

## Item 1: Cover Page

### **Part 2A of Form ADV Firm Brochure**

February 23, 2024

#### **Meridian Investment Advisors, Inc.**

SEC File No. 801-46376

10321 N. Pennsylvania St.  
Indianapolis, IN 46280

phone: 317-573-5257  
email: [mburley@meridianinvest.com](mailto:mburley@meridianinvest.com)  
website: [www.meridianinvest.com](http://www.meridianinvest.com)

This brochure provides information about the qualifications and business practices of Meridian Investment Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at 317-573-5257 or [mburley@meridianinvest.com](mailto:mburley@meridianinvest.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration with the SEC or state regulatory authority does not imply a certain level of skill or expertise.

Additional information about Meridian Investment Advisors, Inc., is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2: Material Changes

This Firm Brochure is our disclosure document prepared according to regulatory requirements and rules. Consistent with the rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

At this time there are no material changes from the last annual update of this disclosure statement issued on February 23, 2024.

**Item 3: Table of Contents**

Item 1: Cover Page.....	1
Item 2: Material Changes.....	2
Item 3: Table of Contents .....	3
Item 4: Advisory Business .....	4
Item 5: Fees and Compensation .....	8
Item 6: Performance-Based Fees and Side-by-Side Management.....	12
Item 7: Types of Clients.....	13
Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss .....	14
Item 9: Disciplinary Information.....	21
Item 10: Other Financial Industry Activities and Affiliations.....	22
Item 11: Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading .....	23
Item 12: Brokerage Practices .....	25
Item 13: Review of Accounts .....	33
Item 14: Client Referrals and Other Compensation.....	35
Item 15: Custody .....	36
Item 16: Investment Discretion.....	37
Item 17: Voting Client Securities.....	38
Item 18: Financial Information .....	39

## **Item 4: Advisory Business**

### **A. Meridian Investment Advisors, Inc.**

Meridian Investment Advisors, Inc. was incorporated in Indiana on March 8, 1994, and established its headquarters in Indianapolis, Indiana. The Securities and Exchange Commission issued its order granting registration pursuant to section 203 of the Investment Advisors Act of 1940 on May 19, 1994. Our SEC File Number is 801-46376 and our CRD Number is 107593. Meridian Investment Advisors is solely owned by Michael Robert Burley.

Meridian Investment Advisors is locally owned and provides independent comprehensive asset management to individuals including high-net-worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities. In addition to asset management, we may offer financial planning and pension consulting services to all of the above client groups.

It is our belief that the best interest of investors is served by seeking advice from financial advisors who are independent and who offer advice without consideration of which company product is being sold to meet a financial objective. Our compensation is unrelated to the sale of any specific proprietary product, which means that we can more closely align with our clients' interests and objectives. Meridian Investment Advisors offers its services on a fee basis, which may include hourly and/or fixed fees as well as fees based upon assets under management. Alternatively, certain advisory affiliates may offer security brokerage services under a commission arrangement, which may be used to offset fees.

### **B. Advisory Services Offered**

For its discretionary asset management services, Meridian Investment Advisors receives a limited power of attorney to effect securities transactions on behalf of its clients that include securities and strategies described in Item 8 of this brochure. In addition, Meridian Investment Advisors will remind clients of their obligation to inform Meridian Investment Advisors of any modifications or restrictions that should be imposed on the management of their accounts. Meridian Investment Advisors will also contact clients at least annually to determine whether there have been any changes in a client's personal financial circumstances, investment objectives, and tolerance for risk.

Meridian Investment Advisors offers the following advisory services:

- Individual Portfolio Management
- Pension Consulting Services
- Financial Planning

### **B.1. Individual Portfolio Management**

Meridian Investment Advisors feels that each investor's needs are unique and that investments must be appropriate to satisfy those needs. Once we understand a client's needs and objectives, we can develop an investment strategy. Our investment philosophy is predicated on the synergy of four critical components: Asset Allocation, Portfolio Structure, Specialist Management, and Portfolio Management. While each is important, a successful investment program is constructed by integrating all four components. Our investment process relies on strict attention to keeping risk in line with specific benchmarks at the portfolio, strategy, and manager levels.

We intend to primarily allocate client investment management assets, on a discretionary and/or non-discretionary basis, among independent managers. Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding securities and strategies as described in Item 8 of this brochure. Because some types of investments involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability.

Meridian Investment Advisors will only implement investment management recommendations after the client has arranged for and furnished all information and authorization regarding accounts with appropriate financial institutions.

### **B.2. Pension Consulting Services**

Clients may also engage Meridian Investment Advisors to provide pension consulting services to pension and profit sharing plans, 401(k) plans, individuals, trusts, estates, and charitable organizations. Our pension consulting services may include the following services:

- Preparation of an investment policy statement (IPS)
- Selection of investment vehicles
- Monitoring of investment performance
- Employee communications and educational support

Clients may choose to use any or all of these services.

#### **B.2.a. Investment Policy Statement Preparation ("IPS")**

We must meet with the client in-person before an appropriate investment program can be established. Careful consideration will be given to the client's specific objectives, constraints, and policies. Objectives are goals that are generally defined in terms of return requirements and risk tolerance. Constraints are limitations on the portfolio management process within which the advisor must operate to achieve the objectives. These constraints include liquidity, time horizon, taxes, legal or regulatory matters, and unique needs and preferences. The combining of objectives and constraints leads to the development of a set of investment policies.

The IPS is an invaluable strategic planning tool for intelligent investment management. As a working document, the statement includes portfolio objectives, asset allocation parameters, investment guidelines, and a due diligence process for selecting and monitoring investment

managers. The statement should be updated each year to reflect current capital market assumptions.

#### **B.2.b. Selection of Investment Vehicles**

Meridian Investment Advisors assists plan sponsors in constructing appropriate asset allocation models. We will then review various mutual funds (both index and managed) to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS.

#### **B.2.c. Monitoring of Investment Performance**

Our manager review process covers the following areas: people, process, portfolio, and performance. We judge a management company on a combination of key factors:

<b>Qualitative</b>	<b>Quantitative</b>
Personnel & administration	Performance against peer group
Investment philosophy	Performance against benchmarks
Decision-making procedure	Transactions
Economic and securities research	Portfolio characteristics

We monitor client investments continually, based on the procedures and timing intervals delineated in the IPS.

#### **B.2.d. Employee Communications**

For pension, profit sharing, and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we may also provide semi-annual educational support and investment meetings designed for the plan participants, if requested by the plan sponsor. The nature of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404(c). The educational support and investment meetings could provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

### **B.3. Financial Planning**

Meridian Investment Advisors' financial planning services address any or all of the following areas:

- Personal concerns, including family records, budgeting, personal liability, estate information, and financial goals
- Tax and cash flow issues, such as an income tax and spending analysis for the past, current, and future, including an illustration of the various investments on a client's current and future tax liability
- Death and disability needs, including cash needs upon death, the income needs of surviving dependents, and estate planning and disability income analysis
- Retirement planning, including an analysis of current strategies and investment plans to help the client achieve his or her retirement goals

- Review of investments, including investment alternatives and their potential effect on a client's portfolio

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning, and business planning.

In performing services, Meridian Investment Advisors shall not be required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. We may recommend our own services, the services of advisory affiliates in their individual capacities as registered representatives of a broker-dealer, and/or other professionals to implement its recommendations. Please be advised that a conflict of interest exists if Meridian Investment Advisors recommends its own services.

Clients are under no obligation to act upon any of the recommendations made by Meridian Investment Advisors under a financial planning engagement and/or engage the services of any such recommended professional, including Meridian Investment Advisors itself. Clients retain absolute discretion over all such implementation decisions and are free to accept or reject any of Meridian Investment Advisor's recommendations. Moreover, clients are advised that it remains their responsibility to promptly notify Meridian Investment Advisors if there is ever any change in financial situation or investment objectives for the purpose of reviewing, evaluating, or revising previous recommendations and/or services.

### **C. Client-Tailored Services and Client-Imposed Restrictions**

Each client's account will be managed on the basis of the client's financial situation and investment objectives, and in accordance with any reasonable restrictions imposed by the client on the management of the account.

### **D. Wrap Fee Programs**

Meridian Investment Advisors does not participate in wrap fee programs. (Wrap fee programs offer services for one all-inclusive fee.)

### **E. Client Assets Under Management**

As of December 31, 2023, Meridian Investment Advisors managed \$458,517,889 of discretionary assets and \$109,559,978 of non-discretionary assets.

## Item 5: Fees and Compensation

### A. Methods of Compensation and Fee Schedule

#### A.1. Portfolio Management Services Fees and Pension Consulting Fees

Meridian Investment Advisors provides investment management services on a fee basis. We charge an annual fee based upon a percentage of the market value of the assets being managed, as follows:

*Portfolio Management:*

<b>Portfolio Value</b>	<b>Annual Fee</b>
Up to \$1,000,000	1.000%
Next \$2,000,000	0.750%
Next \$2,000,000	0.500%
Next \$10,000,000	0.375%
Above \$15,000,000	Negotiable

*Pension Consulting:*

<b>Plan Assets</b>	<b>Annual Fee</b>
\$0 to \$200,000	1.000%
\$200,001 to \$500,000	0.750%
\$500,001 to \$1,000,000	0.625%
\$1,000,001 to \$5,000,000	0.500%
\$5,000,001 to \$10,000,000	0.300%
\$10,000,001 to \$15,000,000	0.200%
Above \$15,000,000	Negotiable

Annual fees are prorated and charged quarterly in arrears, based upon the market value of the assets on the last day of the previous quarter, with the fee prorated throughout the quarter for any additions or withdrawals made to the account. Clients should note that similar advisory services may be available from other registered (or unregistered) investment advisers for similar or lower fees. For the initial quarter of investment management services, the first quarter's fees will be calculated on a pro rata basis.

*Minimum Account Requirements:* As a condition for starting and maintaining a relationship, Meridian Investment Advisors generally imposes a minimum portfolio size of \$100,000. In our sole discretion, we may accept clients with smaller portfolios based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, preexisting client, account retention, and pro bono activities. We only accept clients with less than the minimum portfolio size if, in our sole opinion, the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. We may aggregate the portfolios of family members to meet the minimum portfolio size. Additionally, certain independent managers may impose more restrictive account requirements and varying billing practices than



Meridian Investment Advisors. In such instances, we may alter our corresponding account requirements and/or billing practices to accommodate those of the independent manager or wrap fee program sponsor.

*Grandfathering of Minimum Account Requirements:* Pre-existing advisory clients are subject to the minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

#### **Important Disclosure – Recommendation of Mutual Fund Share Classes**

In recommending mutual fund share classes, it is the firm's policy to recommend institutional share classes where available by the clients' custodian. To the extent an institutional share class is not available, we will discuss with the client whether a share class from a comparable mutual fund with an equal or more favorable return to investors is available that does not include the payment of any 12b-1 or revenue sharing fees. If there are no suitable alternatives, we will discuss alternative share classes for such mutual fund that consider the client's cash needs, the frequency of those needs, the expected size of the mutual fund position, and any other parameters requested by the client. Unfortunately, there is no "one size fits all approach." Our goal is to provide an investment recommendation that yields the best value, considering all applicable costs (embedded or otherwise), the expected risk and return of the investment, and the client's personal and financial circumstances.

#### **A.2. Financial Planning Fees**

Financial planning fees will be determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Meridian Investment Advisors can provide a broad range of comprehensive financial planning services (which may include non-investment related matters). We will charge a fixed fee and/or hourly fee for these services. Financial planning fees are negotiable, but generally range from \$500 for a portfolio asset review and retirement needs projection, to \$2,000 for a comprehensive financial plan with budgeting, Monte Carlo analysis, and alternative planning strategies. In lieu of a fixed fee, hourly rates of \$175 to \$250 may be charged, depending upon the level and scope of the services and the professional rendering the financial planning and/or the consulting services. If we are engaged for additional investment advisory services, we may offset all or a portion of our fees for those services based upon the amount paid for the financial planning services.

A standard financial plan takes approximately six to ten hours to complete. Prior to engaging Meridian Investment Advisors to provide planning or consulting services, clients are generally required to enter into a financial planning and consulting agreement with Meridian Investment Advisors setting forth the terms and conditions of the engagement (including termination) and describing the scope of the services to be provided and the portion of the fee that is due from the client prior to Meridian Investment Advisors commencing services.

Generally, the more complex the financial planning engagement, the higher the likelihood that fixed fees will be negotiated, as it is difficult with respect to complex cases to discern the exact number of hours required to provide services. In such event, a fixed fee would be negotiated and then reevaluated at a later point to determine whether the fixed fee compensation requires adjustment.

Fixed fees are computed based upon a good faith estimate of hours required to perform services. In other words, Meridian Investment Advisors takes the number of hours estimated to complete the plan and multiplies it by the hourly rate of \$175 to \$250 to compute the fixed fee. Meridian Investment Advisors attempts to maintain parity with hourly and fixed charges while allowing some flexibility in estimation, taking into account case complexity and client-specific circumstances. Financial planning fees will be billed at the rate of \$175 to \$250 per hour or a fixed fee mutually agreed upon by the client and Meridian Investment Advisors prior to the commencement of services. Meridian Investment Advisors will provide the prospective client with an estimate of the fixed charges prior to finalizing the financial planning agreement. The client will be billed directly for such services. Invoices will be mailed out on a periodic basis reflecting completed work performed.

A financial planning agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days' written notice. Upon termination of any account, any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five (5) business days after entering into the agreement.

### **A.3. ERISA Accounts**

Meridian Investment Advisors is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include, among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Meridian Investment Advisors may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Meridian Investment Advisors advisory fees. Meridian Investment Advisors does not participate in any of the fees generated through Pactolus Securities. In addition, Meridian Investment Advisors does not charge an advisor fee on the securities purchased or held through Pactolus Securities.

## **B. Client Payment of Fees**

Meridian Investment Advisors will deduct advisory fees directly from the client's account provided that (i) the client provides written authorization to the qualified custodian, and (ii) the qualified custodian sends the client a statement, at least quarterly, indicating all amounts disbursed from the account. The client is responsible for verifying the accuracy of the fee calculation, as the client's custodian will not verify the calculation.

In certain instances subject to approval by Meridian Investment Advisors, clients may elect to be billed for services rendered. In such cases the fees will be billed quarterly. In the event of termination, any earned, unpaid fees will be immediately due and payable.

### **C. Additional Client Fees Charged**

All fees paid for investment advisory services are separate and distinct from the fees and expenses charged by exchange-traded funds, mutual funds, separate account managers, broker-dealers, and custodians retained by clients. Such fees and expenses are described in each exchange-traded fund and mutual fund's prospectus, each separate account manager's Form ADV and Brochure and Brochure Supplement or similar disclosure statement, and by any broker-dealer or custodian retained by the client. Clients are advised to read these materials carefully before investing. If a mutual fund also imposes sales charges, a client may pay an initial or deferred sales charge as further described in the mutual fund's prospectus. A client using Meridian Investment Advisors may be precluded from using certain mutual funds or separate account managers because they may not be offered by the client's custodian. Meridian Investment Advisors does not participate in any of the fees generated through Pactolus Securities. In addition, Meridian Investment Advisors does not charge an advisor fee on the securities purchased or held through Pactolus Securities.

Please refer to the Brokerage Practices section (Item 12) for additional information regarding the firm's brokerage practices.

### **D. Prepayment of Client Fees**

Meridian Investment Advisors does not require the prepayment of fees.

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days' written notice. Upon termination of any account, any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five (5) business days after entering into the agreement.

### **E. External Compensation for the Sale of Securities to Clients**

Meridian Investment Advisors' advisory professionals are compensated primarily through a salary and bonus structure. Meridian Investment Advisors is not paid any sales, service, or administrative fees for the sale of mutual funds or any other investment products with respect to managed advisory assets.

## **Item 6: Performance-Based Fees and Side-by-Side Management**

Meridian Investment Advisors does not charge performance-based fees and therefore has no economic incentive to manage clients' portfolios in any way other than what is in their best interests.

## Item 7: Types of Clients

Meridian Investment Advisors provides advisory services to the following types of clients:

- Individuals (other than high-net-worth individuals)
- High-net-worth individuals
- Pension and profit sharing plans (other than plan participants)
- Charitable organizations
- Corporations or other businesses not listed above

As a condition for starting and maintaining a relationship, Meridian Investment Advisors generally imposes a minimum portfolio size of \$100,000. In our sole discretion, we may accept clients with smaller portfolios based upon certain criteria, including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, preexisting client, account retention, and pro bono activities. We only accept clients with less than the minimum portfolio size if, in our sole opinion, the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. We may aggregate the portfolios of family members to meet the minimum portfolio size. Additionally, certain independent managers may impose more restrictive account requirements and varying billing practices than Meridian Investment Advisors. In such instances, we may alter our corresponding account requirements and/or billing practices to accommodate those of the independent manager.

*Grandfathering of Minimum Account Requirements:* Pre-existing advisory clients are subject to the minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

## Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss

### A. Methods of Analysis and Investment Strategies

Meridian Investment Advisors uses the *modern portfolio theory* as our primary analysis method. Modern portfolio theory measures risk versus reward and holds that investors can reduce their exposure to individual asset risk by holding a diversified portfolio of assets. This analysis method attempts to allow for the same portfolio return with reduced risk.

Meridian Investment Advisors may recommend clients to authorize the active discretionary management of a portion of their assets by and/or among certain independent managers, based upon the stated investment objectives. When selecting an independent manager for a client, we review information about the independent manager. We review disclosure statements and material supplied by the independent manager or independent third parties for a description of the independent manager's investment strategies, past performance, and risk results to the extent available.

*Risks for all forms of analysis:* Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

#### A.1. Mutual Funds and Third-Party Separate Account Managers

Meridian Investment Advisors may recommend (i) separate account managers to manage client assets; and (ii) no-load and load-waived mutual funds and individual securities (including fixed income instruments). Such management styles will include, among others, large-cap, mid-cap and small-cap value, growth and core; international and emerging markets; and alternative investments. Meridian Investment Advisors may also assist the client in selecting one or more appropriate manager(s) for all or a portion of the client's portfolio. Such managers will typically manage assets for clients who commit to the manager a minimum amount of assets established by that manager—a factor that Meridian Investment Advisors will take into account when recommending managers to clients.

A description of the criteria to be used in formulating an investment recommendation for mutual funds, ETFs, individual securities (including fixed-income securities), and managers is set forth below.

Meridian Investment Advisors has formed relationships with third-party vendors that

- provide a technological platform for separate account management
- prepare performance reports
- perform due diligence monitoring of mutual funds and managers
- perform billing and certain other administrative tasks

Meridian Investment Advisors may utilize additional independent third parties to assist it in recommending and monitoring individual securities, mutual funds, and managers to clients as appropriate under the circumstances.

Meridian Investment Advisors reviews certain quantitative and qualitative criteria related to mutual funds and managers and to formulate investment recommendations to its clients.

Quantitative criteria may include

- the performance history of a mutual fund or manager evaluated against that of its peers and other benchmarks
- an analysis of risk-adjusted returns
- an analysis of the manager's contribution to the investment return (e.g., manager's alpha), standard deviation of returns over specific time periods, sector and style analysis
- the fund, sub-advisor or manager's fee structure
- the relevant portfolio manager's tenure

Qualitative criteria used in selecting/recommending mutual funds or managers include the investment objectives and/or management style and philosophy of a mutual fund or manager; a mutual fund or manager's consistency of investment style; and employee turnover and efficiency and capacity.

Quantitative and qualitative criteria related to mutual funds and managers are reviewed by Meridian Investment Advisors on a quarterly basis or such other interval as appropriate under the circumstances. In addition, mutual funds or managers are reviewed to determine the extent to which their investments reflect efforts to time the market, or evidence style drift such that their portfolios no longer accurately reflect the particular asset category attributed to the mutual fund or manager by Meridian Investment Advisors (both of which are negative factors in implementing an asset allocation structure).

Meridian Investment Advisors may negotiate reduced account minimum balances and reduced fees with managers under various circumstances (e.g., for clients with minimum level of assets committed to the manager for specific periods of time, etc.). There can be no assurance that clients will receive any reduced account minimum balances or fees, or that all clients, even if apparently similarly situated, will receive any reduced account minimum balances or fees available to some other clients. Also, account minimum balances and fees may significantly differ between clients. Each client's individual needs and circumstances will determine portfolio weighting, which can have an impact on fees given the funds or managers utilized. Meridian Investment Advisors will endeavor to obtain equal treatment for its clients with funds or managers, but cannot assure equal treatment.

Meridian Investment Advisors will regularly review the activities of mutual funds and managers utilized for the client. Clients that engage managers or who invest in mutual funds should first review and understand the disclosure documents of those managers or mutual funds, which contain information relevant to such retention or investment, including information on the methodology used to analyze securities, investment strategies, fees and conflicts of interest.

## **A.2. Material Risks of Investment Instruments**

Meridian Investment Advisors' investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Equity securities
- Warrants and rights
- Mutual fund securities
- Exchange-traded funds
- Corporate debt and certificates of deposit
- Municipal securities
- U.S. government securities

### **A.2.a. Equity Securities**

Investing in individual companies involves inherent risk. The major risks relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the company's ability to create shareholder value (i.e., increase the value of the company's stock price). Foreign securities, in addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk and liquidity risk.

### **A.2.b. Warrants and Rights**

Warrants are securities, typically issued with preferred stock or bonds that give the holder the right to purchase a given number of shares of common stock at a specified price and time. The price of the warrant usually represents a premium over the applicable market value of the common stock at the time of the warrant's issuance. Warrants have no voting rights with respect to the common stock, receive no dividends and have no rights with respect to the assets of the issuer.

Investments in warrants and rights involve certain risks, including the possible lack of a liquid market for the resale of the warrants and rights, potential price fluctuations due to adverse market conditions or other factors and failure of the price of the common stock to rise. If the warrant is not exercised within the specified time period, it becomes worthless.

### **A.2.c. Mutual Fund Securities**

Investing in mutual funds carries inherent risk. The major risks of investing in a mutual fund include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification, and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold the fund.



#### **A.2.d. Exchange-Traded Funds ("ETFs")**

ETFs are investment companies whose shares are bought and sold on a securities exchange. An ETF holds a portfolio of securities designed to track a particular market segment or index. Some examples of ETFs are SPDRs<sup>®</sup>, streetTRACKS<sup>®</sup>, DIAMONDS<sup>SM</sup>, NASDAQ 100 Index Tracking Stock<sup>SM</sup> ("QQQs<sup>SM</sup>"), iShares<sup>®</sup> and VIPERs<sup>®</sup>. The funds could purchase an ETF to gain exposure to a portion of the U.S. or foreign market.

The funds, as a shareholder of another investment company, will bear their pro-rata portion of the other investment company's advisory fee and other expenses, in addition to their own expenses.

Investing in ETFs involves risk. Specifically, ETFs, depending on the underlying portfolio and its size, can have wide price (bid and ask) spreads, thus diluting or negating any upward price movement of the ETF or enhancing any downward price movement. Also, ETFs require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by hedge funds that could have a negative impact on the price of the ETF. Certain ETFs may employ leverage, which creates additional volatility and price risk depending on the amount of leverage utilized, the collateral and the liquidity of the supporting collateral.

Further, the use of leverage (i.e., employ the use of margin) generally results in additional interest costs to the ETF. Certain ETFs are highly leveraged and therefore have additional volatility and liquidity risk. Volatility and liquidity can severely and negatively impact the price of the ETF's underlying portfolio securities, thereby causing significant price fluctuations of the ETF.

#### **A.2.f. Corporate Debt and Certificates of Deposit**

Fixed income securities carry additional risks than those of equity securities described above. These risks include the company's ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S. or foreign) and currency risk. If bonds have maturities of 10 years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity the less volatile the price swings. Foreign bonds also have liquidity and currency risk.

Certificates of deposit are generally considered safe instruments, although they are subject to the level of general interest rates, the credit quality of the issuing bank, and the length of maturity. Depending on the length of maturity, there can be prepayment penalties if the client needs to convert the certificate of deposit to cash prior to maturity.

#### **A.2.g. Municipal Securities**

Municipal securities carry additional risks than those of corporate and bank-sponsored debt securities described above. These risks include the municipality's ability to raise additional tax revenue or other revenue (in the event the bonds are revenue bonds) to pay interest on its debt and to retire its debt at maturity. Municipal bonds are generally tax free at the federal

level, but may be taxable in individual states other than the state in which both the investor and municipal issuer is domiciled.

#### **A.2.h. U.S. Government Securities**

U.S. government securities include securities issued by the U.S. Treasury and by U.S. government agencies and instrumentalities. U.S. government securities may be supported by the full faith and credit of the United States.

## **B. Investment Strategy and Method of Analysis Material Risks**

Our investment strategy is custom-tailored to the client's goals, investment objectives, risk tolerance, and personal and financial circumstances.

### **B.1. Margin Leverage**

Although Meridian Investment Advisors, as a general business practice, does not utilize leverage, there may be instances in which exchange-traded funds, other separate account managers and, in very limited circumstances, Meridian Investment Advisors will utilize leverage. In this regard please review the following:

The use of margin leverage enhances the overall risk of investment gain and loss to the client's investment portfolio. For example, investors are able to control \$2 of a security for \$1. So if the price of a security rises by \$1, the investor earns a 100% return on their investment. Conversely, if the security declines by \$.50, then the investor loses 50% of their investment.

The use of margin leverage entails borrowing, which results in additional interest costs to the investor.

Broker-dealers who carry customer accounts require a minimum equity requirement when clients utilize margin leverage. The minimum equity requirement is stated as a percentage of the value of the underlying collateral security with an absolute minimum dollar requirement. For example, if the price of a security declines in value to the point where the excess equity used to satisfy the minimum requirement dissipates, the broker-dealer will require the client to deposit additional collateral to the account in the form of cash or marketable securities. A deposit of securities to the account will require a larger deposit, as the security being deposited is included in the computation of the minimum equity requirement. In addition, when leverage is utilized and the client needs to withdraw cash, the client must sell a disproportionate amount of collateral securities to release enough cash to satisfy the withdrawal amount based upon similar reasoning as cited above.

Regulations concerning the use of margin leverage are established by the Federal Reserve Board and vary if the client's account is held at a broker-dealer versus a bank custodian. Broker-dealers and bank custodians may apply more stringent rules as they deem necessary.

## **B.2. Short-Term Trading**

Although Meridian Investment Advisors, as a general business practice, does not utilize short-term trading, there may be instances in which short-term trading may be necessary or an appropriate strategy. In this regard, please read the following:

There is an inherent risk for clients who trade frequently in that high-frequency trading creates substantial transaction costs that in the aggregate could negatively impact account performance.

## **B.3. Short Selling**

Meridian Investment Advisors generally does not engage in short selling but reserves the right to do so in the exercise of its sole judgment. Short selling involves the sale of a security that is borrowed rather than owned. When a short sale is effected, the investor is expecting the price of the security to decline in value so that a purchase or closeout of the short sale can be effected at a significantly lower price. The primary risks of effecting short sales is the availability to borrow the stock, the unlimited potential for loss, and the requirement to fund any difference between the short credit balance and the market value of the security.

## **B.4. Option Strategies**

Various option strategies give the holder the right to acquire or sell underlying securities at the contract strike price up until expiration of the option. Each contract is worth 100 shares of the underlying security. Options entail greater risk but allow an investor to have market exposure to a particular security or group of securities without the capital commitment required to purchase the underlying security or groups of securities. In addition, options allow investors to hedge security positions held in the portfolio. For detailed information on the use of options and option strategies, please contact the Options Clearing Corporation for the current Options Risk Disclosure Statement.

Meridian Investment Advisors as part of its investment strategy may employ the following option strategies:

- Covered call writing
- Long call options purchases
- Long put options purchases

### **B.4.a. Covered Call Writing**

Covered call writing is the sale of in-, at-, or out-of-the money call option against a long security position held in the client portfolio. This type of transaction is used to generate income. It also serves to create downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced to the extent it is necessary to buy back the option position prior to its expiration. This strategy may involve a degree of trading velocity, transaction costs and significant losses if the underlying security has volatile price movement. Covered call strategies are generally suited for companies with little price volatility.

**B.4.b. Long Call Option Purchases**

Long call option purchases allow the option holder to be exposed to the general market characteristics of a security without the outlay of capital necessary to own the security. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant loss.

**B.4.c. Long Put Option Purchases**

Long put option purchases allow the option holder to sell or “put” the underlying security at the contract strike price at a future date. If the price of the underlying security declines in value, the value of the long put option increases. In this way long puts are often used to hedge a long stock position. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant loss.

**C. Security-Specific Material Risks**

There is an inherent risk for clients who have their investment portfolios heavily weighted in one security, one industry or industry sector, one geographic location, one investment manager, one type of investment instrument (equities versus fixed income). Clients who have diversified portfolios, as a general rule, incur less volatility and therefore less fluctuation in portfolio value than those who have concentrated holdings. Concentrated holdings may offer the potential for higher gain, but also offer the potential for significant loss.

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There is nothing to report on this item.

### **B. Administrative Enforcement Proceedings**

There is nothing to report on this item.

### **C. Self-Regulatory Organization Enforcement Proceedings**

There is nothing to report on this item.

## **Item 10: Other Financial Industry Activities and Affiliations**

### **A. Broker-Dealer or Representative Registration**

Neither Meridian Investment Advisors nor its affiliates, employees, or independent contractors are registered broker-dealers and do not have an application to register pending.

### **B. Futures or Commodity Registration**

Neither Meridian Investment Advisors nor its affiliates are registered as a commodity firm, futures commission merchant, commodity pool operator, or commodity trading adviser and do not have an application to register pending.

### **C. Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

Meridian Investment Advisors does not have any material relationships to report.

### **D. Recommendation or Selection of Other Investment Advisors and Conflicts of Interest**

Meridian Investment Advisors does not recommend separate account managers or other investment products in which it receives any form of compensation from the separate account manager or investment product sponsor.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading**

### **A. Code of Ethics Description**

In accordance with the Advisers Act, Meridian Investment Advisors has adopted policies and procedures designed to detect and prevent insider trading. In addition, Meridian Investment Advisors has adopted a Code of Ethics (the "Code"). Among other things, the Code includes written procedures governing the conduct of Meridian Investment Advisors's advisory and access persons. The Code also imposes certain reporting obligations on persons subject to the Code. The Code and applicable securities transactions are monitored by the chief compliance officer of Meridian Investment Advisors. Meridian Investment Advisors will send clients a copy of its Code of Ethics upon written request.

Meridian Investment Advisors has policies and procedures in place to ensure that the interests of its clients are given preference over those of Meridian Investment Advisors, its affiliates and its employees. For example, there are policies in place to prevent the misappropriation of material non-public information, and such other policies and procedures reasonably designed to comply with federal and state securities laws.

### **B. Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

Meridian Investment Advisors does not engage in principal trading (i.e., the practice of selling stock to advisory clients from a firm's inventory or buying stocks from advisory clients into a firm's inventory). In addition, Meridian Investment Advisors does not recommend any securities to advisory clients in which it has some proprietary or ownership interest.

### **C. Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

Meridian Investment Advisors, its affiliates, employees and their families, trusts, estates, charitable organizations and retirement plans established by it may purchase the same securities as are purchased for clients in accordance with its Code of Ethics policies and procedures. The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by the client, or
- considered for purchase or sale for the client.

Such conflict generally refers to the practice of front-running (trading ahead of the client), which Meridian Investment Advisors specifically prohibits. Meridian Investment Advisors has adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in the client's best interest

- prohibit fraudulent conduct in connection with the trading of securities in a client account
- prohibit employees from personally benefitting by causing a client to act, or fail to act in making investment decisions
- prohibit the firm or its employees from profiting or causing others to profit on knowledge of completed or contemplated client transactions
- allocate investment opportunities in a fair and equitable manner
- provide for the review of transactions to discover and correct any trades that result in an advisory representative or employee benefitting at the expense of a client.

Advisory representatives and employees must follow Meridian Investment Advisors' procedures when purchasing or selling the same securities purchased or sold for the client.

#### **D. Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

Meridian Investment Advisors, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans established by it may effect securities transactions for their own accounts that differ from those recommended or effected for other Meridian Investment Advisors clients. Meridian Investment Advisors will make a reasonable attempt to trade securities in client accounts at or prior to trading the securities in its affiliate, corporate, employee or employee-related accounts. Trades executed the same day will likely be subject to an average pricing calculation (please refer to Item 12.B.3 Order Aggregation). It is the policy of Meridian Investment Advisors to place the client's interests above those of Meridian Investment Advisors and its employees.



## Item 12: Brokerage Practices

### A. Factors Used to Select Broker-Dealers for Client Transactions

#### A.1. Custodian Recommendations

Meridian Investment Advisors considers several factors in recommending a custodian or broker-dealer, including their respective financial strength, reputation, execution, pricing, research and service.

Meridian Investment Advisors may recommend that clients establish brokerage accounts with Fidelity Investments and TD Ameritrade (collectively herein "Custodian"), FINRA-registered broker-dealers, members SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although Meridian Investment Advisors may recommend that clients establish accounts at custodian, it is the client's decision to custody assets with custodian. Meridian Investment Advisors is independently owned and operated and not affiliated with Custodian. For Meridian Investment Advisors client accounts maintained in its custody, Custodian generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through custodian or that settle into its accounts.

In certain instances, Meridian Investment Advisors will recommend to clients certain other broker-dealers and/or custodians based on the needs of the individual client, and taking into consideration the nature of the services required, the experience of the broker-dealer or custodian, the cost and quality of the services, and the reputation of the broker-dealer or custodian. The final determination to engage a broker-dealer or custodian recommended by Meridian Investment Advisors will be made by and in the sole discretion of the client. The client recognizes that broker-dealers and/or custodians have different cost and fee structures and trade execution capabilities. As a result, there may be disparities with respect to the cost of services and/or the transaction prices for securities transactions executed on behalf of the client. Clients are responsible for assessing the commissions and other costs charged by broker-dealers and/or custodians.

##### A.1.a. How We Select Brokers/Custodians to Recommend

Meridian Investment Advisors seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, the following:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear, and settle trades (buy and sell securities for client accounts)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)

- breadth of investment products made available (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- availability of investment research and tools that assist us in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength, and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below

#### **A.1.b. Client's Custody and Brokerage Costs**

For client accounts that the firm maintains, the Custodian generally does not charge clients separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle into the custodian's accounts. The Fidelity Investment's ("Fidelity") commission rates applicable to the firm's client accounts were negotiated based on the firm's commitment to maintain a certain minimum amount of client assets at Fidelity. This commitment benefits the client because the overall commission rates paid are lower than they would be if the firm had not made the commitment. In addition to commissions, the custodian charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that the firm has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the client's Custodian account. These fees are in addition to the commissions or other compensation the client pays the executing broker-dealer. Because of this, in order to minimize the client's trading costs, the firm has the Custodian execute most trades for the account. Lastly, please be advised that certain trade costs may be materially higher for client households that do not utilize Fidelity's eDelivery Platform. Clients should refer to Fidelity's transaction pricing schedule applicable to Meridian's clients or contact their Meridian investment professional for the pricing schedule.

#### **A.1.c. Soft Dollar Arrangements**

Meridian Investment Advisors does not utilize soft dollar arrangements. Meridian Investment Advisors does not direct brokerage transactions to executing brokers for research and brokerage services.

#### **A.1.d. Institutional Trading and Custody Services**

Custodian provides Meridian Investment Advisors with access to its institutional trading and custody services, which are typically not available to custodian's retail investors. With respect to Fidelity, these services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a certain minimum amount of the advisor's clients' assets are maintained in accounts at Fidelity. Generally, this minimum is \$100,000,000 in assets on the Fidelity platform. Fidelity's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments

that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

#### **A.1.e. Other Products and Services**

Custodian also makes available to Meridian Investment Advisors other products and services that benefit Meridian Investment Advisors but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of Meridian Investment Advisors' accounts, including accounts not maintained at custodian. Custodian may also make available to Meridian Investment Advisors software and other technology that

- provide access to client account data (such as trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide research, pricing, and other market data
- facilitate payment of Meridian Investment Advisors' fees from its clients' accounts
- assist with back-office functions, recordkeeping, and client reporting

Custodian may also offer other services intended to help Meridian Investment Advisors manage and further develop its business enterprise. These services may include

- compliance, legal, and business consulting
- publications and conferences on practice management and business succession
- access to employee benefits providers, human capital consultants, and insurance providers

Custodian may also provide other benefits such as educational events or occasional business entertainment of Meridian Investment Advisors personnel. In evaluating whether to recommend that clients custody their assets at Custodian, Meridian Investment Advisors may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers, and not solely the nature, cost, or quality of custody and brokerage services provided by custodian, which may create a potential conflict of interest.

#### **A.1.f Independent Third Parties**

In addition, custodian may make available, arrange, and/or pay for these types of services rendered to Meridian Investment Advisors by independent third parties. Custodian may discount or waive fees it would otherwise charge for some of these services, or pay all or a part of the fees of a third party providing these services to Meridian Investment Advisors.

#### **A.1.g. Additional Compensation Received from Custodians**

Meridian Investment Advisors may participate in institutional customer programs sponsored by broker-dealers or custodians. Meridian Investment Advisors may recommend these broker-dealers or custodians to clients for custody and brokerage services. There is no direct link

between Meridian Investment Advisors' participation in such programs and the investment advice it gives to its clients, although Meridian Investment Advisors receives economic benefits through its participation in the programs that are typically not available to retail investors. These benefits may include the following products and services (provided without cost or at a discount):

- Receipt of duplicate client statements and confirmations
- Research-related products and tools
- Consulting services
- Access to a trading desk serving Meridian Investment Advisors participants
- Access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts)
- The ability to have advisory fees deducted directly from client accounts
- Access to an electronic communications network for client order entry and account information
- Access to mutual funds with no transaction fees and to certain institutional money managers
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to Meridian Investment Advisors by third-party vendors

The custodian may also pay for business consulting and professional services received by Meridian Investment Advisors' related persons, and may pay or reimburse expenses (including client transition expenses, travel, lodging, meals and entertainment expenses for Meridian Investment Advisors' personnel to attend conferences). Some of the products and services made available by such custodian through its institutional customer programs may benefit Meridian Investment Advisors but may not benefit its client accounts. These products or services may assist Meridian Investment Advisors in managing and administering client accounts, including accounts not maintained at the custodian as applicable. Other services made available through the programs are intended to help Meridian Investment Advisors manage and further develop its business enterprise. The benefits received by Meridian Investment Advisors or its personnel through participation in these programs do not depend on the amount of brokerage transactions directed to the broker-dealer.

Meridian Investment Advisors also participates in similar institutional advisor programs offered by other independent custodians, broker-dealers or trust companies, and its continued participation may require Meridian Investment Advisors to maintain a predetermined level of assets at such firms. In connection with its participation in such programs, Meridian Investment Advisors will typically receive benefits similar to those listed above, including research, payments for business consulting and professional services received by Meridian Investment Advisors' related persons, and reimbursement of expenses (including travel, lodging, meals and entertainment expenses for Meridian Investment Advisors' personnel to attend conferences sponsored by the broker-dealer or trust company).

As part of its fiduciary duties to clients, Meridian Investment Advisors endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of

economic benefits by Meridian Investment Advisors or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Meridian Investment Advisors' recommendation of broker-dealers such as custodian for custody and brokerage services.

#### **A.1.h. The Firm's Interest in Custodian's Services**

The availability of these services from the custodian benefits the firm because the firm does not have to produce or purchase them. The firm does not have to pay for the custodian's services so long as a certain minimum of client assets is kept in accounts at the custodian. This minimum of client assets may give the firm an incentive to recommend that clients maintain their accounts with the custodian based on the firm's interest in receiving the custodian's services that benefit the firm's business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of client transactions. This is a potential conflict of interest. The firm believes, however, that the selection of the custodian as custodian and broker is in the best interest of clients. It is primarily supported by the scope, quality, and price of the custodian's services and not the custodian's services that benefit only the firm.

#### **A.2. Brokerage for Client Referrals**

Meridian Investment Advisors does not engage in the practice of directing brokerage commissions in exchange for the referral of advisory clients.

#### **A.3. Directed Brokerage**

##### **A.3.a. Meridian Investment Advisors Recommendations**

Meridian Investment Advisors typically recommends Fidelity and TD Ameritrade as custodian for clients' funds and securities and to execute securities transactions on its clients' behalf.

##### **A.3.b. Client-Directed Brokerage**

Occasionally, clients may direct Meridian Investment Advisors to use a particular broker-dealer to execute portfolio transactions for their account or request that certain types of securities not be purchased for their account. Clients who designate the use of a particular broker-dealer should be aware that they will lose any possible advantage Meridian Investment Advisors derives from aggregating transactions. Such client trades are typically effected after the trades of clients who have not directed the use of a particular broker-dealer. Meridian Investment Advisors loses the ability to aggregate trades with other Meridian Investment Advisors advisory clients, potentially subjecting the client to inferior trade execution prices as well as higher commissions.

## **B. Aggregating Securities Transactions for Client Accounts**

### **B.1. Best Execution**

Meridian Investment Advisors may recommend that clients establish brokerage accounts with Fidelity, a FINRA-registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Such accounts will be prime broker eligible so that if and when the need arises to effect securities transactions at broker-dealers ("executing brokers") other than with the client's current custodian, such custodian will accept delivery or deliver the applicable security from/to the executing broker. Fidelity charges a "trade away" fee which is charged against the client account for each trade away occurrence. Other custodians have their own policies concerning prime broker accounts and trade away fees. Clients are directed to consult their current custodian for their policies and fees.

Meridian Investment Advisors, pursuant to the terms of its investment advisory agreement with clients, has discretionary authority to determine which securities are to be bought and sold, the price of such securities, the executing broker, and the commission rates to be paid to effect such transactions. Meridian Investment Advisors recognizes that the analysis of execution quality involves a number of factors, both qualitative and quantitative. Meridian Investment Advisors will follow a process in an attempt to ensure that it is seeking to obtain the most favorable execution under the prevailing circumstances when placing client orders. These factors include but are not limited to the following:

- The financial strength, reputation and stability of the broker
- The efficiency with which the transaction is effected
- The ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any)
- The availability of the broker to stand ready to effect transactions of varying degrees of difficulty in the future
- The efficiency of error resolution, clearance and settlement
- Block trading and positioning capabilities
- Performance measurement
- Online access to computerized data regarding customer accounts
- Availability, comprehensiveness, and frequency of brokerage and research services
- Commission rates
- The economic benefit to the client
- Related matters involved in the receipt of brokerage services

Consistent with its fiduciary responsibilities, Meridian Investment Advisors seeks to ensure that clients receive best execution with respect to the clients' transactions by blocking client trades to reduce commissions and transaction costs. To the best of Meridian Investment Advisors' knowledge, these custodians provide high-quality execution, and Meridian Investment Advisors' clients do not pay higher transaction costs in return for such execution.

Commission rates and securities transaction fees charged to effect such transactions are established by the client's independent custodian and/or broker-dealer. Based upon its own knowledge of the securities industry, Meridian Investment Advisors believes that such commission rates are competitive within the securities industry. Lower commissions or better execution may be able to be achieved elsewhere.

## **B.2. Security Allocation**

Since Meridian Investment Advisors may be managing accounts with similar investment objectives, Meridian Investment Advisors may aggregate orders for securities for such accounts. In such event, allocation of the securities so purchased or sold, as well as expenses incurred in the transaction, is made by Meridian Investment Advisors in the manner it considers to be the most equitable and consistent with its fiduciary obligations to such accounts.

Meridian Investment Advisors' allocation procedures seek to allocate investment opportunities among clients in the fairest possible way, taking into account the clients' best interests. Meridian Investment Advisors will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Account performance is never a factor in trade allocations.

Meridian Investment Advisors' advice to certain clients and entities and the action of Meridian Investment Advisors for those and other clients are frequently premised not only on the merits of a particular investment, but also on the suitability of that investment for the particular client in light of his or her applicable investment objective, guidelines and circumstances. Thus, any action of Meridian Investment Advisors with respect to a particular investment may, for a particular client, differ or be opposed to the recommendation, advice, or actions of Meridian Investment Advisors to or on behalf of other clients.

## **B.3. Order Aggregation**

Orders for the same security entered on behalf of more than one client will generally be aggregated (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders. Subsequent orders may also be aggregated with filled orders if the market price for the security has not materially changed and the aggregation does not cause any unintended duration exposure. All clients participating in each aggregated order will receive the average price and, subject to minimum ticket charges and possible step outs, pay a pro rata portion of commissions.

To minimize performance dispersion, "strategy" trades should be aggregated and average priced. However, when a trade is to be executed for an individual account and the trade is not in the best interests of other accounts, then the trade will only be performed for that account. This is true even if Meridian Investment Advisors believes that a larger size block trade would lead to best overall price for the security being transacted.

**B.4. Allocation of Trades**

All allocations will be made prior to the close of business on the trade date. In the event an order is "partially filled," the allocation will be made in the best interests of all the clients in the order, taking into account all relevant factors including, but not limited to, the size of each client's allocation, clients' liquidity needs and previous allocations. In most cases, accounts will get a pro forma allocation based on the initial allocation. This policy also applies if an order is "over-filled."

Meridian Investment Advisors acts in accordance with its duty to seek best price and execution and will not continue any arrangements if Meridian Investment Advisors determines that such arrangements are no longer in the best interest of its clients.



---

## Item 13: Review of Accounts

### A. Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved

#### A.1. Individual Portfolio Management Services

While the underlying securities within individual portfolio management services accounts are continually monitored, these accounts are reviewed quarterly and rebalanced as needed, typically at least annually. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. Such reviews are conducted by one of our investment adviser representatives, typically the principal or associate assigned to the account. We will contact ongoing investment advisory clients at least annually to review previous services and/or recommendations and to discuss the impact resulting from any changes in financial situations and/or investment objectives.

#### A.2. Pension Consulting Services

Meridian Investment Advisors will review the client's Investment Policy Statement whenever the client advises us of a change in circumstances regarding the needs of the plan. We will also review the investment options of the plan according to the agreed upon time intervals established in the Investment Policy Statement. Such reviews will generally occur quarterly.

#### A.3. Financial Planning Services

Financial planning reviews are conducted as contracted for at the inception of the relationship. Meridian Investment Advisors will further review the investment options of the plan according to a time interval established at the onset of the relationship, and such reviews generally occur quarterly. While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for financial planning clients unless otherwise contracted for.

### B. Review of Client Accounts on Non-Periodic Basis

Meridian Investment Advisors may perform ad hoc reviews on an as-needed basis if there have been material changes in the client's investment objectives or risk tolerance, or a material change in how Meridian Investment Advisors formulates investment advice.

### C. Content of Client-Provided Reports and Frequency

For individually managed portfolios, unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom we provide investment advisory services will also receive a report that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance on a quarterly basis.

For pension consulting clients, Meridian Investment Advisors will provide reports based on the terms set forth in the client's Investment Policy Statement.

Financial planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for. Financial planning clients will receive reports summarizing our analysis and conclusions as requested by the client or otherwise agreed to in writing.

## **Item 14: Client Referrals and Other Compensation**

### **A. Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest**

Other than what is disclosed in Item 12 regarding benefits the firm receives from its institutional custodian(s) adviser platforms, Meridian Investment Advisors does not receive economic benefits for referring clients to other third-party service providers such as accountants, lawyers, and third party asset managers.

### **B. Advisory Firm Payments for Client Referrals**

The firm does not pay, directly or indirectly, for client referrals.

## Item 15: Custody

Meridian Investment Advisors is considered to have custody of client assets for purposes of the Advisers Act for the following reasons:

- The client authorizes us to instruct their custodian to deduct our advisory fees directly from the client's account. Individual advisory clients will receive at least quarterly account statements directly from their custodian containing a description of all activity, cash balances, and portfolio holdings in their accounts. We urge clients to compare the account balance(s) shown on their account statements to the quarter-end balance(s) on their custodian's monthly statement. The custodian's statement is the official record of the account.
- Our authority to direct client requests, utilizing standing instructions, for wire transfer of funds for first-party money movement and third-party money movement (checks and/or journals, ACH, Fed-wires). The firm has elected to meet the SEC's seven conditions to avoid the surprise custody exam, as outlined below:
  1. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
  2. The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
  3. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
  4. The client has the ability to terminate or change the instruction to the client's qualified custodian.
  5. The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
  6. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.
  7. The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.

## **Item 16: Investment Discretion**

Clients may grant a limited power of attorney to Meridian Investment Advisors with respect to trading activity in their accounts by signing the appropriate custodian limited power of attorney form. In those cases, Meridian Investment Advisors will exercise full discretion as to the nature and type of securities to be purchased and sold, the amount of securities for such transactions, the amount of commissions to be paid, and the executing broker to be used. Investment limitations may be designated by the client as outlined in the investment advisory agreement.

## Item 17: Voting Client Securities

Meridian Investment Advisors does not take discretion with respect to voting proxies on behalf of its clients. Meridian Investment Advisors will endeavor to make recommendations to clients on voting proxies regarding shareholder vote, consent, election or similar actions solicited by, or with respect to, issuers of securities beneficially held as part of Meridian Investment Advisors supervised and/or managed assets. In no event will Meridian Investment Advisors take discretion with respect to voting proxies on behalf of its clients.

Except as required by applicable law, Meridian Investment Advisors will not be obligated to render advice or take any action on behalf of clients with respect to assets presently or formerly held in their accounts that become the subject of any legal proceedings, including bankruptcies.

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. Meridian Investment Advisors has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. Meridian Investment Advisors also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, Meridian Investment Advisors has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where Meridian Investment Advisors receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials to the client. Electronic mail is acceptable where appropriate and where the client has authorized contact in this manner.

## **Item 18: Financial Information**

### **A. Balance Sheet**

Meridian Investment Advisors does not require the prepayment of fees of \$1200 or more, six months or more in advance, and as such is not required to file a balance sheet.

### **B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

Meridian Investment Advisors does not have any financial issues that would impair its ability to provide services to clients.

### **C. Bankruptcy Petitions During the Past Ten Years**

Meridian Investment Advisors has not been the subject of a bankruptcy petition at any time during the past ten years.