

# Meeder Asset Management, Inc.

## Wrap Fee Program Brochure

Form ADV Part 2A Appendix 1

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**March 31, 2021**

This wrap fee program brochure provides information about the qualifications and business practices of Meeder Asset Management, Inc. and our wrap fee investment advisory programs. 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 Asset Management, Inc. is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training.

Additional information about Meeder Asset Management, 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 to 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. Program Descriptions.** The descriptions of the Premier Portfolios and Private Wealth Management programs were revised and enhanced to better describe offerings under these programs.
- **Item 4 Retirement Plan Rollovers.** A disclosure was added regarding expenses that may be incurred in connection with the rollover of retirement plan accounts to individual retirement accounts.
- **Item 4. 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 4. Trade Error Policy.** This section was updated to include a description of the adviser's trade error policy.
- **Item 5. Account Requirements and Types of Accounts.** The minimum account size for the Premier Portfolios was reduced from \$250,000 to \$200,000.
- **Item 6. Summary of Material Risks.** This section was generally updated to include references to Call Risk; 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 6. Voting Client Securities.** This section was generally updated to reflect enhancements to the adviser's proxy voting policies.
- **Item 9. Client Referrals and Other Compensation.** A disclosure was added regarding programs in which the adviser accepts compensation for referrals and endorsements.
- **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 at [www.meederinvestment.com](http://www.meederinvestment.com) or by contacting your investment representative.

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## ITEM 4 – SERVICES, FEES AND COMPENSATION

Meeder Asset Management, Inc. (“MAM”) is a wholly owned subsidiary of Meeder Investment Management, Inc., a privately held financial services holding company. This brochure provides information about the wrap fee programs sponsored by MAM and made available to its clients. Information about other investment advisory services may be found in the firm’s Form ADV, Part 2A brochure, which may be obtained upon request.

As of December 31, 2020, MAM had assets under management of \$2,595,722,485, all of which were managed on a discretionary basis.

### Wrap Fee Program Services

MAM offers a series of wrap fee program services. Each program offers a variety of managed investment strategies. Clients pay an asset-based fee that covers investment management, execution and custody services. Before recommending an appropriate program and investment strategy, we will obtain information regarding your financial circumstances, investment goals and objectives. We may use questionnaires or other methods to determine your risk tolerance. We will collect other pertinent information regarding your current investments, income, earnings, assets, liabilities, retirement plans, tax circumstances and insurance policies. This information is used to make recommendations regarding your investment strategy and clients should notify us promptly of any changes in their financial situation, goals or objectives. Your financial adviser will assist you in selecting an investment program and strategy that meets your investment needs and risk tolerance. Our wrap fee programs generally include the following asset management services:

- An initial interview conducted in person, by telephone or through a questionnaire, to determine your financial circumstances, investment objectives and risk tolerance.
- Recommendation of an investment program and strategy that meets your needs.

- Management of the account consistent with the selected strategy.
- Performance reporting.
- Periodic account reviews conducted in person, by telephone or through written communication.

Your financial adviser will help you open the custodial account for your selected program. The funds in your account will be held in a separate account, in your name, at an independent custodian. Additional services may be provided based on the advisory program selected or the individual terms of your investment management agreement. Depending on the program, some services may be provided by unaffiliated third-party financial advisers.

Many Meeder investment advisory services are offered exclusively in a wrap fee program account, which allows our clients to consolidate all of their investment advisory and custodial services within one managed account relationship. In a wrap fee program, your investment advisory fee includes execution and custody services, and clients do not pay commissions or transaction-based compensation for purchase or sale of securities in the account. Clients may receive comparable services from other broker-dealers or investment advisers and pay fees that are higher or lower than those charged in this program. Fees in such a program may be more or less than if the client had purchased investment management, custody and brokerage services separately outside of the wrap program. Wrap fee programs are not intended for investors who seek to maintain control over trading in their account. If you do not need continuous investment management, custodial and brokerage services may be available at a lower aggregate cost through other firms.

### Program Descriptions

Meeder offers a series of different wrap fee programs for different objectives.

## 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. Clients utilize a questionnaire to determine their investment objectives and risk tolerance. The program recommends a suitable portfolio based on the information provided by the client. Working with their selected Financial Adviser, Clients select the portfolio that meets their needs. Meeder Investment Portfolios consist principally or exclusively of Meeder Funds selected by the portfolio manager to meet specific investment objectives and risk tolerance levels.

## MEEDER SELECT PORTFOLIOS

Meeder Select Portfolios are a series of portfolios utilizing non-proprietary mutual or exchange-traded funds to build portfolios designed to meet a variety of different investment objectives. Clients utilize a questionnaire to determine their investment objectives and risk tolerance. Many Select Portfolios offer clients the benefits of Meeder tactical management in a portfolio built from non-proprietary funds. The program recommends a suitable portfolio based on the information provided by the client. Working with their selected Financial Adviser, Clients select the portfolio that meets their needs.

## MEEDER PREMIER PORTFOLIOS

Meeder Premier Portfolios are a series of portfolios comprised of non-proprietary exchange-traded funds. Premier Portfolios offer allocations to Meeder's fully invested growth strategy, its proprietary defensive equity strategy and a fixed income strategy that sifts assets across fixed income asset categories as market conditions change. Each Premier Portfolio utilizes one or more of these strategies to meet its investment objective. Your investment adviser representative will recommend a suitable portfolio following an assessment of your financial circumstances and objectives.

## SEPARATELY MANAGED ACCOUNTS

MAM also manages a variety of Separately Managed Accounts consisting of individual securities and non-proprietary mutual and exchange-traded funds. Each Separately Managed Account is designed to achieve a different investment objective. We are the portfolio manager for each of the strategies available in this program and exercise discretion over trading in these accounts. Clients work with their financial adviser to select the Separately Managed Account most appropriate to their needs.

## PRIVATE WEALTH MANAGEMENT

Private Wealth Management accounts offer personalized investment management tailored to each client's individual goals. 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. Private Wealth Management portfolios are customized to accommodate existing holdings, if applicable, and any unrealized taxable gain or loss in the account. We may utilize the services of a sub-adviser to manage portions of the portfolio. We do not charge a separate fee for utilization of a sub-adviser in a Private Wealth Management account, and we will pay the sub-adviser directly for its services from the advisory fee paid by the client.

## ADVISER DIRECTED ACCOUNTS

In this program, accounts are managed directly by your investment adviser representative on a discretionary basis and in accordance with your stated investment objectives, risk tolerance, time horizon and other instructions. Your Meeder Wealth Management adviser will undertake a review of your financial circumstances, evaluate your existing investments, and recommend solutions tailored to your investment needs and objectives. Once a strategy is chosen, your adviser will be responsible for making investment decisions for the account. Adviser Directed Accounts may be invested in any securities or investments available to the client on the custodial platform, including mutual funds, exchange traded funds, stocks, bonds and other securities.

## SHORT TERM FIXED INCOME PORTFOLIOS

In this program, MAM offers a variety of portfolios individually designed for clients seeking income from highly liquid instruments. Participation in the program generally requires a minimum \$1,000,000 investment. Short Term Fixed Income Portfolios are constructed from individual securities selected by the portfolio manager, including commercial paper, taxable and tax-exempt bonds, and certificates of deposit. Money market funds may also be utilized. The portfolio manager selects commercial paper, taxable and tax-exempt bonds from issuers approved by the firm's credit committee, which utilizes fundamental credit and relative value analysis combined with ongoing oversight to select issuers eligible for purchase in this program.

## Institutional Intelligent Portfolios

Meeder Investment Portfolios and Meeder Select Portfolios are available through a program known as Institutional Intelligent Portfolios®. This automated investment program is offered only to accounts opened at Charles Schwab & Co., Inc. and through its affiliate, Schwab Performance Technologies (collectively "Schwab"). The program automates certain parts of our investment process and is made available to clients online. The system includes a questionnaire that can help determine the client's investment objectives and risk tolerance. Based on that information, we will recommend a portfolio through the system

that meets the client's needs.

Each portfolio opened through this program includes an allocation of no less than 4% of the value of the portfolio to cash. A Schwab affiliate, Charles Schwab Bank, earns revenue from these holdings, which helps offset the expense of offering the program. Legacy accounts not offered through this program do not include a cash allocation and differ materially from the models offered on this program.

For clients utilizing Meeder Investment Portfolios and Meeder Select Portfolios, MAM is solely responsible for determining whether the program is appropriate for the client, approving a suitable investment strategy or portfolio for the client, and managing that portfolio on an ongoing basis. Schwab is not responsible for these functions and does not act as the Client's investment adviser or point of contact. We are independent of and not owned by, affiliated with, sponsored or supervised by Schwab or its affiliates.

### Program Account Fees

Each wrap fee program offered by MAM carries an Investment Management Fee, which includes investment management, administrative, custodial and execution services for the account. Programs referred by third-party financial advisers may also carry a financial adviser fee. All applicable fees are identified in the client's Investment Management Agreement and are withdrawn by the qualified custodian at MAM's direction in accordance with our Terms and Conditions.

### INVESTMENT MANAGEMENT FEE

Meeder charges different fees depending on the nature of the account and the amount of household assets under management. Our investment management fee schedule is as follows:

Managed Accounts				
Assets	Meeder Premier Portfolios	Separately Managed Accounts	Adviser Directed Accounts	Private Wealth Mgmt.
Under \$500,000	1.25%	1.25%	1.25%	1.25%
\$500,000 – \$1,000,000	1.00%	1.00%	1.00%	1.25%
\$1,000,000 – \$2,500,000	0.75%	0.75%	0.75%	1.00%
\$2,500,000 – \$5,000,000	0.50%	0.50%	0.50%	0.75%
\$5,000,000 – \$10,000,000	0.40%	0.40%	0.40%	0.50%
Over \$10,000,000	0.40%	0.40%	0.40%	0.40%

Intelligent Portfolios		
Assets	Meeder Investment Portfolios	Meeder Select Portfolios
Under \$500,000	0.00%	1.25%
\$500,000 - \$1,000,000	0.00%	1.00%
\$1,000,000 - \$2,500,000	0.00%	0.75%
\$2,500,000 - \$5,000,000	0.00%	0.50%
Over \$5,000,000	0.00%	0.40%

Fixed Income		
	Short Term Fixed Income	Bank Deposit Program
	0.35%	0.25%

The fees shown are annual fees and may be negotiable depending on various factors, including the type and size of the account, services offered, and relationship to other accounts. Where accounts are opened below our minimum account size, an annual minimum fee may be charged. Your fee is detailed in the investment management agreement you execute to open your account.

### FINANCIAL ADVISER FEE

MAM receives referrals of clients through representatives of broker-dealers and investment advisers not affiliated with our firm ("Financial Advisers"). Where applicable, your Financial Adviser is responsible for obtaining information regarding your financial situation and investment objectives, determining whether any of the wrap fee programs offered by MAM would be suitable for you, providing you with information about the program and its investment adviser, assisting you with the account paperwork, and being reasonably available for ongoing consultation. Your Financial Adviser may receive compensation for these services at a rate up to 1.50%. Financial Adviser fees are paid separately from any investment management fee charged by MAM and may increase the total fees paid by the client. Any applicable Financial Adviser Fee will be separately set forth in the Written Disclosure Statement attached to the investment management agreement.

### TERMS AND CONDITIONS

Fees are typically payable monthly in arrears based on the average daily balance of the account during the preceding month. The account fee is calculated by multiplying the average daily balance of the account during the preceding month, including all balances in cash or money market funds, by one-twelfth of the applicable annual fee. Other arrangements are available and all fees applicable to any account are set forth in the investment management agreement.



Fees are deducted from the account by the qualified custodian pursuant to authority granted by the client. Investment management agreements may be terminated at any time. Investment management fees paid in advance are refundable and clients will receive a pro-rata refund of fees paid based on the number of days remaining in the billing period. Additional terms and conditions may be found in the investment management agreement and related disclosures for each program.

### **Other Fees, Expenses and Compensation**

Depending on the wrap fee program, investment strategy, underlying securities, account type and selected custodian, clients may incur additional fees or expenses for certain services or transactions. In addition, MAM earns additional compensation in connection with certain investment products or services made available in its wrap fee programs.

### **RETIREMENT PLAN ROLLOVERS**

Clients with existing employer-sponsored retirement plans who elect to roll over accounts to Meeder may incur fees and expenses greater than those payable inside the existing account. Clients in such plans typically have four options when retiring or changing jobs: (1) leave the assets in the existing plan, if permitted; (2) roll over the assets to a new employer plan, if available and permitted; (3) roll over the assets to an individual retirement account ("IRA"), or (4) take a full withdrawal in cash, which is subject to taxation and penalties if under age 59 ½. Because Meeder earns advisory fees from accounts we manage, recommendations to roll over an existing retirement account to an IRA present a conflict of interest. Clients considering rollover recommendations should carefully review the available options and consider both the nature of the services offered and additional expenses associated with an IRA account.

### **CUSTODIAL FEES**

The wrap fee does not include certain additional charges levied by the custodian, including wire transfer and electronic fund fees, handling and special service fees, fees for trades executed away from the custodian, mark-ups and mark-downs, spreads paid to market makers and other fees and taxes on brokerage accounts and securities transactions.

### **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 wrap fee program accounts include positions in Meeder Funds. MAM is the investment adviser for the Meeder Funds and receives compensation paid by the funds for its investment advisory services. In addition, MAM'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, MAM waives any investment advisory fee otherwise due under the investment management agreement for the sums invested in the Meeder Funds.

### **Representative and Portfolio Manager Compensation**

MAM'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 earns 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 MAM are also registered representatives of an affiliated brokerage firm, Meeder Distribution Services, Inc. ("MDS"). MAM 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.

### **Brokerage Practices**

In our wrap fee programs, commissions and trading expenses are generally included in the fee paid to the custodian. MAM will generally place such trades through the Program Sponsor because the program fee covers execution costs on trades executed through

the wrap fee custodial platform. MAM may select a broker-dealer other than the wrap fee program 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 MAM 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.

MAM 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 Error Policy**

MAM 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 MAM, 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, MAM may in its discretion reimburse the client in whole or in part for the loss but is not required to do so.

MAM will reimburse clients for losses resulting from a MAM 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 from a trade error, 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.

MAM 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 5 – ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

MAM has established minimum account requirements for client accounts in its wrap fee programs, which vary based on the nature of the program, investment strategy and underlying assets. Minimums are subject to waiver. If a program account falls below the minimum account requirement, MAM reserves the right to terminate the account at its discretion. The minimum account size for our wrap fee programs are as follows:

<b>Meeder Investment Portfolios</b> .....	\$5,000
<b>Meeder Select Portfolios</b> .....	\$5,000
<b>Meeder Premier Portfolios</b> .....	\$200,000
<b>Separately Managed Accounts</b> .....	\$250,000
<b>Private Wealth Management</b> .....	\$250,000
<b>Adviser Directed Accounts</b> .....	\$250,000
<b>Short Term Fixed Income</b> .....	\$1,000,000
<b>Bank Deposit Program</b> .....	\$250,000

MAM provides investment advisory services to a wide variety of clients, including but not limited to individuals, corporations, trusts, estates, charitable organizations, retirement plans, investment companies, and public entities.

**ITEM 6 – PORTFOLIO MANAGER SELECTION AND EVALUATION**

**Portfolio Managers**

All client accounts offered under the wrap fee program are managed by portfolio managers employed by MAM or its affiliates. Each strategy is generally assigned to a team of portfolio managers who report to the firm's Chief Investment Officer. In Adviser Directed Accounts, your investment adviser representative acts as the portfolio manager for the account or the portion of the account allocated to this program. Meeder generally requires that investment adviser representatives who approve portfolios in these accounts have a CFP, CFA or other similarly recognized designation with an emphasis in portfolio management or related topics and one year's prior experience with the firm.

Some programs utilize sub-advisers to manage portions of an account or strategy. When selecting sub-advisers, MAM places greatest weight on performance relative to the sub-adviser's peers. Factors relevant to MAM's selection of sub-advisers include the sub-adviser's performance, methods of analysis, fees, expertise and experience. MAM 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. MAM investment adviser representatives who serve as portfolio managers are not subject to the same selection and review process described for non-affiliated sub-advisers.

**Advisory Services**

Meeder Asset Management, Inc. designs investment solutions that manage risk and improve investor outcomes. The firm is a defensive investing pioneer, whose tactical asset allocation expertise dates back to the firm's inception in 1974. MAM offers its clients a model-driven, multi-discipline, multi-factor approach to investing. Our investment solutions include mutual funds, investment portfolios, separately managed accounts, retirement plan services, cash management solutions, and individualized financial planning services.

## Reasonable Restrictions

Clients may request reasonable restrictions on the management of their wrap fee program accounts. Such restrictions may include imposition of limitations or preferences concerning transactions in certain securities or asset classes, frequency of rebalancing and tax-loss selling. Depending on its nature and investment holdings, each wrap fee program can accommodate these requests differently.

## Reasonable Restrictions

MAM does not charge or accept performance-based fees.

## 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. 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 MAM separately managed accounts utilize the Defensive Equity Strategy, a quantitative approach to investing developed by Robert Meeder, Sr. in 1974 that still serves as the foundation for MAM's investment approach. Combining long-term and short-term signals generated from our proprietary quantitative model, our Defensive Equity Strategy seeks out the best opportunities for returns in the financial markets, while managing the inherent risks of investing. In separately managed accounts utilizing this strategy, MAM invests more heavily in equities when our investment models indicate that the risk/reward relationship of the stock market is positive. When the relationship turns negative, we invest defensively in fixed income securities, fixed income funds or cash products until the market turns more favorable for investors according to our investment models.

## Summary of Material Risks

Investing in securities involves risk of loss. Although MAM 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 portfolio to underperform other portfolios with similar investment objectives. There is no assurance that a portfolio's objective will be achieved. Material risks associated with the strategies offered by MAM 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.

**Call Risk:** Some fixed income securities are subject to the risk that an issuer will exercise a right to redeem the security earlier than expected, often in response to declining interest rates or improvements in issuer credit quality. If an issuer calls a security held by a client, the client may not recoup the full amount of the initial investment or realize the anticipated earnings from the investment, resulting in reinvestment in lower-yielding securities.

**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 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.

### **Voting Client Securities**

MAM 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 MAM to vote proxies, the adviser will retain and exercise final authority and responsibility for voting. MAM 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. MAM 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**

MAM 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.

MAM’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 MAM’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. MAM 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**

MAM 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 7 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

In connection with each account, we collect and use personal information provided by our clients to recommend an appropriate wrap fee program and investment strategy. Meeder does not currently use third-party portfolio managers and does not share client information with sub-advisers.

## **ITEM 8 – CLIENT CONTACT WITH PORTFOLIO MANAGERS**

The primary point of contact for clients in MAM's wrap fee program accounts is the client's designated investment adviser representative. Whether the account is managed by a separate portfolio manager or is one in which the client's own representative acts as the portfolio manager, the investment adviser representative is responsible for regular consultation regarding management of the account. Where necessary, the investment adviser representative can enlist portfolio managers to provide additional information.

## **ITEM 9 – ADDITIONAL INFORMATION**

### **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 us or the integrity of our management. We do not have any information to disclose concerning, MAM, its affiliates or investment adviser representatives.

### **Other Financial Industry Activities and Affiliations**

MAM is a wholly owned subsidiary of Meeder Investment Management, Inc. Other wholly owned subsidiaries include Meeder Advisory Services, Inc. ("MAS"), Meeder Public Funds, Inc. (MPF), Adviser Dealer Services, Inc. ("MDS"), Mutual Funds Service Company ("MFSCo") and Meeder Insurance Services, LLC.

MAS is registered investment adviser that offers investment strategist and portfolio management services to independent broker-dealers, investment advisers, and other financial intermediaries. In addition, MAS provides investment management services to retirement plans and their participants.

MPF is a registered investment adviser that provides professional investment advisory and administrative 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 underwriter and 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 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.

### **Custody**

MAM currently utilizes two qualified custodians for its wrap fee program accounts, Huntington National Bank ("HNB") and Charles Schwab & Co. ("Schwab"). While many legacy accounts are maintained at HNB, new accounts will be opened directly at Schwab. Clients receive account statements directly from the qualified custodian at least quarterly. Clients are encouraged to review carefully and compare the custodial records to the account statements provided by MAM.

### **HUNTINGTON NATIONAL BANK**

Accounts set up at HNB are held in separate accounts in the name of Meeder Asset Management for the benefit of the individual client. MAM is deemed to have custody of client assets held in these accounts by virtue of its authority to withdraw funds or securities from those accounts and it has implemented policies and procedures intended to safeguard client funds and securities held at HNB for the benefit of MAM's clients.

### **CHARLES SCHWAB**

MAM has entered into an agreement with Charles Schwab & Co. ("CS&Co.") to provide custodial and brokerage services to its wrap fee clients and new wrap fee program accounts must generally be enrolled at Schwab. MAM is deemed to have custody of assets held at CS&Co. to the extent clients provide MAM with authority to deduct advisory fees directly from client accounts.

### **Code of Ethics**

MAM 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 MAM 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 in Client Accounts**

Among its available investment options, MAM offers Meeder Investment Portfolios to its clients, which are allocated principally or exclusively among Meeder mutual funds selected by MAM 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, MAM exercises a preference for its affiliated proprietary mutual funds but may supplement the portfolio with limited third-party mutual funds to meet specific objectives. Because MAM and its affiliates earn fees when proprietary mutual funds are selected for the Meeder Investment 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.

MAM acts to mitigate this conflict by not exercising discretion over whether or to what extent a client's assets will be invested in a Meeder Investment Portfolio solution. MAM also waives any investment management fee for the sums invested in the Meeder Funds. When allocating portfolios among Meeder Funds, MAM 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.

### **ECONOMIC BENEFITS**

MAM has entered into an agreement with Charles Schwab & Co. ("CS&Co") to provide custodial and brokerage services to its wrap fee clients. Through its Schwab Adviser Services division, CS&Co. provides MAM and its clients with access to institutional brokerage services, including trading, custody and reporting, many of which are not typically available to retail customers. CS&Co.'s support services are made generally available to us so long as we maintain a total of at least \$10 million of our clients' assets at the firm. In addition, MAM does not pay custodial fees for accounts enrolled through the Institutional Intelligent Portfolios platform so long as we maintain \$100 million in client assets not enrolled in this program.

In connection with this agreement, CS&Co. provides MAM with various support services. Some of those services help us manage

or administer our clients' accounts; while others help us manage and grow our business. In connection with its agreement with CS&Co., MAM has access to software and other technology that provides access to client account data, facilitates trade execution and allocates aggregated trade orders for multiple client accounts, provides pricing and other market data, facilitates payment of our fees from our clients' accounts, and assists with other back-office functions, such as recordkeeping and client reporting. 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.

### **Review of Accounts**

MAM regularly reviews and evaluates the models or investment strategies used to guide its client's accounts. Each such strategy is assigned to a portfolio manager who reviews the model no less than quarterly to ensure that it meets the selected asset allocation and diversification goals. Additional reviews may take place during significant market events. Recommended changes to funds selected for a portfolio are reviewed by the firm's Investment Committee. Client accounts allocated to one or more models are not typically reviewed individually, but MAM monitors accounts to ensure compliance with the selected strategy and any applicable investment restrictions.

### **Client Referrals and Other Compensation**

MAM 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.

MAM also pays referral fees, known as solicitor payments, to unaffiliated third-party broker-dealers and investment advisers who refer clients to MAM or endorse our services. Under these arrangements, MAM 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. MAM 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 MAM and the material



terms of the compensation arrangement.

MAM or its affiliates have also entered into written agreements with unaffiliated investment advisers whereby MAM recommends or endorses that firm's investment advisory services to its clients. MAM 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 MAM with an incentive to solicit and secure participation in the program. Under each such arrangement, MAM is required to provide prospective clients with full disclosure of MAM's relationship with the recommended firm and the material terms of the compensation arrangement.

MAM offers several bank deposit programs to its clients, both directly and in affiliation with third parties. In some programs, MAM receives payments from third parties for introducing new clients or depository institutions to the program. MAM also sometimes make payments to third parties that introduce MAM 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.

### **Financial Information**

MAM 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, MAM'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.