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MeridianIA.com

03/10/20

ANNUAL AMENDED BROCHURE

***Part 2A of Form ADV***

**Item 1 – Cover Page**

This Brochure provides information about the qualifications and business practices of Meridian Investment Advisors (“Meridian”). If you have any questions about the contents of this Brochure, please contact us at 501/663-7055 and/or [LVanNess@MeridianIA.com](mailto:LVanNess@MeridianIA.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.

Meridian is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

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

## **Item 2 – Material Changes**

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure clients will receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We may further provide clients with a new brochure as necessary based on changes or new information, at any time, without charge.

Our last annual brochure was dated 03/25/19.

Currently, our brochure may be requested by contacting Lewis Van Ness, Managing Principal at 501/663-7055 or [LVanNess@MeridianIA.com](mailto:LVanNess@MeridianIA.com). Our brochure is also available on our web site [www.MeridianIA.com](http://www.MeridianIA.com), also free of charge.

Additional information about Meridian is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Meridian who are registered, or are required to be registered, as investment adviser representatives.

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## Item 4 – Advisory Business

Meridian is an independent SEC Registered Investment Advisor. Headquartered in Little Rock, Arkansas, the firm was founded in 1983. As of December 31, 2019 we manage \$612.5 million in assets for endowments, foundations, company retirement plans, individuals, and high net worth families on a discretionary basis.

Since inception, Meridian has served as a money manager to assist clients with setting goals, establishing investment strategy, and managing financial asset portfolios on a discretionary basis. We are a fee only advisor.

We offer an automated investment program (the “Institutional Intelligent Portfolios Program” or “Program”) through which clients are invested in a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange-traded funds (“ETFs”) and a cash allocation. The client may instruct us to exclude up to three ETFs from their portfolio. The client’s portfolio is held in a brokerage account opened by the client at Charles Schwab & Co., Inc. (“CS&Co”). We use the Institutional Intelligent Portfolios® platform (“Platform”), offered by Schwab Performance Technologies (“SPT”), a software provider to independent investment advisors and an affiliate of CS&Co., to operate the Program. We are independent of and not owned by, affiliated with, or sponsored or supervised by SPT, CS&Co., or their affiliates (together, “Schwab”). We, and not Schwab, are the client’s investment advisor and primary point of contact with respect to the Program. We are solely responsible, and Schwab is not responsible, for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client’s investment needs and goals, and managing that portfolio on an ongoing basis. We have contracted with SPT to provide us with the Platform, which consists of technology and related trading and account management services for the Program. The Platform enables us to make the Program available to clients online and includes a system that automates certain key parts of our investment process (the “System”). The System includes an online questionnaire that helps us determine the client’s investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that we will recommend a portfolio via the System in response to the client’s answers to the online questionnaire. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but we then make the final decision and select a portfolio based on all the information we have about the client. The System also includes an automated investment engine through which we manage the client’s portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

We charge clients a fee for our services as described below under *Item 5 Fees and Compensation*. Our fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to CS&Co. as part of the Program. Schwab does receive other revenues, including (i) the profit earned by Charles Schwab Bank, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or Institutional Intelligent unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® and Laudus Funds® that we select to buy and hold in the client’s brokerage account; (iii) fees received by Schwab from third-party ETFs that participate in the Schwab ETF OneSource™ program and mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds and Laudus Funds) in the client’s brokerage account for services Schwab provides; and (iv) remuneration Schwab may receive from the market centers where it routes ETF trade orders for execution.

We do not pay SPT fees for the Platform so long as we maintain \$100 million in client assets in accounts at CS&Co. that are not enrolled in the Program. This fee arrangement gives us an incentive to recommend or require that our clients with accounts not enrolled in the Program be maintained with CS&Co.

Our Retirement Services division was created in 1997 to provide retirement plan consulting to large defined contribution plans (i.e. 401(k), 403(b), 401(a), and 457(b) plans). Plan assets range from \$1 million to \$35 million and include over 3,000 participants.

Meridian is structured as an S Corporation. The principal owners of Meridian are Pat D. Moon and Lewis W. Van Ness.

## **Item 5 – Fees and Compensation**

As described in *Item 4 Advisory Business*, clients do not pay fees to SPT or brokerage commissions or other fees to CS&Co. as part of the Program. Schwab does receive other revenues including (i) the profit earned by Charles Schwab Bank, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® and Laudus Funds® that we select to buy and hold in the client's brokerage account; (iii) fees received by Schwab from third-party ETFs that participate in the Schwab ETF OneSource™ program and mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds and Laudus Funds) in the client's brokerage account for services Schwab provides; and (iv) remuneration Schwab may receive from the market centers where it routes ETF trade orders for execution. Brokerage arrangements are further described below in *Item 12 Brokerage Practices*. Brokerage arrangements are further described below in *Item 12 Brokerage Practices*.

For accounts that are balanced (invested in a blend of stocks and bonds), Meridian's customary annual fee for investment management services shall be as follows: 1.00% for \$500,000 to \$1,000,000; 0.85% of the next \$10 million of market value; 0.75% of the next \$10 million; and 0.50% for amounts over \$20 million. Fees applicable to fixed income accounts shall be as follows: 0.75% for \$500,000 to \$1,000,000; 0.45% of the next \$10 million of market value; and 0.35% for amounts over \$10 million. Fees applicable to equity accounts shall be as follows: 1.25% for \$500,000 to \$1,000,000; 1.00% of the next \$10 million of market value; and 0.75% for amounts over \$10 million.

Meridian's annual fee is payable on a quarterly basis with such quarterly payment being calculated at the rate of 1/4 of the above percentages on the total value of a client's account as of the last business day of March, June, September and December and is payable in arrears or in advance, as agreed to by Meridian and client\*. For the time period between the date an investment advisory agreement is entered into and the first regular quarterly fee calculation date, an initial fee shall be computed on a pro-rata basis for such time period. In the event that an investment advisory agreement is canceled by the client or Meridian, the client shall be entitled to a pro-rata refund of any prepaid fee.

Meridian's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such

Charges, fees and commissions are exclusive of, and in addition to, Meridian's fee. Meridian does not receive any portion of these commissions, fees, and costs.

Client funds are frequently invested in money market funds which charge a management fee. Client funds held by a custodian or a broker may be swept into the custodian broker or bank's short-term investment funds. Funds of this nature ordinarily charge a fee for the investment of cash in mutual funds and money market type investments. These fees are in addition to those charged by Meridian, i.e., if client account is invested in a mutual fund, exchange traded fund, or money market fund, there may be an additional management fee charged by those entities.

Compensation for investment advice furnished through consultations shall be negotiated in advance between Meridian and client and may be based upon (1) an hourly or daily fee, at a rate agreed to by the client, plus expenses, (2) a fixed fee agreed to by the client, or (3) a percentage fee, at a rate agreed to by the client, based upon the amount of client's assets to which such consultations relate. Such compensation shall be payable at a time agreed to by Meridian and client.

Meridian serves as investment advisor to client-sponsored defined contribution plans whereby the sponsor offers a variety of investment options to participants.

Participants are offered a minimum of four such investment options, e.g. money market, fixed income, equity funds and Lifestyle funds or Target Retirement funds. Meridian selects registered mutual funds or collective trust funds. Participants allocate their individual account balances among the funds selected by Meridian. Meridian has the discretion to designate the funds utilized and to increase or decrease the number of such funds. Meridian's annual fee schedule for this ranges from 0.25% to 1.0%. Funds selected by Meridian charge a fee for management of assets. Meridian's fee is in addition to that charged by the funds.

Meridian reserves the right to modify its customary fee arrangements when, in Meridian's judgment, circumstances with respect to the client justify a different arrangement.

## **Item 6 – Performance-Based Fees**

Meridian does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

Clients eligible to enroll in the Program include individuals, IRAs, and revocable living trusts. Clients that are organizations (such as corporations and partnerships) or government entities, and clients that are subject to the Employee Retirement Income Security Act of 1974, are not eligible for the Program. The minimum investment required to open an account in the Program is \$5,000. The minimum account balance to enroll in the tax-loss harvesting feature is \$50,000.

Meridian provides portfolio management services to individuals, high net worth families, corporate retirement plans, public pension funds, charitable institutions, foundations, endowments, and municipalities.

Meridian has an initial minimum account size of \$500,000. This minimum may be adjusted at the discretion of Meridian depending on the facts and circumstances, e.g. for minimum account size purposes, the value of client accounts may be aggregated, or an account may be accepted when it is anticipated that additional funds will be contributed.

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

Meridian focuses first on the appropriate asset allocation for clients. Matching the risk level of the portfolio with the client's risk profile is crucial in achieving long-term goals.

**Common Stocks:** Meridian invests primarily in common stocks and seeks to invest in companies that offer superior opportunities for growth of capital. These companies, in our opinion, are attractively valued and represent good long-term value. Meridian believes that an important way to accomplish this is through fundamental analysis. Meridian may also invest in relatively attractive investment opportunities, both domestic and securities issuers domiciled outside the U.S., through exchange-traded funds or mutual funds.

**Fixed Income:** Meridian invests primarily in U.S. Treasuries, Agencies of the Federal government, high quality U.S. corporate bonds, and municipal bonds. Average maturity and duration of the fixed income portfolio is determined by Meridian's investment committee economic outlook.

**Risks of Investing in Financial Assets:** As with all financial securities, prices can fall because of weakness in stock or bond markets, a particular industry, or a specific holding. The financial markets can decline for many reasons, including adverse political or economic developments, changes in investor philosophy, or heavy institutional selling.

The prospects for an industry or company may deteriorate because of a variety of factors, including disappointing earnings or changes in the competitive environment. In addition, Meridian's assessment of companies may prove incorrect, resulting in losses or poor performance even in rising markets. Investing in small companies involves greater risk than is customarily associated with larger companies. Stocks of small companies are subject to more abrupt or erratic price movements than larger-company stocks. Small companies often have limited product lines, markets, or financial resources, and their managements may lack depth and experience. Such companies seldom pay significant dividends that could cushion returns in a falling market.

Investing in securities involves risk of loss that clients should be prepared to bear.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Meridian or the integrity of Meridian's management. Meridian and its principals have experienced no legal or disciplinary events.

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

Meridian may recommend clients establish brokerage accounts with various registered brokers/dealers, members SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Meridian is independently owned and operated and not affiliated with any broker/dealer. The brokers/dealers provide Meridian with access to its institutional trading and custody services, which are typically not available to their retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a specified amount of the advisor's clients' assets is maintained in the accounts at brokers/dealers. Meridian does not commit to any broker/dealer a specific amount of trading. The brokers/dealers' services may include brokerage, 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.



For Meridian's client accounts maintained in its custody, the brokers/dealers generally do not charge separately for custody but are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through brokers/dealers or that settle into brokers'/dealers' accounts.

The brokers/dealers also make available to Meridian other products and services that benefit Meridian but may not benefit its clients' accounts. Some of these other products and services assist Meridian in managing and administering clients' accounts. These may include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of Meridian's fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of Meridian's accounts, including accounts not maintained at the providing broker/dealer. The broker/dealer may also make available to Meridian other services intended to help Meridian manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. While as a fiduciary Meridian endeavors to act in its clients' best interests, Meridian's recommendation that clients maintain their assets in accounts at a particular broker/dealer may be based in part on the benefit to Meridian of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by a particular broker/dealer which may create a potential conflict of interest.

### **Item 11 – Code of Ethics**

Meridian has adopted a Code of Ethics (the "Code") for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Meridian must acknowledge the terms of the Code of Ethics annually, or as amended. Meridian's complete Code of Ethics is available upon request.

Meridian has a profit-sharing plan which may, from time to time, purchase or sell securities. In addition, personnel of Meridian may purchase or sell securities for themselves or accounts in which they may have a beneficial interest. The Code is designed to proscribe transactions which would result in actual or potential conflicts of interest between clients and employees of Meridian in connection with the purchase and/or sale of securities.

Meridian anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Meridian has management authority to effect and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Meridian, its affiliates and/or clients, directly or indirectly, have a position of interest. Meridian's employees and persons associated with Meridian are required to follow Meridian's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Meridian and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Meridian's clients. The Code is designed to assure that the personal securities transactions, activities and interests of the employees of Meridian will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Meridian's clients. In addition, the Code



requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored to reasonably prevent conflicts of interest between Meridian and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Meridian's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Meridian will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

It is Meridian's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Meridian will also not cross trades between client accounts. Principal transactions are generally defined as transactions where Meridian, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Meridian's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Lewis W. Van Ness.

## **Item 12 - Brokerage Practices**

Client accounts enrolled in the Institutional Intelligent Portfolios Program ("Program") are maintained at, and receive the brokerage services of, CS&Co., a broker/dealer registered with the Securities and Exchange Commission and a member of FINRA and SIPC. While clients are required to use CS&Co. as custodian/broker to enroll in the Program, the client decides whether to do so and opens its account with CS&Co. by entering into a brokerage account agreement directly with CS&Co. We do not open the account for the client. If the client does not wish to place his or her assets with CS&Co., then we cannot manage the client's account through the Program. CS&Co. may aggregate purchase and sale orders for ETFs across accounts enrolled in the Program, including both accounts for our clients and accounts for clients of other independent investment advisory firms using the Platform.

Schwab Advisor Services™ (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. Through Schwab Advisor Services, CS&Co. provides us and our clients, both those enrolled in the Program and our clients not enrolled in the Program, with access to its institutional brokerage services — trading, custody, reporting, and related services—many of which are not typically available to CS&Co. retail customers. CS&Co. also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. CS&Co.'s support services described below are generally available on an unsolicited basis and at no charge to us. The availability to us of CS&Co.'s products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

CS&Co. also makes available to us other products and services that benefit us but may not directly benefit the client or its account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at CS&Co. In addition to investment research, CS&Co. also makes available software and other technology that:

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

CS&Co. also offers other services intended to help us manage and further develop our business enterprise. These services include:

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

CS&Co. may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. CS&Co. may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. CS&Co. may also provide us with other benefits such as occasional business entertainment of our personnel.

The availability of services from CS&Co. benefits us because we do not have to produce or purchase them. We don't have to pay for these services, and they are not contingent upon us committing any specific amount of business to CS&Co. in trading commissions or assets in custody. With respect to the Program, as described above under *Item 4 Advisory Business*, we do not pay SPT fees for the Platform so long as we maintain \$100 Million in client assets in accounts at CS&Co. that are *not* enrolled in the Program. In light of our arrangements with Schwab we may have an incentive to recommend that our clients maintain their accounts with CS&Co. based on our interest in receiving Schwab's services that benefit our business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. This is a potential conflict of interest. We believe, however, that our selection of CS&Co. as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality, and price of CS&Co.'s services and not Schwab's services that benefit only us.

In cases in which Meridian determines or suggests brokers and negotiates or suggests commission rates, such decisions or actions are based upon Meridian's evaluation of execution ability and brokerage service and on the basis of research services or the receipt of other products or services. Other products and services may include trading platforms, publications of regulatory and industry issues, and dedicated service representatives. Meridian may pay a broker a brokerage commission in excess of that which another broker might have charged for effecting the same transaction, in recognition of services provided by the broker.

Meridian has adopted trading policies that are intended to ensure that all trades are undertaken and, where necessary, allocated to advisory clients in a manner that fulfills our fiduciary obligation to each

advisory client and otherwise allocates securities on a basis that is fair, equitable, consistently applied and does not unfairly discriminate against any advisory client. Instances where allocation may be necessary include without limitation: block trades, bunching client trades, simultaneous transactions in securities for advisory clients and the firm (or an employee of the firm), and disposition of unattractive securities (e.g., a downgraded security). When allocation is necessary, securities shall be apportioned among advisory clients and others in accordance with the Meridian's trading policies and otherwise as directed by the Chief Compliance Officer (the "CCO"). In determining whether an allocation is fair, the CCO shall take into account Meridian's fiduciary duties to each client; potential conflicts of interest; the facts and circumstances presented in each instance, each client's individual investment objectives, mandates and suitability; eligibility to participate in the transaction and any other considerations which, in the sole judgment of the CCO, are relevant and material to the overall goal of allocating securities on a fair and equitable basis.

Lewis W. Van Ness is the Chief Compliance Officer.

### **Item 13 – Review of Accounts**

Meridian reviews investment advisory accounts periodically and, in general, no less frequently than once a quarter. Formal reviews of the portfolio and the client files, including all legal documents and investment policy statements, are done on an annual basis by Meridian's principles. In addition to such regular reviews, special reviews may be triggered by changes in client objectives, changes in client cash positions, or changes in the outlook for the economy, specific industries, or specific securities.

Meridian furnishes written quarterly reports to clients containing a portfolio listing by security, cost, current market value, yield, and a transaction record of securities purchased or sold during the period covered by the report. We also furnish income/expense reports. Some clients request such reports be provided on a monthly basis.

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

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us. These products and services, how they benefit us, and the related conflicts of interest are described above under *Item 12 Brokerage Practices*. The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

### **Item 15 – Custody**

Under government regulations, we are deemed to have custody of a client's assets if the client authorizes us to instruct CS&Co. to deduct our advisory fees directly from the client's account. This is the case for accounts in the Program. CS&Co. maintains actual custody of clients' assets. Clients receive account statements directly from CS&Co. at least quarterly. They will be sent to the email or postal mailing address the client provides to CS&Co.. Clients should carefully review those statements promptly when received. We also urge clients to compare CS&Co.'s account statements to the periodic account statements clients receive from us.

### **Item 16 – Investment Discretion**

Meridian usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Meridian observes the investment policies, limitations, and restrictions of the client. For registered investment companies, Meridian's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made. Investment guidelines and restrictions are developed between Meridian and Client and are agreed to in writing.

### **Item 17 – Voting Client Securities**

In certain circumstances, and in accordance with the client's specific advisory agreement, Meridian shall vote proxies related to securities held by any client in a manner that is in the best interest of the client. Meridian shall consider only those factors that relate to the client's investment(s) or that are established by the client's written instructions. Such factors will include how a vote will economically impact and affect the value of the client's investment.

Proxy votes generally will be cast in favor of proposals that:

- maintain or strengthen the shared interests of shareholders and management
- increase shareholder value
- maintain or increase shareholder influence over the issuer's board of directors and management
- maintain or increase the rights of shareholders.

Proxy votes generally will be cast against proposals having the opposite effect.

In voting on each and every issue, Meridian and its employees shall vote in a prudent and timely fashion and only after a careful evaluation of the issue(s) presented on the ballot.

In exercising its voting discretion, Meridian and its employees shall avoid any direct or indirect conflict of interest raised by such voting decision. Meridian will provide adequate disclosure to the client if any substantive aspect or foreseeable result of the subject matter to be voted upon raises an actual or potential conflict of interest to Meridian.

Consistent with SEC Rule 206(4)-6, Meridian will keep certain records required by applicable law in connection with its proxy voting activities for clients and shall provide proxy-voting information to clients upon their written or oral request. A copy of Meridian's proxy-voting policies and procedures are available to clients upon request.

Marshall D. Moon will be responsible for voting proxies.

### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Meridian's financial condition. Meridian has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.



11300 Cantrell Rd, Suite 200  
Little Rock, AR 72212  
501-663-7055  
MeridianIA.com  
03/10/20

*Part 2B of Form ADV: Brochure Supplement*

**Item 1 – Cover Page**

This Brochure supplement provides information about Pat D. Moon, Lewis W. Van Ness, and D. Jason Feilke that supplements the Meridian Investment Advisors brochure. You should have received a copy of that brochure. Please contact Lewis W. Van Ness if you did not receive Meridian Investment Advisors brochure or if you have any questions about the contents of this supplement.

Additional information about Pat, Lewis, or Jason is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Education Background and Business Experience

Name	Date of Birth	Education & Business Background
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Pat D. Moon	10-5-61	University of Central Ark. - BBA Texas Christian University – MBA Chartered Financial Analyst (CFA*) Chartered Investment Counselor
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Managing Principal, Meridian Management Company (04-00 to present)  
Vice President & Portfolio Manager, Meridian Management Company (03-97 to 04-00)  
Vice President & Senior Portfolio Manager, Boatmen's Trust Co. (1995-1997)  
Senior Investment Officer, First Commercial Capital Mgmt., (1994-1995)  
Vice President & Manager Trust Investments, Simmons First National Bank (1990-1994)

Lewis W. Van Ness	03-25-56	University of Arkansas - BSBA Chartered Financial Analyst (CFA*) Chartered Investment Counselor
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Managing Principal, Meridian Management Company (06-93 to present)  
Vice President, Meridian Management Company (04-89 to 06-93)  
Senior Vice President, First Commercial Capital Mgmt., (04-84 to 04-89)  
Vice President Trust Investments, National Bank of Commerce (02-79 to 04-84)

D. Jason Feilke, CFP™	11-06-79	University of Arkansas - BBA University of Arkansas - MBA Certified Financial Planner™
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Director of Retirement Plan Services, Meridian Management Company (07-12 to present)  
Supervising Advisor, BKD Wealth Advisors (06-10 to 07-12)  
Financial Advisor, Merrill Lynch (05-06 to 05-10)  
Institutional Fixed Income Broker, Stephens, Inc. (08-03 to 09-05)

Marshall D. Moon	11-05-92	University of Central Arkansas - BBA
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Investment Analyst, Meridian Management Company (06-15 to present)

\*The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals.

There are currently more than 90,000 CFA charterholders working in 134 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

## **High Ethical Standards**

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

## **Global Recognition**

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 22 countries and territories recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

## **Comprehensive and Current Knowledge**

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).

## **Item 3 – Disciplinary Information**

Pat Moon, Lewis Van Ness, Jason Feilke and Marshall Moon have not been involved in any legal or disciplinary events.

## **Item 4 – Other Business Activities**

Meridian and Meridian's principals are not registered representatives of a broker dealer or any other commission-based broker dealer business. Meridian's only compensation is from fees disclosed in the investment advisory agreement executed with our clients.



## **Item 5 – Additional Compensation**

Mr. Moon and Mr. Van Ness do not receive any compensation other than investment advisory fees from Meridian. There are no other sources of income from business not associated with Meridian advisory contracts.

## **Item 6 – Supervision**

Mr. Moon and Mr. Van Ness are the Managing Principals of Meridian that give investment advice. Additional employees who also give investment advice are Jason Feilke and Marshall Moon. Meridian has policies and procedures in place to review advice given and monitor portfolios of the principals and employees on a periodic basis.

It is the responsibility of the Chief Compliance Officer, Lewis Van Ness, to monitor portfolios and monitor advisors to verify policies and procedures are being followed.