

MERIDIAN HEDGED EQUITY FUND

September 30, 2025 Update

Formerly known as the Meridian Enhanced Equity Fund



MARKET SUMMARY

The quarter highlighted a market more focused on the tailwind of policy easing than the headwind of weakening fundamentals, producing substantial gains even as stagflation emerged as a key concern. Tariffs simultaneously compressed corporate margins and elevated inflation, while labor market conditions weakened, highlighted by the BLS benchmark revision removing jobs from prior estimates. The Fed's September rate cut acknowledged these "risks to employment," yet modest dot plot guidance revealed internal debate about the appropriate policy path. Credit markets showed bifurcation: exuberant institutional conditions offset by some mounting consumer stress.

The AI narrative dominated equity performance and generated spirited debate about the sector's trajectory. Solid results from Oracle and massive infrastructure commitments from OpenAI and Meta fueled momentum, with markets largely willing to give management teams the benefit of the doubt on long-term return profiles despite near-term capital intensity. Investors demonstrated comfort with extended monetization horizons, valuing AI's disruptive capacity above traditional financial metrics.

Investors looked past these accumulating risk factors—rising valuations, persistent inflation, labor market weakness, and trade policy uncertainty—choosing instead to focus on AI headlines and the Fed's dovish pivot. Political instability amplified this disconnect, with a government shutdown looming. U.S. small caps led the way, rallying 12.4% (+10.4% YTD) while recovering from negative territory earlier in the year. Value slightly outperformed growth. Large caps gained 8% (+14.6% YTD), led by renewed strength in the AI trade, as growth stocks (+10.4%) nearly doubled the return of value (+5.3%), according to the Russell family of indices.

FUND PERFORMANCE

The Meridian Hedged Equity Fund (the "Fund") gained 1.67% (net) during the quarter ending September 30, 2025, trailing its benchmark, the S&P 500 Index, which gained 8.13%. The Fund also underperformed its secondary benchmark, the CBOE S&P 500 BuyWrite Index, which returned 3.53%.

Past performance is no guarantee of future results.

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 Destra Capital Investments LLC at 877.855.3434 or access the website at www.arrowmarkpartners.com/meridian. Not FDIC-Insured, Not Bank Guaranteed, May Lose Value

TOP 10 HOLDINGS (% OF PORTFOLIO)

Holding ¹ (subject to change)	Weighting
MGM Resorts International	4.89%
GFL Environmental, Inc.	4.86%
D.R. Horton, Inc.	4.70%
Clear Secure, Inc.	4.38%
The GEO Group, Inc.	4.36%
Danaher Corp.	3.54%
AirBnB, Inc.	3.37%
Live Nation Entertainment, Inc.	3.03%
Cheniere Energy Shared Services, Inc.	2.89%
Match Group, Inc.	2.89%

We aim to construct a durable portfolio which seeks to minimize losses during market downturns while participating in market advances. Our focus centers on high-quality businesses with attractive valuations, strong competitive advantages, solid balance sheets, robust cash flow, and limited volatility.

The Fund maintains long positions in high-quality companies for growth potential. When conditions warrant, we hedge select positions by selling (writing) call options to generate income. This approach rests on thorough fundamental analysis that seeks to balance risks with the potential for long-term growth.

At the end of the quarter, approximately 38% of the portfolio was unhedged, with long-term capital growth the primary objective.

BOTTOM THREE DETRACTORS

Liberty Broadband Corp., Kenvue, Inc., and Intercontinental Exchange, Inc. were the three top detractors from the fund's relative performance during the quarter.

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Liberty Broadband Corp. is a holding company with a 26% ownership stake in cable operator Charter Communications and full ownership of GCI, a broadband and wireless provider in Alaska. The investment case remains straightforward: Liberty Broadband's shares trade at a meaningful discount to the value of its underlying assets—primarily its Charter stake—with a prospective merger between the two companies serving as the principal catalyst for value realization. The stock underperformed during the period, largely reflecting weaker sentiment across the cable sector following Charter's softer second-quarter earnings update. Demonstrating the potential benefits of a future combination with Charter and a more streamlined corporate structure, Liberty completed the spin-off of its GCI subsidiary into a standalone entity in July. GCI's shares traded roughly 20% higher following their listing, partially offsetting Liberty's earlier weakness. Later in the period, Liberty's shares recovered some ground after the announcement of a definitive merger agreement with Charter. With GCI now independent, Liberty Broadband's management can focus exclusively on maximizing value from its Charter investment ahead of the merger, while GCI gains autonomy to pursue Alaska-focused growth initiatives.

Kenvue, Inc. is a consumer health company with leading brands like Tylenol, Listerine, and Neutrogena. Spun off from Johnson & Johnson, we see significant opportunities for Kenvue to unlock value by reinvesting in historically underfunded brands, optimizing its cost structure, and improving margins to enhance cash flow. The company's stock dropped sharply during the period after reports surfaced that a forthcoming U.S. Health and Human Services study would link acetaminophen (Tylenol's active ingredient) to elevated autism risk during pregnancy. We view the market reaction as overdone for several reasons: no new scientific evidence has established a causal link, pregnant women account for less than 1% of Tylenol's global sales (minimal revenue impact), and similar claims were largely dismissed in litigation in late 2023 (though appeals remain pending). We continue to hold the company in the Fund and will closely monitor Kenvue's progress.

Intercontinental Exchange, Inc. operates a global network of exchanges, clearing houses, and data services spanning major asset classes, including energy, equities, fixed income, and U.S. residential mortgages. We like the company for its resilient business model. It combines transaction-based revenues that benefit from market volatility with a growing base of recurring data and technology revenues, each generating strong, consistent cash flow for debt reduction and shareholder returns. The stock underperformed during the quarter, however, we maintain confidence in the company's long-term potential.

TOP THREE CONTRIBUTORS

Figure Technology Solutions, Inc., D.R. Horton, Inc., and Johnson & Johnson were the top three contributors to the fund's relative performance during the quarter.

Figure Technology Solutions, Inc. is a fintech firm disrupting the consumer lending market through blockchain-enabled origination of home equity lines of credit (HELOCs). The company is the leading non-bank lender in this space and holds roughly 75% of the market for tokenized private credit. Its proprietary blockchain platform delivers a significant structural cost and efficiency advantage, reducing loan funding times from an industry average of over 40 days to as few as 10. Performance this quarter benefited from the successful scaling of the Figure Connect marketplace, launched in mid-2024, which has already grown to over \$1 billion in loan volume and become a key revenue driver. Growth was fueled by strong adoption among more than 170 origination partners, who are demonstrating high retention and increasing volume, validating the platform's value proposition. This shift toward a more fee-based model contributed to significant EBITDA margin expansion, highlighting the operating leverage and attractive unit economics of the firm's scalable platform.

D.R. Horton, Inc. is the largest homebuilder in the United States by volume, with a strategic focus on the entry-level and first-time buyer segments. Our investment thesis centers on the company's ability to leverage its unmatched scale and production-oriented model to deliver affordable homes, a compelling value proposition in a market challenged by affordability. Its extensive presence across numerous high-growth Sunbelt markets solidifies its leadership position. The company's operational efficiency drives strong cash flow generation, enabling significant capital returns to shareholders through buybacks while maintaining a 'land-light' strategy that reduces balance sheet risk. The stock outperformed during the quarter after the company reported surprising results across several metrics, including stronger-than-expected home closings and new orders (flat versus an expected decline), resilient gross margins that beat prior guidance, and a 2% year-over-year decline in construction costs. Management also raised share repurchase guidance, signaling confidence in future cash flows.

Johnson & Johnson is a major healthcare company focused on innovative pharmaceuticals and medical devices. The company faces a critical transition as sales from its blockbuster drug Stelara begin to decline due to patent expiration. However, J&J is successfully executing on its strategy to offset these losses with a robust pipeline of new drugs, particularly in oncology and immunology.

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The stock responded positively in the quarter as the company demonstrated significant progress on multiple fronts. It secured a landmark FDA approval for Inlexzo, a new bladder cancer treatment with substantial sales potential, and its lung cancer drug Rybrevant moved closer to broader adoption after receiving positive trial data for a more convenient injection format. Strong sales momentum across other key drugs more than compensated for Stelara's decline, while favorable legal developments eased investor concerns about the company's ongoing talc litigation.

OUTLOOK

As the Federal Reserve responds to slowing job growth and continues its path toward lower rates, we expect the environment for equities to remain supportive, though risks persist. Inflation has proven more persistent than many anticipated, particularly as tariff-related pressures work through the supply chain, while valuations across broad swaths of the market—especially in AI-related technology—appear elevated by historical standards. The concurrent rise in both gold and equities underscores the market's uneasy balance between optimism about policy support and caution regarding fundamental deterioration.

We not only anticipate volatility but also embrace it as a potential source of opportunity. Market dislocations often create the most compelling opportunities for patient, disciplined investors.

We remain steadfast in our commitment to disciplined, bottom-up fundamental research and prudent risk management. Our focus continues to center on identifying and investing in high-quality businesses with durable competitive advantages, strong balance sheets, and attractive valuations that can compound returns over the long term, regardless of near-term market fluctuations. We believe this approach positions the Fund to navigate the complexity ahead while capturing opportunities as they emerge.

Thank you for your continued partnership with ArrowMark.

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FUND TOTAL PERFORMANCE (As of 9/30/2025)

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	1.79%	1.53%	11/15/13	1.66%	6.34%	14.57%	8.18%	13.56%	9.24%
Class A Shares – With Load	MRAEX	1.79%	1.53%	11/15/13	-4.19%	0.22%	12.34%	6.91%	12.89%	8.93%
Class C Shares	MRCEX	2.55%	2.28%	7/1/15	1.43%	5.57%	13.83%	7.58%	13.01%	9.02%
Investor Class Shares	MRIEX	1.46%	1.28%	11/15/13	1.60%	6.68%	14.88%	8.53%	13.87%	9.53%
Legacy Class Shares	MEIFX	1.47%	1.28%	1/31/05	1.67%	6.52%	14.87%	8.50%	13.93%	9.87%
S&P 500 Index ²	–	–	–	–	8.13%	17.60%	24.94%	16.47%	15.30%	10.88%
CBOE S&P 500 BuyWrite Index ³	–	–	–	–	3.53%	8.15%	13.61%	9.54%	7.05%	5.80%

Prior to December 30, 2022, the Meridian Hedged Equity Fund was known as the Meridian Enhanced Equity Fund.

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 1.79% as of 6/30/24. The annual net expense ratio is 1.53% after a fee waiver of 0.26% as of 6/30/24. 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 2.55% as of 6/30/24. The annual net expense ratio is 2.28% after a fee waiver of 0.27% as of 6/30/24. 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 1.46% as of 6/30/24. The annual net expense ratio is 1.28% after a fee waiver of 0.18% as of 6/30/24. 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 1.47% as of 6/30/24. The annual net expense ratio is 1.28% after a fee waiver of 0.19% as of 6/30/24.

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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.

ArrowMark Partners is a trade name for ArrowMark Colorado Holdings, LLC, a registered investment adviser. ALPS Distributors, Inc., a member FINRA, is the distributor of the Meridian Funds, advised by ArrowMark Colorado Holdings, LLC. Destra Capital Investments is the third-party marketing agent of the Meridian Hedged Equity Fund. ALPS, Meridian, Destra Capital, 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.

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