

Meridian Contrarian Fund

Economic/Market Commentary & Fund Holdings

Third Quarter 2014



The Meridian Contrarian Fund is advised by Arrowpoint Asset Management, LLC. This Economic and Market Commentary reviews Arrowpoint's view of the market over the past six months and where we are headed.

FUND SUMMARY

During the third quarter of 2014, the Meridian Contrarian Fund returned -4.59%, which compares to a return of -5.35% for its benchmark, the Russell 2500 Index.

Outperformance of 0.80% during the quarter was driven primarily by the strength of our investments in the information technology, consumer discretionary and utilities sectors. Strength in our technology investments was broad, and we remain overweight in this sector due to what we view as promising secular trends in data growth, security, mobile broadband and the emerging industrial Internet, or "Internet of things." Our consumer discretionary companies are cautiously optimistic in an environment that they view as tough but gradually improving; however, we are approaching the sector with caution and look for companies that should be able to succeed despite a tepid consumer environment. As with all of our companies, we seek successful turnaround strategies, superior growth characteristics and/or strong market demand. The Fund's lone investment in the utility sector - Hawaiian Electric - had strong fundamental results and outperformed significantly after lagging in the first half.

The top three contributors to performance during the quarter were:

- **Servicemaster** Global Holdings is a leading provider of termite and pest control services, home warranties, and other residential services. We identified the company after marketing and service missteps at its lawn care division, which was spun off earlier this year. We invested in Servicemaster because of its dominant positions in fragmented markets. The stock outperformed during the quarter due to better than expected revenue and profit growth despite a weather-weakened termite season. Upside came from pricing, market share gains and cost efficiencies. We added to our position due to the encouraging quarterly results and an outlook for steady, low double digit earnings growth achieved through continued market share gains, operating margin expansion and debt reduction.
- **Chiquita Brands** is a global leader in bananas and the U.S. leader in packaged salads. Our original investment came after the company's earnings declined due to market share losses in salads, tough European markets and foreign exchange losses. We believed new management had a strong history and a compelling

plan to improve consistency of results and capital allocation. Chiquita stock performed well in the quarter due to a buyout offer from a Brazilian conglomerate in an attempt to trump Chiquita's existing plans to merge with a European partner. We took advantage of the strength in the stock to reduce our position and may continue to do so.

- **ICON** manages clinical trials for the biotech, pharmaceutical and medical device industries. Our investment in the company materialized when earnings were pressured by an industry slowdown in clinical trials at the same time that ICON was investing in its own capacity expansion. We viewed the slowdown in demand as temporary, caused by the elimination of many duplicative drug development programs. In addition, we thought ICON's investments in technology positioned the company to gain market share in a growing industry as pharmaceutical customers increasingly outsourced clinical trial work. Strong stock performance in the quarter was driven by revenue and margins coming in above street estimates and a positive management outlook. We continue to hold shares in ICON based on its positioning as a technology leader in the clinical trial industry and the potential to further expand operating margins

The top three detractors from performance during the quarter were:

- **Halcon Resources** is an independent, U.S.-based oil and gas exploration and production company. At the time of our investment, the stock was out of favor due to a combination of high levels of investment spending and poor drilling results at select wells. This created an opportunity to invest in the management team, which has an excellent record of finding and developing energy assets, and their ability to deliver improved exploration results and production growth. Halcon's stock underperformed meaningfully in the quarter, reversing strong performance in the first half of 2014. As a development-stage company with a leveraged balance sheet, the company's stock demonstrated greater volatility than the sector as a whole and declined significantly more than the price of oil. Despite short-term volatility potential, we believe the company has the ability grow reserves and

The Fund may invest in securities of companies with any capitalization across a broad range of industries. The Fund intends to invest at least 65% of its total assets in common stocks and equity-related securities. The Fund may invest up to 35% of its total assets in debt or fixed income securities, including high yield. The Fund may invest up to 10% of its total assets in securities rated Ca or below by Moody's or C or below by S&P, or unrated but considered by the Investment Adviser to be of comparable quality. The Fund may also invest up to 25% of its total assets in securities of foreign companies, including emerging markets.

*Past performance is no guarantee of future results. Fund performance is for the Investor share class, please refer to page 2 for disclosures.

(1) The Fund's Index, **The Russell 2500™ Index**, measures the performance of the small to mid-cap segment of the U.S. equity universe, commonly referred to as "smid" cap. The Russell 2500 is a subset of the Russell 3000® Index. It includes approximately 2500 of the smallest securities based on a combination of their market cap and current index membership.

(2) The 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.

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 877.796.3434 or access our website at meridianfund.com.

destra capital investments 1

production and could potentially be an acquisition target over the long term.

- **Endologix** is a medical device company with products that treat aortic abdominal aneurysms (AAA). Recently the company experienced a decline in sales growth after the conclusion of a clinical trial rollout. We believed the revenue issue was temporary and were very excited about a new product called Nellix that has the potential to more than double Endologix's market share in AAA procedures. During the quarter, share performance disappointed after the company disclosed that sales would again miss expectations, this time due to an intensifying competitive environment. While management outlined an aggressive response, including product enhancements intended to further improve upon the lowest complication rate in the AAA industry, we have

reduced our position until we can gain greater clarity on how effective these efforts will be in the market.

- **Del Frisco's Restaurant Group** is a fine dining company that operates 45 steakhouses across three brands. We initiated our position when earnings were pressured by underperformance in the Sullivan's Steakhouse brand and the investment in a new growth brand, Del Frisco's Grille. We like the fact that the company overall has outperformed the overall restaurant sector the past few years. The company underperformed in the quarter due to delays in new store openings and some location-specific issues that hurt revenue growth. We continue to believe that Del Frisco's offers an appealing product with high unit growth potential and have added to our position on the recent price weakness.

OUTLOOK

Equity market volatility increased in recent weeks due to a litany of macro fears. Concerns include pressure on corporate profits from the rapidly appreciating U.S. dollar, looming Fed tightening and crashing commodity prices. On the positive side, U.S. unemployment fell below 6% for the first time since 2008, and lower commodity prices have a positive impact on consumers. Our strategy is to remain conscious of the macro picture without attempting to predict it and to take advantage of market volatility to find

opportunities in individual companies that have attractive business economics and improving fundamentals. For example, we currently see excellent opportunities in such out-of-favor sectors as agriculture and energy but are proceeding with caution as unfavorable macro trends could hurt these sectors for some time. Our highest priority for new investments are companies that should experience minimal impact from macro conditions yet have seen their equity valuations decline based on overall market fears.

MERIDIAN CONTRARIAN FUND PERFORMANCE as of 9/30/14

No upfront or CDSC commission	Ticker	Inception Date	3MO	1YR	3YR	5YR	10YR	15YR	Since Inception
Advisor Shares	MFCAX	11/15/13	-4.65%	6.56%	21.33%	12.91%	7.70%	10.24%	12.61%
Investor Shares	MFCIX	11/15/13	-4.59%	6.81%	21.62%	13.19%	7.97%	10.51%	12.89%
Russell 2500™ Index	--	--	-5.35%	8.97%	22.80%	15.99%	9.45%	9.42%	10.25%*
S&P 500® Index	--	--	1.13%	19.70%	22.97%	15.69%	8.10%	4.87%	9.15%*

The Fund's performance data represents past performance and does not guarantee future results. Performance prior to 9/5/13 reflects the Fund's performance under the management of Aster Investment Management Co. using similar investment strategies. 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.meridianfund.com or by calling 877.796.3434.

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 estimated annual gross expense ratio is 1.65%; current actual expenses may be higher or lower. If the class had been offered prior to 11/15/13, the actual performance and expenses may have differed from the amounts shown. The Adviser has agreed to cap expenses such that the total net expenses will not exceed 1.60%. This expense limitation may not be amended or withdrawn until one year after the date of the prospectus. *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 estimated annual gross expense ratio is 1.40%; current actual expenses may be higher or lower. If the class had been offered prior to 11/15/13, the actual performance and expenses may have differed from the amounts shown. The Adviser has agreed to cap expenses such that the total net expenses will not exceed 1.35%. This expense limitation may not be amended or withdrawn until one year after the date of the prospectus.

*Since inception index returns are calculated using the month end data prior to the Fund's Legacy class inception date of 2/10/94.

FUND HOLDINGS as of 9/30/14

Ticker	Holding	Weighting (% of Fund)
NSC	Norfolk Southern Corp	2.79%
XYL	Xylem Inc/Ny	2.65%
VRNT	Verint Systems Inc	2.65%
HE	Hawaiian Electric Industries Inc	2.58%
GIL	Gildan Activewear Inc	2.44%
ALEX	Alexander & Baldwin Inc	2.19%
OXY	Occidental Petroleum Corp	2.16%
SMG	Scotts Miracle-Gro Co/The	2.14%
NVDA	Nvidia Corp	2.04%

Ticker	Holding	Weighting (% of Fund)
WWW	Wolverine World Wide Inc	2.02%
LAZ	Lazard Ltd	1.94%
BR	Broadridge Financial Solutions Inc	1.94%
SWK	Stanley Black & Decker Inc	1.90%
BOKF	Bok Financial Corp	1.90%
EOG	EOG Resources Inc	1.89%
C	Citigroup Inc	1.85%
GWR	Genesee & Wyoming Inc	1.73%
INFA	Informatica Corp	1.72%

Ticker	Holding	Weighting (% of Fund)
PII	Polaris Industries Inc	1.71%
PVH	PVH Corp	1.70%
HUM	Humana Inc	1.70%
BOH	Bank Of Hawaii Corp	1.69%
AJG	Arthur J Gallagher & Co	1.67%
RBA	Ritchie Bros Auctioneers Inc	1.67%
BCR	CR Bard Inc	1.67%
CLH	Clean Harbors Inc	1.66%
SERV	Servicemaster Global Holdings Inc	1.63%
MSM	Msc Industrial Direct Co Inc	1.60%
ICLR	Icon Plc	1.59%
FTNT	Fortinet Inc	1.56%
SYF	Synchrony Financial	1.53%
AAPL	Apple Inc	1.51%
DENN	Denny's Corp	1.50%
IRDM	Iridium Communications Inc	1.45%
SCSS	Select Comfort Corp	1.45%
SCS	Steelcase Inc	1.41%
CACI	Caci International Inc	1.40%
MNRO	Monro Muffler Brake Inc	1.40%
NOV	National Oilwell Varco Inc	1.32%
HUBG	Hub Group Inc	1.31%
NBIX	Neurocrine Biosciences Inc	1.26%
NATI	National Instruments Corp	1.20%
NCS	NCI Building Systems Inc	1.12%
IPAR	Inter Parfums Inc	1.11%
RAX	Rackspace Hosting Inc	1.09%

Ticker	Holding	Weighting (% of Fund)
FLIR	Flir Systems Inc	1.09%
TUMI	Tumi Holdings Inc	1.08%
CPRT	Copart Inc	1.08%
HOLX	Hologic Inc	1.07%
ATR	Aptargroup Inc	1.06%
PLCE	Children's Place Inc/The	1.04%
DFRG	Del Frisco's Restaurant Group Inc	1.01%
ACXM	Acxiom Corp	0.98%
ELGX	Endologix Inc	0.96%
LII	Lennox International Inc	0.94%
ARAY	Accuray Inc	0.93%
MLNX	Mellanox Technologies Ltd	0.85%
IPXL	Impax Laboratories Inc	0.84%
POWI	Power Integrations Inc	0.82%
SONS	Sonus Networks Inc	0.80%
LLTC	Linear Technology Corp	0.79%
SSNI	Silver Spring Networks Inc	0.77%
RGS	Regis Corp	0.72%
CUDA	Barracuda Networks Inc	0.70%
HK	Halcon Resources Corp	0.70%
SSLT	Sesa Sterlite Ltd	0.62%
LNN	Lindsay Corp	0.61%
CCJ	Cameco Corp	0.58%
RAVN	Raven Industries Inc	0.55%
UBNT	Ubiquiti Networks Inc	0.47%
HBHC	Hancock Holding Co	0.32%
CQB	Chiquita Brands International Inc	0.17%

The Fund holdings for the Meridian Funds are published on the Funds' website on a calendar quarter basis, no earlier than 30 days after the end of the quarter. This list may not include all holdings if it is deemed in the Fund's best interests to withhold information on certain holdings. Holdings reflect market value as of the date reported, but are not presented in accordance with accounting or regulatory requirements. Therefore, amounts reported herein may differ from those reported through the Funds' quarterly, semi-annual or annual reports as filed with the SEC.

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. **Value Securities Risk:** The market value of a value security may take longer than anticipated to rise, may decline or may fail to meet the Investment Adviser's assessment of its potential value. In addition, value securities, at times, may not perform as well as growth 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. **High Yield Bond Risk:** Debt securities that are rated below investment grade (commonly referred to as "junk bonds") involve a greater risk of default or price declines than investment grade securities. The market for high-yield, lower rated securities may be smaller and less active, causing market price volatility and limited liquidity in the secondary market. This may limit the ability of a Fund to sell these securities at their fair market values either to meet redemption requests, or in response to changes in the economy or the financial markets. **Debt Securities Risk:** Debt securities are subject to credit risk, interest rate risk and liquidity risk. Credit risk is the risk that the entity that issued a debt security may become unable to make payments of principal and interest when due and includes the risk of default. Interest rate risk is the risk of losses due to changes in interest rates. Liquidity risk is the risk that the Fund may not be able to sell portfolio securities because there are too few buyers for them.

This document may contain forward-looking statements representing Destra's or the portfolio manager or subadviser's beliefs concerning future operations, strategies, financial results or other developments. Investors are cautioned that such forward-looking statements involve risks and uncertainties. Because these forward-looking statements are based on estimates and assumptions that are subject to significant business, economic and competitive uncertainties, many of which are beyond Destra's or the portfolio manager or subadviser's control or are subject to change, actual results could be materially different. There is no guarantee that such forward-looking statements will come to pass.

Destra Capital Investments LLC, a member FINRA | SIPC, is the registered Broker Dealer and is the distributor of the Meridian Funds, advised by Arrowpoint Asset Management, LLC.

Not FDIC-Insured, Not Bank Guaranteed, May Lose Value

Destra Capital Investments

901 Warrenville Road, Suite 15

Lisle, IL 60532

877.855.3434

www.destracapital.com

www.meridianfund.com

MER_INV-COM-CON-R1-Q3 2014