as sure. Ten-year Treasury yields ended the quarter well above year-end levels, signaling expectations for—or acceptance of—continued inflation and higher-for-longer interest rates.

Opportunity is often born out of volatility, and we are generally comfortable with the portfolio's positioning, including our hedging activity designed to offset a portion of the market's potential downside. Regardless of whether conditions are good or poor, we stick to our playbook and prudently work to manage risk through deep fundamental company-level research in search of high-quality businesses selling at attractive valuations. Meanwhile, our charge to prioritize risk over return remains steadfast, even if that means trading some incremental market upside for downside protection. Through the combination of stock selection and our hedging strategy, we believe our disciplined and conservative approach to deploying capital offers the potential to generate long-term returns with lower volatility.

Thank you for your continued partnership with ArrowMark.

MERIDIAN HEDGED EQUITY FUND

March 31, 2024 Update



FUND TOTAL PERFORMANCE (As of 3/31/2024)

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	MRAEX	1.65%	1.51%	11/15/13	5.41%	17.04%	5.10%	12.37%	11.95%	9.26%
Class A Shares – With Load	MRAEX	1.65%	1.51%	11/15/13	-0.66%	10.34%	3.04%	11.06%	11.29%	8.93%
Class C Shares	MRCEX	2.28%	2.26%	7/1/15	5.24%	16.36%	4.62%	11.90%	11.45%	9.09%
Investor Class Shares	MRIEX	1.28%	1.26%	11/15/13	5.48%	17.23%	5.42%	12.73%	12.23%	9.54%
Legacy Class Shares	MEIFX	1.34%	1.26%	1/31/05	5.46%	17.36%	5.45%	12.74%	12.32%	9.92%
S&P 500 Index ²	–	–	–	–	10.56%	29.88%	11.49%	15.05%	12.96%	10.26%
CBOE S&P 500 BuyWrite Index ³	–	–	–	–	6.02%	11.89%	6.18%	5.93%	5.94%	5.45%

Past performance is no guarantee of future results. 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.

²The Fund's Index, the S&P 500[®] Index, is a commonly recognized market-capitalization-weighted index of 500 widely held equity securities, designed to measure broad U.S. equity performance. One cannot directly invest into an index.

³The CBOE S&P 500 BuyWrite Index (BXM) is a benchmark index designed to track the performance of a hypothetical buy-write strategy on the S&P 500 Index[®]. The BXM is a passive total return index based on (1) buying an S&P 500 stock index portfolio, and (2) "writing" (or selling) the near-term S&P 500 Index (SPXSM) "covered" call option, generally on the third Friday of each month.

⁴Performance is annualized.

⁵Since inception returns are calculated using the Fund's Legacy class inception date of 1/31/05.

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 1.65% as of 6/30/23. The annual net expense ratio is 1.51% after a recoupment of 0.14% 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 2.28% as of 6/30/23. The annual net expense ratio is 2.26% after a recoupment of 0.02% 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 1.34% as of 6/30/23. The annual net expense ratio is 1.26% after a recoupment of 0.08% 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. Legacy Class: 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. The annual gross expense ratio is 1.34% as of 6/30/23. The annual net expense ratio is 1.26% after a recoupment of 0.08% as of 6/30/23.

MERIDIAN HEDGED EQUITY FUND

March 31, 2024 Update



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. **Options Risk:** Options on securities may be subject to greater fluctuation in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail great than ordinary investments. **Glossary: Alpha:** A measure of performance on a risk-adjusted basis. Alpha compares the volatility (price risk) of the Fund to risk-adjusted performance of the benchmark Index. **Free cash flow** is a measure of a company's financial performance, calculated as operating cash flow minus capital expenditures. **Options** are a financial derivative sold by an option writer to an option buyer. The contract offers the buyer the right, but not the obligation, to buy (call option) or sell (put option) the underlying asset at an agreed-upon price during a certain period of time or on a specific date. **CBOE Volatility Index (VIX):** The VIX Index is a financial benchmark designed to be an up-to-the-minute market estimate of expected volatility of the S&P 500 Index, and is calculated by using the midpoint of real-time S&P 500® Index (SPX) option bid/ask quotes. **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.

MMF000364 EXP 07/31/2024