

ADV PART II

Item 1 – Cover Page
DISCLOSURE BROCHURE
(FORM ADV, PART II)

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File No. 801-37125

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Additional information about Productive Capital Management, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

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The information contained herein is provided to clients and prospective clients about the qualifications and business practices of Productive Capital Management, Inc. (Adviser). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. If you have any questions about the contents of this brochure, please contact us at the telephone listed above.

Productive Capital Management, Inc. is a SEC Registered Investment Adviser; however, registration does not imply any level of skill or training.

ITEM 2 – MATERIAL CHANGES

The purpose of this page is to inform you of any material changes since the last annual update to this brochure. If you are receiving this brochure for the first time, this section may not be relevant to you. There are no material changes since the last update on December 16, 2013 .

Please retain a copy of this brochure for your records.

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ITEM 4 – ADVISORY BUSINESS

The Company

Productive Capital Management, Inc. (“Adviser”) was established in 1990 by Ken Kentosh to provide public entities with independent and unbiased investment advice. In 1992, William Scanlon became an equal partner, and in 2003, William Scanlon became the sole owner when Mr. Kentosh retired. In December, 2010, Kathleen Barr joined the Adviser and became the 51% majority shareholder. On October 1, 2013, Mr. Scanlon and Ms. Barr sold 100% of their shares to Meeder Investment Management, Inc. (“Meeder”). Mr. Scanlon will continue his employment as Chairman of the Adviser. Following the sale of the Adviser to Meeder, Ms. Barr retired from the Adviser.

Meeder offers a complete range of equity, fixed income, and cash management investment strategies through Meeder Asset Management, Inc., the Meeder Funds®, and Meeder Advisory Services, Inc. Meeder works with investors of all types, including retirement plans and their participants, institutions, high net worth individuals, financial representatives, and mutual fund investors. All affiliates share employees and are located at 6125 Memorial Drive, Dublin, Ohio 43017.

MAM also does business as Public Funds Administrators. These entities provide professional investment advisory and administrative services to state and local public funds managers utilizing a variety of fixed income portfolio solutions. Public Funds Administrators receives a fee for providing administrative services on behalf of the Treasurer of State of Ohio for the State Treasury Asset Reserve of Ohio (“STAR Ohio”) and STAR Plus programs.

Investment Services

The Advisers business can be summarized as follows:

- One hundred percent of the Adviser’s business involves managing public entities’ operating funds, bond proceeds and similar pools of cash.
- Historically, the Adviser’s services have been non-discretionary; however, we now offer discretionary services as well.
- The Adviser’s current clients are cities, counties, universities, school districts, libraries and state agencies all located in the State of Ohio.
- The Adviser invests in short to intermediate term fixed income securities.
- The Adviser tailors its services to each client, utilizing all investments permissible under state

specific investment codes and the clients' investment policies.

- Clients may impose restrictions as long as they are legally permissible under the state code.
- The Adviser provides educational workshops and seminars on the fixed income market, fixed income securities, and how they relate to the Ohio Revised Code.

In addition, the Adviser provides educational services to clients and prospective clients that include an overview of the marketplace, investment policy considerations, eligible investments, accounting for investments, depository products, broker/dealer relationships, custodians, and maintaining an investment portfolio

Assets Under Management

The Adviser manages client assets in both discretionary and non-discretionary accounts on a continuous and regular basis. As of December 31, 2013, the total amount of assets under our management was \$ of which \$ was discretionary assets and \$ non-discretionary assets. As of December 31, 2013, Meeder and its subsidiaries managed approximately \$1.3 billion in assets.

ITEM 5 – FEES AND COMPENSATION

The Adviser offers services on a fee only basis. All fees are calculated on a percentage of assets under management or a flat fee. Clients are billed quarterly in arrears. Clients may, however, request monthly billing. Clients may authorize their custodian to directly debit the Adviser's fee from assets held in their custodial account. Clients who select this option should carefully review the statement from their custodian to ensure their account was debited correctly by the custodian.

Clients that pay a flat fee will receive an invoice for the billing period equal to one-quarter of the annual fee. If clients are charged a basis point fee as a percentage of assets under management, the average value of assets for the quarter will be used to calculate the quarterly fee. The Adviser provides a fee invoice to all clients. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee.

The Adviser's fee schedules are as follows:

Assets	Non-discretionary Fee	Discretionary Fee
First \$20 million	10 basis points	15 basis points
Next \$10 million	7 basis points	10 basis points
Over \$30 million	3 basis points	6 basis points

The Adviser requires a \$3 million minimum account size; however, the Adviser reserves the right to waive the minimum depending upon the clients and their needs. All fees are subject to negotiation.

The fee for workshops and seminars will range from \$75 to \$150 per person, depending upon the scope of material and size of class.

Other Fees and Expenses

Clients may pay other expenses in addition to the fees paid the Adviser. For example, clients may pay costs such as brokerage commissions, transaction fees, custodial fees, transfer taxes, wire transfer fees, and other fees and taxes charged to brokerage accounts and securities transactions that are unrelated to the fees collected by the Adviser. Money market mutual funds also charge internal management fees which are disclosed in a fund's prospectus and/or financial filings.

The Adviser does not share in any of these fees.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

The Adviser does not charge performance-based fees.

ITEM 7 – TYPES OF CLIENTS

As stated in Item 4, the Adviser offers non-discretionary and discretionary fixed income investment management services to public entities that include cities, counties, universities, school districts, libraries and state agencies.

Types of investments are limited by the state code as well as the investment policy of each entity. Investments include U.S. Government securities, agencies, commercial paper, banker's acceptances, highest rated corporate bonds, certain municipal debt, certificates of deposit and certain approved money market funds. The Adviser may recommend state pooled money market funds or other bank liquidity products for a client's cash needs.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The Adviser's primary investment objective is to generate a market yield for our clients while being mindful of the three basic investment principles of safety, liquidity and return. The Adviser tailors advice to each client utilizing all investments permissible under state specific investment codes and the clients' investment policies. The Adviser's method of analysis for constructing portfolios includes:

- Fundamental analysis
- Technical analysis
- Cyclical analysis

The main sources of information the Adviser uses include:

- Financial news and publications
- Research material prepared by others
- Corporate rating services

The Adviser's portfolio management team shares the same investment philosophy and process, which is a result of the culmination of data that is reviewed during the week and discussed at the Adviser's weekly investment meeting. While portfolio managers' are responsible for their clients' portfolios, a similar theme and strategy is utilized across client accounts with similar investment objectives.

Fixed Income Risks

All investments involve risk of loss that clients should be prepared to bear. These risks include but are not limited to: interest rate risk, issuer/credit risk, liquidity risk, and general economic risk.

Although the Adviser manages client assets in a manner consistent with risk tolerance, there can be no guarantees. Material risks associated with investing in fixed income securities include:

Interest Rate Risk - fixed income security prices increase or decrease in value as interest rates increase or decrease. Generally, if rates increase, the value of a security decreases; if rates decrease, the value of a security increases.

Issuer/Credit Risk – risk of issuers not making payments on securities they issue. If the credit quality of a security is lowered due to the issuer's financial condition, it may affect the value of the security as well as the liquidity or our ability to sell the security.

Liquidity Risk - Some of our clients can and will invest in bank certificates of deposit. Clients must realize that collateralized CDs are non-negotiable and, if required to sell before it matures, a principal loss may be realized.

Markets fluctuate and clients need to understand that in the event they need to raise cash for budgetary reasons or portfolios need to be realigned, securities may be sold at a gain or at a loss.

ITEM 9 – DISCIPLINARY INFORMATION

The Adviser has no reportable disclosures.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The Adviser reviews and updates the brochure at least annually to confirm that it remains current. The Adviser is a subsidiary of Meeder. Wholly owned subsidiaries of Meeder also include, Meeder Asset Management, Inc., (“MAM”), Meeder Advisory Services, Inc. (“MAS”), Adviser Dealer Services, Inc. (“ADS”). ADS is a broker-dealer registered with the Securities Exchange Commission (“SEC”) and a member of Financial Industry Regulatory Authority (“FINRA”).

The Meeder Funds® is a family of mutual funds managed by MAM, an affiliated company of the Adviser and like the Adviser a wholly owned subsidiary of Meeder. Mutual Funds Service Co., an affiliated company of the Adviser and like the Adviser a wholly owned subsidiary of Meeder, serves as the administrator, transfer agent, shareholder service agent and fund accounting agent for the Meeder Funds®. One principal executive officer employed by the Adviser spends a significant portion of his time devoted to these functions.

The Adviser is affiliated with MAM, an investment adviser to qualified retirement plans, corporations, endowment plans, individuals and registered investment companies. MAM is the sponsor, investment adviser and manager of the Meeder Funds®, a registered investment company under the Investment Company Act of 1940.

MAM also does business as Public Funds Administrators. These entities provide professional investment advisory and administrative services to state and local public funds managers utilizing a variety of fixed income portfolio solutions. Public Funds Administrators receives a fee for providing administrative services for the State Treasury Asset Reserve of Ohio (“STAR Ohio”) and STAR Plus programs.

The Adviser is affiliated with MAS, a registered investment adviser that furnishes model portfolios and a mutual fund asset allocation service to its clients.

ITEM 11 – CODE OF ETHICS

The Adviser has adopted policies and procedures designed to address circumstances that could give rise to a conflict of interest, a potential conflict of interest, or an appearance of impropriety (“Code”). The Code covers restrictions on personal investing activities including blackout periods, initial public offerings, limited offerings, short-term trading profits and gift limits. The Code covers compliance requirements including pre-clearance on personal transactions, initial, quarterly and annual holdings reports, exempted transactions, opening of new security accounts, reporting actual and suspected violations and sanctions. A copy of the Adviser’s Code of Ethics is available upon request to prospective and current clients.

The Adviser and its affiliates, except as otherwise described with regard to ADS, do not receive commissions for the purchase or sale of any security recommended for use in client accounts. The Adviser and its employees or affiliates, including Trustees of the Meeder Funds®, may from time to time hold a position either directly or indirectly in securities owned by clients. No person associated with the Adviser may trade in a recommended security to his advantage over a client’s. All trading accounts of directors and officers of the Adviser and those employees of the Adviser

determining investment advice to be given to clients are reviewed for compliance.

ITEM 12 – BROKERAGE PRACTICES

The Adviser trades with a list of local and nationally recognized broker-dealers that have been pre-approved based on their reputation, competitive pricing, fees and quality of executing trades. The Adviser's goal is to obtain best price and trade execution for our clients.

The Adviser does not engage in any soft dollar arrangements, including markups or markdowns in order to obtain research or any other product or service from any broker-dealer. From time to time, broker-dealers may provide the Adviser with market data and intelligence, and some of these broker-dealers execute trades on behalf of our clients. This information is not provided in connection with client transactions.

Trade Aggregation

The Adviser does not aggregate trades for non-discretionary clients as the client must give prior approval, which, therefore, does not allow for aggregations of trades. In most cases, the Adviser compares trades to similar offerings from other brokers-dealers. When possible, discretionary accounts would be aggregated, with each client receiving a pro-rata portion of each trade. In some cases there will not be enough of any one security to purchase for all discretionary accounts. In this case a similar security would be purchased.

ITEM 13 – REVIEW OF ACCOUNTS

The Adviser offers advisory clients monthly and annual periodic written portfolio reports that include a list of assets.

A new client portfolio is reviewed at the end of the first quarter and then at the client's request. An example would be that most of our County clients request quarterly reviews. The Adviser will also initiate reviews. Generally, the assigned portfolio manager performs account reviews or it may be done by another member of the portfolio management team.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

The Adviser does not receive any economic benefit from non-clients in connection with giving advice to clients.

Solicitor Fees

The Adviser may enter into an agreement with a broker-dealer or a U.S. registered investment adviser in which the Adviser pays a set percentage of its management fees to the referring entity. These agreements are referred to as Solicitor's Agreements. Only agreements with entities that are registered with FINRA or the SEC are permitted under the Investment Adviser's Act of 1940 Rule 206(4)-5 (the "pay to play" rule). The Adviser would pay a percentage of the management fee collected from the client to the referring broker-dealer or investment adviser. Clients under these agreements will not be charged fees other than the standard fees described in Item 5.

ITEM 15 – CUSTODY

The Adviser does not provide custodial services to its clients. Client assets are held with banks, registered broker-dealers, safekeeping agents or qualified custodians. The Adviser does not have custody of clients' funds or securities, however the Adviser has limited custody in cases when clients authorize the deduction of management fees directly from their account. The Adviser does not require that clients authorize the deduction of management fees directly from their accounts. All broker-dealer confirms are sent directly to the client. Clients should carefully review all statements and compare them to reports provided by the Adviser.

There is the potential for a missed investment opportunity when a broker-dealer will only settle securities on a delivery versus payment (DVP) basis. Broker-dealer firms may not hold securities for clients for a

variety of reasons. The Adviser can only consider certain investment opportunities for these clients who have a single custodial account. This means that the Adviser may be precluded from offering attractive investment opportunities to clients who do not have a main custodial account to hold marketable securities.

Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that hold and maintain clients' investment assets. The Adviser urges clients to carefully review such statements and compare such official custodial records to the account statements that the Adviser may provide. Reports from the Adviser may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

ITEM 16 – INVESTMENT DISCRETION

The Adviser will accept discretionary or non-discretionary authority to manage client assets. In doing so, the Adviser will observe limitations and restrictions that are outlined in each client's investment policy agreement and will include state imposed restrictions. Investment guidelines and restrictions must be provided to the Adviser in writing.

For non-discretionary clients, the Adviser will make certain recommendations that must be authorized by the client prior to the Adviser facilitating such transactions. Non-discretionary trades are always pre-approved by the client before executing. Each transaction is summarized by a "transaction summary" trade ticket showing the security, coupon, maturity, purchase yield, and purchase date and is sent to the client on trade date. The Adviser urges Clients to closely review them and compare against their records and the confirmation they receive from the broker-dealer or bank.

For discretionary clients, securities will be purchased and sold for their account(s) without obtaining prior approval for each transaction. Discretionary management requires a signed investment management agreement, power of attorney and/or trading authorization forms. Generally, when transacting in a liquid security, discretionary portfolios are traded before non-discretionary portfolios. The Adviser's goal is to treat each client fairly and equitably. In this regard, when transacting in a municipal opportunity discretionary clients and non-discretionary clients who have cash available to invest will both be presented with investment opportunities according to our internal policies, which includes a rotation.

ITEM 17 – VOTING CLIENT SECURITIES

The Adviser does not accept or have the authority to vote client securities. However, clients may call us if they have questions about a particular solicitation. The Adviser will not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent.

ITEM 18 – FINANCIAL INFORMATION

Registered investment advisers are required to provide you with certain financial information or disclosures about our financial condition. The Adviser has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been subject to a bankruptcy proceeding. The Adviser does not require or solicit pre-payment of client fees in advance.