

# **Meeder Advisory Services, Inc.**

## **Advisory Services Brochure**

Form ADV Part 2A

6125 Memorial Drive

Dublin, Ohio 43017

(800) 325-3539

[www.meederinvestment.com](http://www.meederinvestment.com)

**March 31, 2021**

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This brochure provides information about the qualifications and business practices of Meeder Advisory Services, Inc. If you have any questions about the contents of this brochure, please contact us at the telephone number listed above. 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. Meeder Advisory Services, Inc. is registered with the SEC as an investment adviser; however, registration does not imply any level of skill or training.

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

## Item 2 – MATERIAL CHANGES

This brochure is updated annually and whenever any information in the brochure becomes materially inaccurate. Annually the firm provides clients with a copy of the updated brochure or a summary of material changes made since the last annual update. This section describes material updates and changes made to this ADV disclosure brochure since its last annual amendment dated March 30, 2020.

- **Item 4. Private Wealth Management.** This section was expanded to better explain the services offered in a Private Wealth Management Account.
- **Item 5. Representative Compensation.** This section was expanded to explain the basis for compensating the firm's advisory representatives.
- **Item 5. Other Compensation.** A disclosure was added regarding commissions received by some advisory representatives of the firm who are dually registered with a broker-dealer.
- **Item 8. Summary of Material Risks.** This section was generally updated to include references to Credit Risk; Cybersecurity Risk; Emerging Markets Risk; Government, Political and Regulatory Risk; High Yield Risk; Income Risk; Interest Rate Risk; Market Risk; Tax-Managed Investment Risk; and Tracking Error Risk as material risks relevant to any strategy that utilizes these types of investments or techniques.
- **Item 11. Participation or Interest in Client Transactions.** A disclosure was removed regarding revenue share programs no longer utilized by the adviser.
- **Item 12. Trade Error Policy.** This section was updated to include a description of the adviser's trade error policy.
- **Item 14. Client Referrals and Other Compensation.** A disclosure was added regarding programs in which the adviser accepts compensation for referrals and endorsements.
- **Item 17. Voting Client Securities.** This section was generally updated to reflect enhancements to the adviser's proxy voting policies.
- **Item 18. Financial Information.** A disclosure was added regarding the firm's acceptance and use of a Paycheck Protection Plan Loan.

Copies of the current ADV disclosure brochure are available on Meeder's website at [www.meederinvestment.com](http://www.meederinvestment.com) or by contacting your investment representative.

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## **Item 4 – ADVISORY BUSINESS**

Meeder Investment Management, Inc. (“MIM”) offers a complete range of equity, fixed income and cash management investment solutions through its wholly owned SEC registered investment advisers: Meeder Advisory Services, Inc. (“MAS”), Meeder Asset Management, Inc. (“MAM”), and Meeder Public Funds, Inc. (“MPF”). MIM’s principal owners are Robert Meeder, Jr. and Robert Meeder, Sr. All affiliates of MIM are located at 6125 Memorial Drive, Dublin, Ohio 43017 and share employees.

Meeder Advisory Services, Inc. offers separately managed account, strategist and portfolio management services to third-party financial institutions and their clients. MAS also provides retirement plan services to plan sponsors and participants, including plan fiduciary and participant account management services. As of December 31, 2020, MAS’s regulatory assets under management were \$662.201,812, all of which were managed on a discretionary basis.

### **Private Wealth Management**

Acting as a portfolio manager, MAS provides investment management services for separately managed account programs (“SMA programs”) sponsored by independent financial services firms, including banks, broker-dealers, asset management platforms, and other investment advisers (“Program Sponsors”). In all such programs, MAS is selected by the Program Sponsor to provide investment management services for some or all of a client’s invested assets. Program Sponsors help clients select a suitable investment strategy and provide MAS with

written information regarding the client's investment objectives, guidelines or applicable restrictions. SMA program clients typically have limited direct contact with MAS investment professionals and the Program Sponsor is responsible for periodically contacting the client to ascertain whether any changes have occurred in the client's financial circumstances or investment objectives. The Program Sponsor provides clients with account monitoring, advice and account services regarding accounts enrolled in the Private Wealth Management program.

### ***Available Programs***

MAS offers its Private Wealth Management SMA program in several different forms, each of which shares a common investment management strategy. Where MAS has been selected as an investment manager in a wrap fee program, clients do not pay a fee directly to MAS, which receives a portion of the wrap fee charged by the Program Sponsor for asset management, trade execution, custody and reporting functions. In these programs, MAS assumes investment discretion to buy or sell securities and investments for the account consistent with the strategy selected by the client and any applicable investment guidelines or restrictions.

MAS also offers SMA program services through dual contract arrangements, in which clients execute agreements directly with MAS and pay a separate asset management fee for its investment management services. In these programs, clients enter into a separate agreement with a third-party investment adviser or program sponsor who is responsible for account monitoring, advice and account services. Fees paid to MAS in dual contract arrangements are in addition to those paid by clients to the third-party adviser. In these programs, MAS assumes investment discretion to buy or sell securities and investments for the account consistent with the strategy selected by the client and any applicable investment guidelines or restrictions.

Finally, MAS offers SMA program services through model or strategist programs. In these programs, MAS is retained by the Program Sponsor to provide model portfolios for a given set of objectives. MAS does not exercise investment discretion or directly trade accounts for these programs. The Program Sponsor retains investment discretion and may or may not elect to execute any or all of the transactions recommended for the account. Any fee paid to MAS in a model or strategist program is paid by the Program Sponsor from the platform fees charged to the client.

### ***Investment Management Services***

Private Wealth Management accounts offer personalized investment management tailored to each client's individual goals. Accounts are offered at two service tiers, Select Access and Private Access, depending on the assets under management. All Private Wealth Management accounts are managed to a personalized benchmark selected by the client. Securities are selected for the account consistent with the selected benchmark and strategy. Portfolios are based on a strategy suitable for the client's investment objectives and risk tolerances but are individually tailored to reflect each client's investment objectives, risk tolerance, and time horizon.

In both Select and Private Access accounts, clients may select from a series of available strategies and personalized performance benchmarks. Meeder utilizes proprietary quantitative methodologies to select individual equities and exchange traded or mutual funds that meet the client's individualized risk and return objectives. Private Wealth Management accounts may utilize individual equity securities to maximize the deferral of capital gains and allow for tax loss harvesting where that is an account objective.

Private Access accounts offer the option to further customize the account and deviate from available benchmarks and strategies. For clients with Private Access accounts, MAS may develop a custom strategy to guide the realization of gains or losses in existing positions. MAS also designs custom portfolios for Private Access accounts around existing large or concentrated positions. Private Access clients may take other steps to customize the realization of gains or losses in the account in order to meet individualized objectives.

Where appropriate, MAS may utilize the services of a sub-adviser in this program. Factors relevant to MAS's selection of sub-advisers include the sub-adviser's performance, methods of analysis, fees, expertise and experience. MAS will periodically monitor the sub-adviser's performance to ensure that its management and investment style remain aligned with the objectives and goals of the portfolio. MAS does not charge a separate fee for utilization of a sub-adviser in a Private Wealth Management account and pays the sub-adviser directly for its services from the advisory fee paid by the client.

#### ***Client Investment Guidelines and Restrictions***

In all Private Wealth Management accounts, clients may impose reasonable restrictions on the management of their accounts, including restrictions on particular securities or types of investments. In Private Access accounts, clients may customize the investment strategy with individualized investment guidelines. All account guidelines and restrictions will be reflected in the account agreement, application or other documentation applicable to the account. MAS may decline to accept investment guidelines or restrictions that, in its judgment, would be unduly restrictive or impractical in light of the selected strategy. The imposition of client guidelines or restrictions on any investment strategy will cause the account to differ from other clients utilizing the same strategy.

#### **Strategist Services**

Acting as a strategist, MAS provides investment advisory and sub-advisory services to broker-dealers, platforms, and investment advisers ("Financial Intermediaries"). While each model portfolio is designed to achieve a certain investment objective, they are not tailored to meet the needs of any particular client. The Financial Intermediary is responsible for determining whether a particular model portfolio is suitable or appropriate to meet the investment needs of the client. MAS does not enter into investment management agreements with clients who select model portfolios or assume continuous supervision of the accounts. Financial Intermediaries who elect to offer model portfolios are typically responsible for trade execution, reporting, monitoring and client service tasks.

### ***Meeder Investment Portfolios***

Meeder Investment Portfolios offer clients the opportunity to purchase a managed portfolio of Meeder Funds designed to meet a variety of investment objectives. MAS offers both risk-based models designed to achieve objectives that balance growth and income with portfolio risk, as well as age-based models designed to match specific investment objectives and risk tolerances with the investor's current age.

The portfolios consist principally or exclusively of Meeder Funds selected by the portfolio manager to meet specific investment objectives and risk tolerance levels. Meeder Funds are often the only investment options utilized for a Meeder Investment Portfolio. In other cases, MAS exercises a preference for its affiliated proprietary mutual funds but may supplement the portfolio with limited third-party mutual funds to meet specific objectives. Clients select a portfolio that meets their needs.

### ***Multi-Manager Portfolios***

Multi-Manager Portfolios are offered under different platforms and under several different names. Multi-Manager Portfolios consist of a combination of Meeder Funds and non-affiliated mutual or exchange-traded funds selected by MAS from those made available by the Financial Intermediary to meet specific investment objectives and risk tolerance levels. These portfolios are generally designed to diversify assets across a series of different investment management styles and asset classes. In some cases, MAS charges a management overlay fee for its portfolio management services. In addition, MAM, an affiliated investment adviser, receives investment management fees from the Meeder Funds for fund assets included in the portfolios.

### ***Advisory Consulting***

Advisory Consulting services are offered to investment advisers on a non-discretionary basis. Services include a comprehensive analysis of existing investment models, analytics and model portfolio recommendations. MAS will assist Advisory Consulting clients with development of suitable investment policy statements and implementation of an investment committee and portfolio review process. Advisory Consulting clients receive periodic reports tracking performance of the model to suitable benchmarks with recommendations for changes or further review.

Advisory Consulting Services are offered on a model portfolio basis. Advisory Consulting clients retain investment discretion and may or may not elect to execute any or all of the transactions recommended for the model portfolios. Most Advisory Consulting portfolios will include a tactical allocation to Meeder Funds as well as various other asset managers representing other asset classes or strategies. MAS selects managers based upon their particular expertise, product line, and how well they fit into the overall objectives of the portfolio; however, MAS will exercise a preference for its own Funds when selecting for tactical management objectives.

## **Investment Consulting**

MAS offers professional investment consulting and management services for institutional clients. In this program, institutional clients engage MAS to provide advice on governance, investment objectives, asset allocation, portfolio strategy, manager selection and performance monitoring. Each Investment Consulting engagement is uniquely tailored to the needs of the institutional client and may include discretionary or non-discretionary management of an investment portfolio.

## **Retirement Plan Services**

MAS also provides investment management services to retirement plan sponsors and their participants, including plan level investment management services, managed portfolio solutions, and participant level investment management services.

### ***Plan Level Services***

MAS provides retirement plan sponsors with fiduciary investment management services. Acting as an ERISA Section 3(38) investment manager, MAS works with the plan sponsor to develop an investment policy statement detailing the methodology used to select, monitor and replace retirement plan investment options. In accordance with the terms of the retirement plan agreement and investment policy statement, MAS provides plan fiduciary services and exercises discretion to select, review and replace investment alternatives made available to participants in the plan. MAS representatives periodically report to plan sponsors and review the plan's investment options and their suitability under the terms of the investment policy statement and retirement plan agreement.

### ***Meeder Retirement Portfolios***

Retirement plan sponsors also engage MAS to offer managed portfolio solutions to their participants. In this program, MAS enters into an agreement with the plan to offer managed portfolios to plan participants as a designated investment option under the plan. Pursuant to the agreement and investment policy statement, MAS exercises discretion in creating and maintaining the portfolios and directs the plan's recordkeeper to implement any changes to the portfolios. Participants select a portfolio that meets their needs from those made available by the plan.

Available portfolios include risk-based portfolios designed to achieve a certain investment objective and risk tolerance, age-based portfolios that match an investment objective and risk tolerance with the participant's current age, and target date portfolios that follow an incremental glidepath in which the asset allocation becomes more conservative over time. Meeder Retirement Portfolios may be constructed from proprietary Meeder Funds, non-affiliated mutual or exchange-traded funds. For portfolios constructed from Meeder Funds, the portfolio manager exercises a strong preference for Meeder Funds, but on some platforms may supplement the portfolio with limited third-party mutual funds to meet specific objectives.

### ***Participant Level Services***

Retirement plan sponsors may also designate MAS as a discretionary investment manager for participant accounts. Under this program, plan participants execute an investment advisory agreement with MAS and select from a series of portfolios, which may include Meeder Investment Portfolios containing Meeder Funds or portfolios built from non-affiliated mutual and exchange-traded funds. Plans may offer both risk-based portfolios designed to achieve a certain investment objective and risk tolerance and age-based portfolios that match an investment objective and risk tolerance with the participant's current age. Participants select a portfolio that meets their needs from those made available by the plan.

## **Item 5 – FEES AND COMPENSATION**

MAS is generally compensated on the basis of fees calculated as a percentage of client assets under management, although fixed fee and other arrangements are made available to institutional clients. Some fees are negotiable depending on a various factors, including the type and size of account, services offered, and relationship to other accounts. Terms and conditions vary by program and may be found in the client agreements and disclosures for each product, program or service.

### **Private Wealth Management**

Private Wealth Management services are offered under the following standard fee schedule. The schedule is linear and the applicable rate will be charged to all assets under management at the rate applicable to the size of the account in the schedule below. Where billed directly by MAS, fees are typically billed monthly in arrears based on the average daily balance of the account and deducted from the client account by the custodian. Other arrangements are available and fees for these arrangements are detailed in the investment management agreement executed to open the account.

<b>Private Wealth Management</b>		
<b>Assets Under Management</b>	<b>Select Access</b>	<b>Private Access</b>
Under \$1,000,000	0.80%	0.80%
\$1,000,000 - \$2,500,000	0.70%	0.70%
\$2,500,000 - \$5,000,000	0.65%	0.65%
\$5,000,000 - \$7,500,000	0.60%	0.60%
\$7,500,000 - \$10,000,000	0.55%	0.55%
Over \$10,000,000	0.45%	0.45%
<b>Minimum Investment</b>	<b>\$250,000</b>	<b>\$1,000,000</b>

Private Wealth Management clients who select MAS to provide investment management services through a wrap fee or asset management program generally pay a single fee to the Program Sponsor. MAS receives a portion of the fee paid to the Program Sponsor pursuant to an agreement between MAS and the Program Sponsor. Investment management fees for wrap fee and asset management programs are negotiated separately with each Program Sponsor and



program terms may vary from program to program. For these programs, the amount, terms and conditions of the fee paid by the client will be set forth in the agreements and disclosure documents provided to the client by the Sponsor Firm.

## **Institutional Services**

Fees billed for strategist, model portfolio and Advisory Consulting services depend on the total assets under advisement, the nature of the investments, and the services contemplated. Agreements are individually negotiable depending on the nature of the services. Advisory fees are not typically charged in connection with Meeder Investment Portfolios, Multi-Manager Portfolios or Advisory Consulting portfolios; however, MAS or its affiliates earn fees from Meeder Funds included in these portfolios. In some cases, MAS receives an annual overlay fee for management of the Multi-Manager Portfolios, which is included in the fees charged to the client by the Financial Intermediary. Investment Consulting and other individually negotiated advisory services are offered under terms tailored to the engagement, which may include asset-based or flat fee arrangements.

## **Retirement Plan Services**

### ***Plan Level Services***

The fees charged by MAS for plan level retirement services are typically based on a percentage of assets under management. Fees are negotiable and vary depending on a variety of factors, including the type and size of the plan, the nature of the services being offered and investment options to be included in the plan. The minimum fee for plan level retirement services is \$2,500. Annual management fees vary by plan, but generally range from 0.10% to 0.50% of eligible plan assets.

### ***Meeder Retirement Portfolios***

Fees charged by MAS for offering Meeder Retirement Portfolio managed account solutions to plan participants are set forth in an agreement with the plan offering the product and vary depending on a number of factors, including the type and size of the plan, the nature of the services being offered, and the type and number of Meeder Retirement Portfolios being offered. No advisory fee is charged for Meeder Retirement Portfolios containing Meeder Funds. The annual management fee for non-proprietary portfolios ranges from 0.50% to 0.75%.

### ***Participant Level Services***

Fees charged for participant level retirement services are set forth in the agreement with the participant and depend on the product selected. MAS waives any investment advisory fee for the sums invested in the Meeder Funds or credits to participants an amount equal to the investment management fee that its affiliate MAM receives as the investment adviser for the Meeder Funds included in the account. Accordingly, the fee charged for investment advisory services varies from 0.00% for Meeder Investment Portfolios to 0.40% for non-proprietary portfolios.

## **Other Fees and Expenses**

Depending on the investment advisory services, investment strategy, underlying securities and selected custodian, clients may pay additional fees or expenses for certain services or transactions. In addition, MAS earns additional compensation in connection with certain investment products or services made available to its clients.

### ***Custodial Fees***

Clients utilizing MAS services may pay other account related expenses in addition to any advisory fees payable to MAS, including brokerage commissions, advisory fees, transaction fees, custodial fees, administration fees, transfer taxes, wire transfer fees, and other fees and taxes charged to brokerage or retirement accounts. MAS products and services offered through third-party platforms are subject to other advisory, custodial and service fees charged by the platform. Item 12 of this brochure provides additional information about the adviser's brokerage practices.

### ***Internal Product Expenses***

Mutual funds, money market funds and exchange-traded funds charge internal management fees and other expenses. These expenses are typically charged as a percentage of the asset value of the fund and have the effect of reducing the overall performance of the investment. These fees and expenses are fully disclosed in the prospectus for the product and are in addition to the investment management fee charged for the program.

### ***Proprietary Mutual Fund Fees and Expenses***

Some portfolios include positions in Meeder Funds. A MAS affiliate is the investment adviser for the Meeder Funds and receives compensation paid by the funds for its investment advisory services. In addition, MAS's affiliates earn administrative, transfer agent and distribution fees for various services provided to the funds. These fees are set forth in the Meeder Funds prospectus and annual report. Meeder Investment Portfolios do not charge an investment advisory fee. For accounts that hold individual positions in Meeder Funds, MAS generally waives any investment advisory fee otherwise due under the investment management agreement for the sums invested in the Meeder Funds but may charge an overlay fee in some instances for management of non-proprietary funds.

### ***Financial Adviser Fee***

The financial adviser fee is paid to unaffiliated broker-dealers and investment advisers who refer clients to MAS and compensates them for consultation and other services provided to clients who select MAS services. Where applicable, the financial adviser is responsible for obtaining information regarding the client's financial situation and investment objectives, making a determination that the recommended investment program is suitable for the client, providing the client with information about the program and its investment adviser, assisting the client with the account paperwork, and being reasonably available to the client for ongoing

consultation. Financial advisers receive compensation for these services at a rate approved by the client up to 1.50%. This fee is paid separately from the investment management fees charged by MAS and may increase the total fees paid by the client.

### **Additional Information about Fees and Expenses**

Depending on the program, investment advisory fees may be charged monthly or quarterly in arrears. The terms and conditions for each product and plan vary and may be found in the agreements and disclosures for that product. For most MAS products, fees payable to MAS are deducted from the portfolio by the financial intermediary, custodian or plan trustee. Clients who opened accounts under pre-existing fee schedules will continue to be billed at the rates set forth in the account documentation unless notified otherwise. Fee and billing arrangements for legacy accounts may therefore vary from the program's current fee schedule and billing terms.

For participant level services, the amount, terms and conditions of the investment advisory fee, including any applicable solicitor, administration or servicing fee, is set forth in the plan participant or investment advisory agreement.

### ***Representative Compensation***

MAS's portfolio managers typically earn a salary, plus year-end bonus dependent on a series of factors including firm profitability and each individual's achievement. Your financial adviser may earn a portion of the advisory fee paid to MAM for the services offered in the account. Compensation varies depending on the program, the representative's overall revenue and any discounts offered. Our supervised persons are paid on the same schedule regardless of the product offered and have no financial incentive to recommend one product over another.

### ***Other Compensation***

Some investment advisor representatives of MAS are also registered representatives of an affiliated brokerage firm, Meeder Distribution Services, Inc. ("MDS"). MAS does not direct brokerage order flow to MDS and its representatives do not receive commissions on the sale of securities purchased in advisory accounts. However, dually registered investment adviser representatives are eligible to receive compensation for the sale of securities, including commissions, distribution or service fees from the sale of mutual funds, when acting in the capacity of registered representatives of MDS.

The practice of accepting commissions for the sale of securities presents a conflict of interest that may give our firm or its supervised persons an incentive to recommend investment products based on the compensation received. The firm generally addresses this conflict by explaining to clients that commissionable securities sales create an incentive to recommend products based on the compensation that the firm or its supervised persons may earn and offering alternative fee-based advisory programs that do not pay commission-based compensation on the sale of mutual funds.

## **Item 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

MAS does not charge performance-based fees.

## **Item 7 – TYPES OF CLIENTS**

MAS offers investment advisory services to financial intermediaries, investment advisers, retirement plans and retirement participants. Strategist services are offered exclusively to broker-dealers, platforms, investment advisers and other financial intermediaries who wish to offer the models to their clients. MAS offers Retirement Plan Services to plan sponsors and their participants. Terms and conditions of MAS services, including minimum account size, vary among individual programs and are set forth in the agreements or other documents describing the product or service.

## **Item 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **Methods of Analysis and Investment Strategies**

Through its investment advisory affiliates, Meeder offers a broad array of equity, fixed income and other investment strategies designed to meet the needs of individual investors and retirement participants. Meeder offers its strategies to clients in a variety of forms, including the Meeder Funds, portfolios, separately managed accounts, and individually managed accounts. Depending on the product or service selected, Meeder will allocate assets across a wide variety of securities and other investments, including Meeder mutual funds, unaffiliated mutual funds, ETFs, closed-end funds, fixed income securities, individual equities and alternative investments.

Meeder specializes in quantitative investment analysis. This is a method of evaluating securities and other assets by analyzing large amounts of data through the use of quantitative models. Our investment models consider a wide breadth of factors – from traditional valuation and profitability measures to momentum indicators, to other price signals. This data universe, combined with our proprietary signal construction methodology and optimization process, is used to create the proprietary models that guide our investment process. Meeder performs ongoing research to continually maintain and improve the effectiveness of its quantitative investment models and analysis.

Some strategies are customized to meet the individual needs of our financial partners and may only be available to certain platforms or plans. MAS designs and implements an asset allocation strategy for each of the portfolios and allocates assets across funds available on each platform under the terms of each product or service. Each portfolio has its own objective and risk characteristics. Some portfolios include an allocation to alternative asset classes, such as derivatives, commodities or other alternative investments. MAS utilizes these methods of analysis and investment strategies to develop and manage the Meeder Investment Portfolios, Multi-Manager Portfolios and Meeder Retirement Portfolios.

## Summary of Material Risks

Investing in securities involves risk of loss. Although MAS manages client assets in a manner consistent with the stated investment objective and risk tolerance of the portfolio product, the investment decisions we make may not produce the expected returns, may lose value, or may cause the account to underperform other accounts with similar investment objectives. There is no assurance that a client's investment objective will be achieved. Material risks associated with investments managed by the adviser include:

**Asset Allocation Risk.** Many strategies rely heavily upon allocation of assets among different asset classes to achieve their investment objectives through diversification. If asset classes perform differently than expected, the portfolio or account may perform worse than a non-diversified portfolio or account.

**Commodities Risk.** The strategies may cause us to invest in underlying funds that invest in commodities. Investments in commodities are subject to greater volatility than traditional securities. Commodity prices are influenced by unique factors distinct from those that affect stocks and bonds, including supply and demand factors, weather, currency movement, and international government policy.

**Concentration Risk.** Some portfolios are concentrated in the Meeder Funds, which are managed by the same investment adviser. A strategy followed by the adviser could adversely affect all or most of the funds in the portfolio, causing it to perform worse than a portfolio diversified over multiple managers.

**Credit Risk.** Corporate debt and other fixed income securities are subject to the risk that the issuer will be unable to meet principal and interest payments on the obligation. A decline in the credit quality of a fixed income investment, held directly or inside a fund or investment pool, could cause a loss in value. When interest rates rise, the value of corporate debt securities typically declines. Changes in interest rates, economic conditions and default expectations can impact the value of fixed income securities.

**Cybersecurity Risk.** Cybersecurity breaches may allow an unauthorized party to gain access to the adviser's proprietary information or customer data or cause the adviser or its service providers to suffer data corruption or lose operational functionality. Although the adviser has established cybersecurity and data protection protocols, there is no guarantee that these efforts will succeed or that a third-party service provider or issuer will not suffer a cybersecurity breach and related loss.

**Derivatives Risk.** Some strategies may include underlying funds that utilize derivatives, including futures and options. Derivatives are riskier than other types of investments because they may be more sensitive to changes in economic or market conditions and could result in losses that significantly exceed the original investment. Derivatives also are subject to the risk that changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index.

**Emerging Markets Risk.** Investments in emerging markets may be subject to lower liquidity, greater volatility and the risks related to adverse political, regulatory, market or economic developments in less developed countries as well as greater exposure to foreign currency fluctuations.

**Exchange Traded Funds Risk.** Many strategies utilize exchange traded funds (“ETF”), which may not be able to exactly replicate the performance of the indices they track. An ETF may also trade at a discount to its net asset value.

**Foreign Investment Risk.** Investments foreign securities or underlying funds that hold securities of foreign issuers presents additional components of risk; including economic, political, legal, and regulatory differences compared to domestic investments. Foreign currency fluctuations may also affect the value of foreign investments.

**Government, Political and Regulatory Risk.** Legislative and regulatory action by the U.S. and other governments can impair the value of securities held in an account or the ability of the adviser to carry out a strategy. The imposition of U.S. government sanctions may require the adviser to sell or refrain from purchasing certain securities or negatively affect the value of other securities in a client’s account.

**High Yield Risk.** Fixed income securities rated below the investment grade category (non-investment grade bond, speculative grade, or junk bond) are considered speculative. Changes in economic conditions or other circumstances may have a greater effect on the ability of issuers of these securities to make principal and interest payments than they do on issuers of investment grade securities. High yield securities have greater price fluctuation and higher risk of default than investment grade securities.

**Income Risk.** Some strategies are designed to generate yield or income on securities held in the portfolio, which may be generated from income or principal growth. Changes in interest rates, dividend policies, or economic conditions could make it difficult for a portfolio to generate a predictable level of income and expose the portfolio to principal risk in the event available yields are inadequate to meet income objectives.

**Interest Rate Risk.** Fixed income securities will increase or decrease in value based on changes in interest rates. If rates increase, the value of fixed income investments will generally decline. On the other hand, if rates fall, the value of the fixed income investments generally increases. The market value of debt securities (including U.S. Government securities) with longer maturities is likely to respond to changes in interest rates to a greater degree than the market value of fixed income securities with shorter maturities.

**Investment Company Risk.** Many portfolios are comprised of mutual funds and the value of the portfolio will fluctuate in response to the performance of the underlying fund. Mutual funds also generate taxable capital gains distributions to a greater extent than would be the case for a direct investment in equities held by the fund.

**Leverage Risk.** Some strategies may utilize funds that make use of leverage, such as borrowing money to purchase securities or the use of derivatives, which may result in additional expenses and magnify the gains or losses.

**Market Capitalization Risk.** Accounts or portfolios may be allocated to mid and small capitalization investments. Investments in these capitalization ranges may be more sensitive to events and market conditions than large capitalization stocks.

**Market Risk.** The value of securities held in an account may decline due to general market conditions or other factors, including those directly involving the issuers of such securities. Securities markets may decline significantly in response to adverse issuer, regulatory, political, or economic developments. Unexpected local, regional or global events and their aftermath, such as war; acts of terrorism; financial, political or social disruptions; natural, environmental or man-made disasters; epidemics, pandemics and other public health crises; recessions and depressions; or other tragedies, catastrophes and events could have a significant impact on investments held in accounts or portfolios.

**Quantitative Analysis Risk.** The adviser relies on quantitative data supplied by third parties to evaluate investments and construct optimal portfolios. In the event this data is inaccurate or incomplete, investment decisions may be compromised. If future market environments do not reflect the assumptions made in our quantitative models, quantitative investment strategies employed by the adviser may not be successful.

**Real Estate Risk.** Some strategies invest in underlying funds that invest in real estate, including real estate investment trusts. The value of these securities will rise and fall in response to many factors, including economic conditions, the demand for rental property and changes in interest rates.

**Short-Selling Risk.** Our strategies may cause us to invest a limited portion of a portfolio in funds that engage in short selling of securities. The fund will incur a loss as a result of a short sale if the price of the security sold short increases in value between the date of the short sale and the date on which the fund purchases the security to replace the borrowed security. Fund losses are potentially unlimited in a short sale transaction, which are considered speculative in nature.

**Tax-Managed Investment Risk.** Strategies designed to enhance after-tax performance may be unable to realize gains or harvest losses as expected. A tax-managed account may purchase, hold or sell securities in order to achieve tax objectives that conflict with performance considerations. While the adviser implements policies to avoid “wash sales,” a wash sale may be triggered inadvertently through trading in other accounts. Tax strategies may also be adversely affected by changes in tax legislation or regulation that affects the taxable gains or losses attributable to an account.

**Tracking Error Risk.** Some of our strategies are designed to track or replicate the performance of a specific index or benchmark. The performance of an account may not match or correlate with that of the index it attempts to track as a result of fees and trading expenses, client-

imposed restrictions, cash flows, turnover or imperfect securities selection. Client accounts designed around an index may perform more or less than expected.

**Turnover Risk.** An underlying fund may actively trade portfolio securities to achieve a principal investment strategy, which can be driven by changes in quantitative investment models. A high rate of portfolio turnover involves correspondingly high transaction costs, which may adversely affect account performance over time and may generate more taxable short-term gains for shareholders or clients.

## **Item 9 – DISCIPLINARY INFORMATION**

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. MAS has no reportable disclosures.

## **Item 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

MAS is a wholly owned subsidiary of MIM. Other wholly owned subsidiaries of MIM include MAM, MPF, Adviser Dealer Services, Inc. (“MDS”), Mutual Funds Service Company (“MFSCo”) and Meeder Insurance Services, LLC. In some cases, these affiliate arrangements create a potential conflict of interest between MAS and the client. These conflicts of interest are discussed in more detail in Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

MAM is a registered investment adviser that serves as the investment adviser for the Meeder Funds. In addition, MAM provides investment advisory services to individuals, corporations, institutional entities, retirement plans and their participants.

MPF is a registered investment adviser that provides professional investment advisory services to state and local public funds managers. MPF provides both discretionary and non-discretionary investment management services limited to the purchase and sale of fixed income securities.

MDS is a limited purpose broker-dealer and FINRA member firm which serves as the principal distributor of the Meeder Funds. MDS does not hold client accounts or execute trades for MIM affiliates.

MFSCo provides shareholder, transfer agent and dividend distribution services for the Meeder Funds and local government investment pools. Acting as the administrator for Meeder Funds, MFSCo enters into selling and service agreements with unaffiliated broker-dealers and financial intermediaries to distribute and provide other services in connection with the sale of fund shares.

Meeder Insurance Services, LLC., is a licensed insurance agency. Some Meeder representatives are licensed insurance agents or representatives of Meeder Insurance Services who may



recommend the purchase of certain insurance products. Insurance products are offered on a commission basis.

## **Item 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Code of Ethics**

MAS has adopted a Code of Ethics that complies with Rule 17j-1 of the Investment Company Act of 1940 and Rule 204A-1 of the Investment Advisers Act of 1940. The Code sets forth fiduciary standards that govern the conduct of directors, officers and employees who have access to client information. The Code incorporates the firm's outside employment, political contribution, and gift policies. Personnel subject to the Code must acknowledge their compliance with the Code and applicable securities laws and report any violations of the Code with which they become aware to the firm's Chief Compliance Officer. A copy of the Code is available to prospective and current clients upon request.

Directors, officers and employees of MAS and its affiliates may take positions in securities owned by the firm's clients, which may pose a potential conflict of interest. The firm has implemented policies designed to detect and mitigate such conflicts of interest, including prohibitions on unacceptable trading activities, such as front running, short-swing trading and insider trading. Directors, officers and employees who recommend securities or have access to non-public information are prohibited from trading materially in reportable securities recommended to clients in close proximity to the client's transaction. Employees having access to this information must also make periodic reports of their securities accounts and transactions in reportable securities.

### **Participation or Interest in Client Transactions**

Among its available investment options, MAS offers portfolios allocated principally or exclusively among Meeder mutual funds selected by MAS to meet specific investment objectives and risk tolerance levels. Meeder Funds are often the only investment options utilized for these portfolios. In other cases, MAS exercises a preference for its affiliated proprietary mutual funds but may supplement the portfolio with third party mutual funds to meet specific objectives. Because MAS and its affiliates earn fees when proprietary mutual funds are selected for these portfolios, this presents a conflict of interest. The mutual fund fees differ between the available Meeder Funds and the total fees collected by MAM and its affiliates will vary depending on the fund allocation in each portfolio. Mutual fund fees for each of the Meeder Funds may be found in the Prospectus.

MAS acts to mitigate this conflict by not exercising discretion over whether or to what extent a client's assets will be invested in a proprietary portfolio solution. MAS typically waives any investment management fee for the sums invested in the Meeder Funds. When allocating portfolios among Meeder Funds, MAS applies fund selection criteria that do not differentiate between or among Meeder Funds and portfolio managers responsible for these strategies are

not compensated based on the amount earned by Meeder in management fees for the portfolio.

## **Item 12 – BROKERAGE PRACTICES**

When retained on a discretionary basis, MAS may be authorized to determine and direct execution of client portfolio transactions through brokers, dealers and other trading intermediaries. If transaction charges are not included in a wrap fee or other all-inclusive relationship, clients will pay the transaction charges associated with the execution of trades in their accounts. When selecting broker-dealers to undertake trading on a client's behalf, MAS seeks best execution under the circumstances of each trade.

### **Best Execution Policies**

In selecting brokers through which transactions for client accounts will be executed, MAS's primary consideration is the broker's ability to provide best execution of trades. In making a decision about best execution, MAS may consider a number of factors including, but not limited to, trade price and commission, current market conditions, size and timing of the order, depth of the market, per share price, difficulty of execution, financial responsibility and the ability and willingness of the broker to commit capital by taking positions in order to effect executions. The commission rates paid to any broker for execution of transactions will be determined through negotiations with the broker. MAS regularly reevaluates the execution performance of the broker-dealers it selects for placement of client transactions.

### **Wrap Fee Programs**

Where MAS is retained under a wrap fee or other all-inclusive program, commissions and trading expenses are generally included in the fee charged by the Program Sponsor. In some cases, MAS may be required to execute all trades through the program sponsor or custodian. In other cases, MAS may have discretion to select broker-dealers to execute trades for the accounts it manages inside such a program. However, MAS will generally place such trades through the Program Sponsor because the program fee only covers execution costs on trades executed through the Program Sponsor's platform. MAS may select a broker-dealer other than the Sponsor or its affiliates to effect a trade for a program account if it determines that it is in a client's best interest to do so. When MAS directs trades to a broker-dealer other than the Program Sponsor, a practice known as trading away, clients will pay additional transaction costs not otherwise included in the Program Sponsor's asset-based fee.

### **Trade Aggregation Policy**

MAS may elect to aggregate trades executed for a client's account with trades being executed for the same securities in other accounts we manage, including trades for the Meeder Funds. Each client participating in an aggregated transaction receives the same average share price and transaction costs are shared equally and on a pro-rata basis. If the full amount of an

aggregated order is not filled, the partially executed order will be allocated on a pro-rata basis based on the size of the original allocation.

### **Trade Rotation Policy**

Where MAS offers portfolio management services on a model basis, notification of changes to the model are made pursuant to the firm's trade rotation policy. Each broker-dealer, platform or investment adviser ("Financial Intermediary") using the model is included in the rotation along with Meeder discretionary accounts utilizing the same model. When a change is made to a model portfolio, MAS sends notification to each Financial Intermediary or group of similarly managed accounts in the order of their appearance on the rotation schedule. MAS will not wait for confirmation of order receipt or execution before communicating model changes to other Financial Intermediaries. Each Financial Intermediary is then moved up the schedule by one spot for subsequent changes to the model.

Depending on a Financial Intermediary's place on the rotation and the method elected by that Financial Intermediary for communication of portfolio changes, it is possible that trades will be placed by some Financial Intermediary's before or after others. Accounts for Meeder discretionary clients utilizing model portfolios are included in the rotation and it is possible that trades for other Financial Intermediaries will take place before or after trading for Meeder's discretionary clients depending on their placement in the rotation. In these cases, trades may become subject to price movements that result in model portfolio or Meeder discretionary clients receiving prices that are less favorable than prices obtained by others. Because MAS does not control execution of transactions in model portfolio accounts, MAS does not know in what order its Financial Intermediary clients will execute trades and cannot control the market impact of such transactions.

### **Trade Error Policy**

MAS has established a trade error policy to address instances in which the adviser makes an error when ordering, executing or settling securities transactions for a client account. In the event a trading error is caused by the action or inaction of MAS, the adviser will correct the error so that the client is returned to the same economic position it would have been in had the error not occurred. If the error or trading delay was caused by a third-party broker-dealer, custodian or adviser, MAS may in its discretion reimburse the client in whole or in part for the loss but is not required to do so.

MAS will reimburse clients for losses resulting from a MAS error in the client's account. If an erroneous trade settles in a client account and results in a gain, the client will retain the resulting gain unless the client elects to decline it. When calculating losses, the adviser does not net gains and losses between clients or between investments in an affected account except in connection with corrections approved by the client.

MAS has established error accounts with certain brokers for the sole purpose of correcting trade errors. Any securities acquired by such an account for purposes of correcting a trade error

are promptly disposed of. The firm does not maintain an error account balance or utilize brokerage commissions or other client funds to correct or resolve trade errors. All trade errors and related calculations are documented and reported to the compliance department.

### **Item 13 – REVIEW OF ACCOUNTS**

MAS regularly monitors and reviews individually managed client accounts to ensure that each such account is managed consistently with the selected strategy and any investment guidelines or restrictions provided by the client. Reviews are consistently performed by investment personnel assigned to the account and all accounts are reviewed on a regular basis. Separately managed account clients generally receive quarterly reporting, although some clients may receive additional reporting based on the nature of the services provided.

Meeder Investment Portfolios, Multi-Manager Portfolios and Meeder Retirement Portfolios are assigned to a portfolio manager who reviews the portfolio no less than quarterly to ensure that it meets the selected asset allocation and diversification goals for the product. Additional reviews may take place during significant market events or at a Financial Intermediary's request. Recommended changes to funds selected for a portfolio are reviewed by the firm's Investment Committee.

For plan level Retirement Plan Services clients for whom MAS serves as an investment manager, MAS regularly reviews the plan's designated investment alternatives and their respective performance in light of the plan's investment policy. Using suitable performance benchmarks, MAS evaluates funds and investment managers and makes or recommends suitable changes to the investment alternatives made available by the plan. Recommended changes to the plans are reviewed by the firm's Retirement Investment Committee.

### **Item 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

MAS receives referrals of clients through representatives of broker-dealers and investment advisers not affiliated with our firm. Where applicable, the financial adviser is responsible for obtaining information regarding the client's financial situation and investment objectives, making a determination that the recommended investment program is suitable for the client, providing the client with information about the program and its investment adviser, assisting the client with the account paperwork, and being reasonably available to the client for ongoing consultation. Financial advisers receive compensation for these services at a rate approved by the client up to 1.50%. This fee is described in Item 5 of this brochure and may increase the total fees paid by the client.

MAS also pays referral fees, known as solicitor payments, to unaffiliated third-party broker-dealers and investment advisers who refer clients to MAS or endorse our services. Under these arrangements, MAS shares a portion of the advisory fees collected from the client with referring broker-dealers or investment advisers. Annual fees payable to solicitors are negotiable and may be based on a percentage of the client fee or the value of the client's account. MAS utilizes these arrangements to introduce our services to clients who might not otherwise be

aware of the services we offer. Each solicitor who recommends or endorses our services is required to provide the prospective client with full disclosure of the solicitor's relationship with MAS and the material terms of the compensation arrangement.

MAS or its affiliates have also entered into written agreements with unaffiliated investment advisers whereby MAS recommends or endorses that firm's investment advisory services to its clients. MAS or its affiliate receives a portion of the fees charged by the unaffiliated investment adviser in return for referring the account. Annual fees payable under such arrangements are negotiable and may be based on a percentage of the client fee or the value of the client's account. This arrangement presents a conflict of interest because it provides MAS with an incentive to solicit and secure participation in the program. Under each such arrangement, MAS is required to provide prospective clients with full disclosure of MAS's relationship with the recommended firm and the material terms of the compensation arrangement.

MAS and its affiliates offer several bank deposit programs to clients, both directly and in affiliation with third parties. In some programs, MAS's affiliates receive payments from third parties for introducing new clients or depository institutions to the program. Our affiliates also sometimes make payments to third parties that introduce the adviser to new clients or depository institutions. These arrangements are described more fully in the program materials for each such program. These arrangements present a conflict of interest because we earn fees from these programs that would not be earned in unaffiliated cash sweep programs or money market funds. We mitigate this conflict through full disclosure of the program terms and compensation arrangements.

## **Item 15 – CUSTODY**

MAS does not provide custodial services to its clients. Custody services are selected or provided by the Financial Intermediary or retirement plan sponsoring the program that has selected MAS services. Client will receive from the custodian, at least quarterly, an account statement that identifies the assets in the account with the custodian at the end of the period and that lists all transactions in the account for the period. Clients are encouraged to compare the statements received from their custodians with any statements provided by MAS.

## **Item 16 – INVESTMENT DISCRETION**

MAS provides both discretionary and non-discretionary investment advisory services. For many SMA program accounts, individually managed participant accounts, and other managed retirement programs, MAS assumes discretion over management of its clients' accounts and has authority to determine the securities to be bought or sold, and the amount and timing of those transactions, without obtaining prior client consent. This discretionary authority allows MAS to determine the right investment approach for each client's investment objectives. Authority is granted under the terms of the applicable investment management agreement governing the account and is subject to each client's established investment guidelines or restrictions.

MAS does not exercise discretion over strategist or model programs in which the intermediary is responsible for execution of securities trades. In non-discretionary programs, MAS makes periodic investment recommendations to clients in the form of models, strategies or asset allocations. In some cases, non-discretionary clients may ask MAS to place orders for the purchase or sale of recommended securities through executing brokers selected by MAS or the client. In other cases, MAS assumes no responsibility for execution and is responsible only for periodically updating the model consistently with the selected strategy.

## **Item 17 – VOTING CLIENT SECURITIES**

Depending on the platform, MAS typically accepts authority to vote proxies on behalf of its clients in discretionary accounts. The adviser has adopted and implemented proxy voting policies, procedures, and voting guidelines reasonably designed to ensure that the firm votes proxies in a manner consistent with the best interest of our clients and the fiduciary duties owed to them. For clients who have assigned or otherwise delegated responsibility to MAS to vote proxies, the adviser will retain and exercise final authority and responsibility for voting. MAS will generally not accept instructions from clients as to how to vote individual proxies; however, separately managed account clients may elect not to delegate proxy voting to the adviser and vote all proxies for the account directly. MAS will neither advise nor act on behalf of clients in legal proceedings involving companies whose securities are held in a client's account, including the filing of "proofs of claim" in connection with class action settlements.

### **Oversight of Proxy Voting**

MAS has established a proxy voting committee comprised of senior managers representing operations, compliance and investments. The committee is responsible for selecting and annually reviewing the performance of any third-party proxy advisory firm retained to assist the adviser in carrying out its proxy voting responsibilities. When exercising due diligence to select or renew contracts with a third-party advisory firm, the adviser will consider a variety of factors, including capacity and competency of the firm, processes for obtaining and distributing information, methodologies used to develop voting recommendations, and conflicts of interest. The committee is also responsible for reviewing and annually approving proxy voting guidelines to ensure that they are current, appropriate and in the best interest of the firm's clients.

### **Proxy Voting Administration**

The adviser has engaged an unaffiliated third-party proxy advisory service to assist with proxy voting, including receipt and collection of proxy ballots, providing proxy voting research services, and executing votes. Acting through its proxy voting committee, the firm has adopted proxy voting guidelines that direct how the firm will vote most proxies. The proxy advisory service will populate votes in accordance with the guidelines and automatically submit the votes prior to the submission deadline. Proxies are voted in accordance with the guidelines unless the adviser determines that the guidelines would not be in the best interests of the firm's clients.

MAS's compliance department is responsible for overseeing the proxy advisory service, ensuring that proxies are received and voted in accordance with the guidelines, identifying individual ballots for more detailed analysis, and monitoring for additional information from issuers. In the event a proxy ballot is not addressed by the guidelines, an issuer has submitted additional material reasonably expected to affect the outcome, or the ballot warrants individual attention for other reasons, the compliance department will forward the issue to the committee for its determination on how to vote the proxy. Proxies forwarded to the committee will be voted in a manner consistent with the best interests of MAS's clients.

### **Conflicts of Interest**

The adviser and its proxy voting committee consider conflicts of interest when approving a third-party proxy advisory firm and adopting proxy voting guidelines. The use of proxy voting guidelines is designed to mitigate most potential conflicts of interest when voting proxies. MAS will not knowingly vote proxies for any client in a manner designed to benefit any other client. In the event the adviser intends to directly vote a proxy inconsistent with or not covered by the proxy voting guidelines, the committee and compliance department will examine any potential conflicts of interest between the interests of the firm and its clients before any action is taken.

### **Recordkeeping**

MAS and its proxy advisory firm maintain records of each proxy received, each vote cast, guidelines utilized to cast votes, material research or documentation related to proxy voting, and written client requests for information. To obtain a copy of our policies and procedures, voting guidelines or a written report of how proxies were voted on your behalf, contact us at 1-800-325-3539 or by email at [contact@meederinvestment.com](mailto:contact@meederinvestment.com).

## **Item 18 – FINANCIAL INFORMATION**

MAS has no financial commitments that impair its ability to meet contractual and fiduciary commitments to its clients and has not been subject to a bankruptcy proceeding. While confident of its ability to meet contractual and fiduciary commitments, the firm evaluated resources made available by the government to help businesses handle the negative financial impact of COVID-19. In April 2020, MAS's parent company, Meeder Investment Management, Inc., received a Paycheck Protection Plan (PPP) loan through the U.S. Small Business Administration in conjunction with the relief afforded under the CARES Act. Meeder Investment Management utilized the PPP loan to continue making payroll for various aspects of the firm's business and for other permissible purposes, many of which are unrelated to the fiduciary and administrative services provided by the Adviser. The loan may be forgiven in whole or in part in the event the firm satisfies the terms of the program.