MERIDIAN CONTRARIAN FUND
FOURTH QUARTER 2020

MERIDIAN FUNDS
MANAGED BY ARROWMARK PARTNERS

MARKET SUMMARY

A number of events kept investors on edge during the quarter, including delayed U.S. election results, rising COVID-19 infection rates, and a legislative stalemate over a new coronavirus relief package. However, data released during the period confirmed a strong economic rebound in the third quarter, and while job growth slowed and weekly unemployment claims remained elevated throughout the fourth quarter, consumer confidence ticked higher.

In the final days of 2020, investors gained hope that COVID-19 vaccine approval and deployment would impede and eventually halt the spread of a virus that has killed over a million people globally since January. Vaccine news also fueled optimism that the nascent economic recovery will gain momentum in 2021 as local economies fully reopen and consumers re-engage in activities outside their homes. The late-December approval of a long-awaited pandemic relief package also boosted investor sentiment. Equity markets consequently rotated into cyclically oriented stocks that historically do well in an economic recovery and logged solid gains for the quarter.

Against this backdrop, small-cap stocks outperformed large caps, as measured by the Russell family of U.S. indices, while value stocks outperformed growth stocks.

PERFORMANCE

The Meridian Contrarian Fund (the “Fund”) returned 28.33% (net) for the quarter ending December 31, 2020, outperforming its benchmark, the Russell 2500 Index, which returned 27.41%, and slightly underperforming its secondary benchmark, the Russell 2500 Value Index, which returned 28.51%.

Our investment process seeks to identify out-of-favor companies that we believe have depressed valuations and visible catalysts for sustainable improvement. Experience has taught us that businesses with the potential for earnings growth and multiple expansion can be a powerful source of outperformance. As such, we employ a fundamental research-driven process that includes screening for companies that have multiple quarters of year-over-year earnings declines, understanding the reason for the declines, then singling out the companies we believe are poised for an earnings rebound via a cohesive turnaround plan, a new management team, or through improvements or changes to the business. The outcome of this process is a concentrated portfolio of 50-70 of our best ideas.

With a process that prioritizes the management of risk over the opportunity for return, we scrutinize the quality of each prospective investment’s business model and its valuation. Our high standards for quality require that a company have a durable competitive advantage, improving return on invested capital and free cash flow, as well as sustainable future earnings growth.

While we manage the Fund from the bottom up based on individual company fundamentals, we augment this by monitoring overall portfolio characteristics as part of our risk-management process. Two of our primary risk measures are beta-adjusted weight and downside capture, both of which we measure on portfolio, sector, and individual company levels. We analyze the beta-adjusted weights of portfolio holdings against the Russell 2500 Index to determine how sensitive each holding is to movement in the broader market and identify where our risk exposure lies within the portfolio. Depending on the degree to which a stock correlates closely with market movement (high beta) or inversely to the market (low beta) we may increase or decrease our weighting to align with the Fund’s risk parameters, as we prioritize risk before reward. Downside capture measures how much a stock goes down relative to an overall market decline, with lower capture representing lower risk. For both these measures we focus on absolute levels and changes over time. This is part of our ongoing process of recycling capital and we are comfortable with the current lower-risk profile.

Key drivers of the Fund’s outperformance included select industrials and information technology holdings. While the

TOP 10 HOLDINGS (% OF PORTFOLIO)

Holding[1] *(subject to change)*	**Weighting**
TreeHouse Foods, Inc.	3.97%
Acadia Healthcare Co, Inc.	3.02%
Welbilt, Inc.	2.61%
VICI Properties, Inc.	2.52%
Colony Capital, Inc.	2.37%
American International Group, Inc.	2.30%
Axis Capital Holdings Ltd.	2.22%
Perrigo Co, PLC	2.02%
Newell Brands, Inc.	2.00%
CACI International, Inc.	1.98%

companies we own benefited from strong and improving fundamentals, a recovering economy also supported strength in these sectors. Conversely, the underperformance of financials, materials and consumer staples holdings hindered relative results.

TOP THREE CONTRIBUTORS

The three largest contributors to the Fund's performance were **Acadia Healthcare Company, Inc.**, **Welbilt, Inc.**, and **Cerence, Inc.**

Acadia Healthcare Company, Inc. is a provider of behavioral healthcare services in the U.S. and U.K. Through its network of healthcare facilities, it offers care expertise in acute rehabilitation, long-term addiction therapy, child behavior, and other behavioral health issues. While Acadia's U.S. business historically has grown mid-single digits and is profitable, its U.K. operations have struggled. In 2018-19, labor inefficiencies and frequent national health system regulation changes in the U.K. led to negative earnings growth and prompted a replacement of the company's CEO. In early 2020, Acadia's new management announced they would begin the process of selling its unprofitable U.K. segment—a catalyst we felt could lead to an earnings rebound. Notably, we believe the intrinsic value of the U.S. segment is significantly greater than what the entire company traded at prior to the pandemic. While COVID-related market disruption delayed the sale and depressed the stock, it provided us with an opportunity to build a position in Acadia. During the quarter, we were rewarded for our insight, as the stock gained 70%+. Positive developments included profitability improvements in Acadia's core U.S. behavioral health business and news of a buyer for its U.K. operations. The stock's strong performance during the period brought it closer to our assessment of the company's intrinsic value and we subsequently trimmed our position. However, our outlook for Acadia's U.S. segment remains positive. Notably, we believe the intrinsic value of this segment is significantly greater than what the entire company traded at prior to the pandemic.

Welbilt, Inc. manufactures commercial foodservice equipment for restaurants and food service organizations globally. Customers include quick-service and full-service restaurant chains, hotels, resorts and supermarkets. After spinning off from a large industrial conglomerate several years ago, Welbilt struggled from low profit margins relative to competitors. A new CEO with a strong track record of successful business transformations was appointed in 2018 and outlined a process for improvement. Despite the company's problems appearing fixable, our research suggested Welbilt traded at a significant discount. However, we did not invest in the company until early 2020, when pandemic-related uncertainty for restaurants caused the stock to pull back to what we viewed as a deeply discounted value. The stock gained 114%+ in the fourth quarter on positive COVID-19 vaccine news and stronger than anticipated profitability even as demand remained depressed. We reduced our position slightly during the period due to the stock's strong performance but maintain a large position. We believe the vaccine roll-out globally will increase demand for new food equipment sales aided first by restaurants that have done well during the pandemic and are growing locations. Additionally, we believe Welbilt's internal cost transformation significantly increases the earnings ramp as demand returns.

Cerence, Inc. develops human-automotive interface software that provides drivers and passengers with applications ranging from infotainment to safety and, eventually, autonomous driving. In the fourth quarter of 2019, Cerence was spun off of Nuance, a company we've owned in the Fund since the second quarter of 2018. At the time of the spinoff, Cerence was not well understood by the market and out of favor with investors due to concerns it would lose market share to Big Tech competitors such as Google, Amazon.com and Apple. Our research showed Cerence was well positioned competitively as a partner to the major automotive original equipment manufacturers that wish to retain control over the data and other value-generation potential from their products rather than ceding these functions to Big Tech. In addition to the shares we received from the Nuance spinoff, we bought more shares in late 2019 and early 2020 at what we believed were deeply discounted valuations relative to the company's growth potential. In the fourth quarter, increasing optimism of a recovery in the auto industry, strong fundamental results that demonstrated the resilience of Cerence's business, and several big contract wins drove the stock higher. We trimmed our position, as we believe its share price now better reflects the value of the company. However, we are holding onto the stock, as we believe Cerence remains well positioned with significant growth opportunities.

BOTTOM THREE DETRACTORS

The three largest detractors from the Fund's performance during the quarter were **Avangrid, Inc.**, **Hanesbrands, Inc.**, and **Vroom, Inc**.

Avangrid, Inc. combines a collection of regulated utilities with a renewable energy business that sells power to other utilities. In recent years, the company has suffered from a decline in earnings due to storm damage to its utilities it was unable to recover and from low electricity prices that hurt its merchant renewables business. Delays in growth projects also disappointed investors. Our thesis is that Avangrid's utility business is stable and will eventually recover storm damage-related expenses. We believe the company's renewable energy business is an excellent complement to its utility business and enhances growth prospects. Another catalyst for our investment was a new management team that has committed to improving execution and fostering more data-driven, technology-enabled decision making. The stock declined modestly and underperformed the index in the quarter, due to a delayed regulatory decision that pushed back several growth projects. Low wind input and soft electricity prices also pressured the stock. We continue to hold a position in the company, as we believe Avangrid's shares will benefit from renewed earnings growth in 2021 and beyond.

Hanesbrands, Inc. is an apparel company that specializes in basics and undergarments with brands such as Hanes, Champion and Maidenform. The company's earnings shrank for three years due to destocking at department stores and tough competitive conditions in innerwear. Our research suggests the growth opportunity afforded by the company's resurgent Champion Brand will enable it to grow earnings, making Hanes an attractive investment. In addition, the company has strong free cash flow generation, allowing it to pay down debt and repurchase shares. We also find the company's valuation attractive, as it currently is trading at greater than 10% free cash flow yield. Unfortunately, Hanes' stock fell during the period after reporting disappointing third-quarter results. Specifically, the company saw margin pressures caused by production problems partially due to the pandemic but exacerbated by management missteps. These issues offset strength in the company's innerwear business. We continue to own shares of Hanes due to its attractive valuation and positive traction in certain areas of the business, but we reduced our position during the quarter to reflect lower confidence in the company's turnaround.

Vroom, Inc. operates an end-to-end e-commerce platform for the used car industry. We like the company's experienced management team of e-commerce veterans and the large untapped growth opportunity in the online used car market. We also believe Vroom's stock trades at a significant discount relative to market leader and competitor Carvana. The stock declined in the fourth quarter after management issued lower-than-expected near-term guidance due to continued supply challenges and other operational issues. Specifically, Vroom's call center, which fields inquiries from prospective buyers, was not able to keep up with the high call volumes during the period and car sales were negatively impacted. We believe these were merely growing pains and are encouraged by improvements the company is making to its supply/demand infrastructure. After selling some of our shares into the strength in the second and third quarters, we increased our position in Vroom during the fourth quarter, as we viewed the stock's downturn as an attractive buying opportunity. We continue to like Vroom's competitive position, large market opportunity and attractive valuation, as the stock trades at 1.6x revenue vs. Carvana, which trades at more than 5x revenue.

OUTLOOK

We will continue to execute on our strategy of investing in companies we believe are good businesses that are temporarily out of favor, offer asymmetric risk/reward profiles, and have a reliable catalyst that will lead to earnings growth. The historic underperformance of value versus growth in recent years has fueled greater opportunity in more value-oriented companies, and we believe our strategy is an excellent way to capitalize on this opportunity for our clients.

While the stock market moved past the economic disruption caused by the pandemic during 2020, the fundamental impact is still felt by companies. We see this on the monthly stock screens we generate, which have grown from roughly 600 companies in early 2020 to more than 1,100 companies as of December. This represents fertile ground for new research, and despite the overall market hitting new highs, we continue to find compelling new opportunities.

Thank you for your continued trust and confidence.

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FUND TOTAL PERFORMANCE *(As of 12/31/2020)*

Share Class	Ticker	Gross Expense Ratio	Net Expense Ratio	Inception Date	1 Month	3 Month	1 Year	3 Year[4]	5 Year[4]	10 Year[4]	Since Inception[4,5]
Class A Shares - No Load	MFCAX	1.48%	1.48%	11/15/13	8.54%	28.22%	23.47%	11.96%	15.13%	12.10%	12.58%
Class A Shares - With Load	MFCAX	1.48%	1.48%	11/15/13	2.28%	20.85%	16.36%	9.77%	13.78%	11.43%	12.33%
Class C Shares	MFCCX	2.17%	2.17%	7/1/15	8.48%	27.98%	22.54%	11.22%	14.44%	11.40%	11.87%
Investor Class Shares	MFCIX	1.19%	1.19%	11/15/13	8.56%	28.28%	23.71%	12.25%	15.44%	12.39%	12.86%
Legacy Class Shares	MVALX	1.13%	1.13%	2/10/94	8.54%	28.33%	23.79%	12.36%	15.60%	12.58%	13.07%
Russell 2500 Index[2]	-	-	-	-	7.61%	27.41%	19.99%	11.33%	13.64%	11.97%	10.57%
Russell 2500 Value Index[3]	-	-	-	-	6.96%	28.51%	4.88%	4.34%	9.43%	9.33%	n/a

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.meridianfund.com.

[1]Listed 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.
[2]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. One cannot invest directly in an index.
[3]The Fund's second Index, the Russell 2500™ Value Index, 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.
[4]Performance is annualized.
[5]Since inception returns are calculated using the month end data prior to the Fund's Legacy class inception date of 2/10/94.

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 1.48% as of 10/31/20. The annual net expense ratio is 1.48% as of 10/31/20. 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 2.17% as of 10/31/20. The annual net expense ratio is 2.17% as of 10/31/20. 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 1.19% as of 10/31/20. The annual net expense ratio is 1.19% as of 10/31/20. 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: The annual gross expense ratio is 1.13% as of 10/31/20. The annual net expense ratio is 1.13% as of 10/31/20. 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.

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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 meridianfund.com.

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**: **Beta** is a statistical measure of the Fund's volatility relative to the broader peer group is measured against the benchmark Index, which is deemed to equal 1.00. **Free cash flow** is 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. **Enterprise Value-to-Earnings Before Interest, Taxes, Depreciation and Amortization (EV/EBITDA):** The EV/EBITDA ratio is commonly used as a valuation metric to compare the relative value of different businesses.

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