



M E E D E R

# Meeder Asset Management, Inc.

## Advisory Services Brochure

FORM ADV, Part 2A

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**March 31, 2023**

This brochure provides information about the qualifications and business practices of Meeder Asset Management, 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 Asset Management, 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 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. There have been no material changes to this brochure since the last annual amendment dated March 31, 2022.

## ITEM 3 – TABLE OF CONTENTS

Item 2 – Material Changes.....	2
Item 3 – Table of Contents.....	3
Item 4 – Advisory Business.....	3
Item 5 – Fees and Compensation .....	5
Item 6 – Performance-Based Fees and Side-By-Side Management .....	6
Item 7 – Types of Clients .....	6
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	7
Item 9 – Disciplinary Information.....	9
Item 10 – Other Financial Industry Activities and Affiliations .....	9
Item 11 – Code of Ethics, Participation in Client Accounts and Personal Trading .....	9
Item 12 – Brokerage Practices .....	10
Item 13 – Review of Accounts .....	11
Item 14 – Client Referrals and Other Compensation .....	11
Item 15 – Custody .....	12
Item 16 – Investment Discretion .....	12
Item 17 – Voting Client Securities .....	12
Item 18 – Financial Information .....	13

## 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 Asset Management, Inc. (“MAM”), Meeder Advisory Services, Inc. (“MAS”), 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 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.

As of December 31, 2022, MAM had assets under management of \$2,145,097,957, all of which were managed on a discretionary basis.

### Individual Portfolio Management

MAM provides a wide variety of investment management services to individuals, families and businesses. Before recommending an appropriate program and investment strategy, MAM will obtain information regarding your financial circumstances, investment goals and objectives. The adviser may use questionnaires or other methods to determine your risk tolerance. MAM 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 each client’s investment strategy and clients should notify us promptly of any changes in their financial situation, goals or objectives. A financial adviser will assist clients in selecting an investment program and strategy that meets their investment needs and risk tolerance.

### WRAP FEE PROGRAMS

Many investment management services offered by MAM are provided through wrap fee programs in which clients pay an asset-based fee that covers investment management, execution and custody services. These programs include Meeder Investment Portfolios, Meeder Select Portfolios, Meeder Premier Portfolios, Separately Managed Accounts, Private Wealth Management and Adviser Directed Accounts. Information about Meeder’s wrap fee program services may be found in the firm’s Form ADV, Part 2A, Appendix 1 brochure, which may be obtained upon request. Programs offered outside of the wrap fee program are described in this brochure.

### MEEDER INVESTMENT PORTFOLIOS

Meeder Investment Portfolios are offered to Meeder clients as direct investments in Meeder Funds through our affiliated transfer agency, Mutual Funds Service Co. The 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 responses given and clients select the portfolio that meets their needs.

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, 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. The minimum account size for Meeder Investment Portfolios is \$5,000.

## MEEDER SELECT PORTFOLIOS

Meeder Select Portfolios are offered to individual clients on various custodial platforms, including those offering 403(b) tax-deferred retirement plans. Meeder also offers its Select Portfolios investment management service for certain fee-based variable annuity programs. In these programs, Meeder assumes discretionary authority to allocate subaccounts in accordance with the client's investment objectives. The portfolios offer clients the benefits of Meeder tactical management in a portfolio comprised of non-proprietary mutual or exchange-traded funds. Clients utilize a questionnaire to determine their investment objectives and risk tolerance. The program recommends a suitable portfolio based on the responses given and clients select the portfolio that meets their needs. Account minimums for these programs are set by the program sponsor.

## SHORT-TERM FIXED INCOME PORTFOLIOS

MAM's Short-Term Fixed Income Portfolios are 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 Portfolio Management

MAM also provides investment advisory services to registered investment companies, institutional investors and qualified retirement plans who manage investments for their shareholders and participants.

## MEEDER MUTUAL FUNDS

MAM serves as the manager and investment adviser to the Meeder Funds. For additional information about the Meeder Funds, please see the funds' prospectus and statement of additional information.

## RETIREMENT PLAN SERVICES

MAM provides retirement plan sponsors with fiduciary investment management services, including development of an investment policy statement, selection of designated investment options, and ongoing monitoring of the plan. In accordance with the terms of the retirement plan agreement and investment policy statement, MAM may exercise discretion to select, review and replace investment alternatives made available to participants in the plan and to direct the plan recordkeeper to implement those changes. All such services are offered subject to the specific terms of the retirement plan agreement.

Retirement plan sponsors also engage MAM to offer managed portfolio solutions to their participants. In this program, MAM 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, MAM 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 funds, or ETFs. 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.

## FINANCIAL PLANNING & CONSULTING SERVICES

MAM offers financial planning and investment consulting services individually tailored to the needs of the client. Services are individually negotiated for each client and may be provided on an ad-hoc or ongoing basis. When offering these services, MAM does not undertake discretionary management of client assets, and clients are under no obligation to implement the recommendations provided. Clients may implement the advice themselves or through any other financial organization of their choice.

When undertaking financial planning services, MAM will typically review the client's overall financial situation, including income, assets, liabilities, taxation, insurance needs, retirement and estate planning objectives. Clients may include assets held at a variety of custodians, including different forms of retirement savings or pension plans. Financial planning clients typically receive a written financial plan, addressing savings goals, asset allocation, security selection, insurance, retirement income and other goals.

Investment consulting services are typically offered to corporations, charitable organizations, investment advisers, and state and municipal government entities. Services may include development or review of an investment policy statement, evaluation of investment alternatives, monitoring and due diligence review of investment managers, portfolio analysis and monitoring reports, non-discretionary investment advice, and certain non-advisory investment services. Consulting services are highly customized for each client's needs and are provided in accordance with individually negotiated agreements.

ITEM 5 – FEES AND COMPENSATION

Meeder charges different fees depending on the nature of the account, the platform on which it is offered and the amount of household assets under management.

Investment Management Fees

INDIVIDUAL PORTFOLIO MANAGEMENT SERVICES

Meeder Investment Portfolios, Meeder Select Portfolios and Short-Term Fixed Income Portfolios are offered under the following fee schedule:

Equity and Balanced 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 Portfolios	
Short Term Fixed Income Portfolios	0.35%

INSTITUTIONAL PORTFOLIO MANAGEMENT

The fees charged by MAM for institutional portfolio management services, including retirement plan 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.

FINANCIAL PLANNING AND CONSULTING SERVICES

Financial planning and consulting services are offered under terms individually negotiated with each client. The fees for these

services are negotiable and services may be offered on an hourly or flat rate basis or as a percentage of assets under management depending on the nature of the engagement.

FINANCIAL ADVISER FEE

The financial adviser fee is paid to unaffiliated broker-dealers and investment advisers who refer clients to MAM and compensates them for consultation and other services provided to clients who select MAM 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 MAM and may increase the total fees paid by the client.

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 a daily rate calculated by dividing the applicable annual fee by 365. Other arrangements are available, and some fees are paid quarterly, in advance, for the upcoming calendar quarter. Advisory fees due for partial periods are prorated for the remainder of the billing cycle. Upon termination of an account, prepaid unearned fees are refunded to the client account.

All fee arrangements are set forth in the applicable investment management agreement. Assets held in accounts held by related family members residing at the same address of record will be treated as household assets under management and aggregated for purposes of calculating the investment management fee. Where the custodial platform, annuity or program sponsor is responsible for debiting fees, billing frequency and other terms and conditions may be found in the agreements and disclosure documents provided to the client by the sponsor firm.

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 investment advisory services, 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 to its clients.

### **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 MAM 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**

Clients utilizing MAM services may pay other account related expenses in addition to any advisory fees payable to MAM, 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. MAM 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. Clients investing in fee-based variable annuity products will incur fees for mortality, administration and rider costs. 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. 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 manager's individual 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 adviser 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 generally 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 does not generally offer products that pay commissions to its advisory customers. In the event commissions were paid in connection with an advisory account, the firm would address 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**

MAM does not charge performance-based fees.

## **ITEM 7 – TYPES OF CLIENTS**

MAM also provides advisory services to individuals, families,

businesses and institutions through its Meeder Wealth Management and third-party platform channels. In addition, MAM provides retirement plan services to plan sponsors and their participants. Terms and conditions for other MAM 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 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 Meeder Funds and 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.

MAM utilizes these methods of analysis and investment strategies to develop and manage the Meeder Investment Portfolios, Meeder Select Portfolios, Meeder Retirement Portfolios and Private Wealth

Management Accounts.

### **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.

## 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. MAM has no reportable disclosures.

## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

MAM is a wholly owned subsidiary of MIM. Other wholly owned subsidiaries of MIM include MAS, MPF, Meeder Distribution 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 MAM 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.

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 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 IN CLIENT ACCOUNTS AND PERSONAL TRADING

### 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 or Interest in Client Transactions

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 that utilize the 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.

## **ITEM 12 – BROKERAGE PRACTICES**

When retained on a discretionary basis, MAM is generally authorized to determine and direct execution of portfolio transactions within the client's specified investment objectives, and without consultation with the client on a transaction-by-transaction basis. MAM prefers to select broker-dealers who will execute portfolio transactions. When selecting broker-dealers to undertake trading on MAM's behalf, MAM seeks best execution under the circumstances of each trade.

### **Best Execution Policies**

In selecting brokers through which transactions for client accounts will be executed, MAM's primary consideration is the broker's ability to provide best execution of trades. In making a decision about best execution, MAM 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. MAM's Trading and Best Execution Committee undertakes regular reviews of its brokerage practices in order to ensure that MAM clients receive best execution of trades.

### **Research and other Soft Dollar Benefits**

When selecting brokerage for the Meeder Funds, MAM may take

into consideration the receipt of research and brokerage services, consistent with its obligation to seek best execution for client transactions. MAM may select a broker whose transaction costs are greater than those of another broker if MAM determines in good faith that the amount of such transaction cost is reasonable in relation to the value of the brokerage and research services provided by the executing broker. Because MAM receives a benefit from these transactions, MAM may have an incentive to recommend a broker based on its interest in receiving the research or other products or services rather than on its clients' interest in receiving most favorable execution.

MAM receives a variety of research reports, financial data and financial analysis from its executing broker-dealers and a portion of the commissions paid by Meeder Funds shareholders directly or indirectly pay for these services. These services may be provided directly, or the broker-dealer may purchase them for MAM's benefit. These services are used by MAM in carrying out its investment management responsibilities with respect to the Meeder Funds; however, some particular research products utilized by the Meeder Funds may provide ancillary benefits to other programs and clients of the firm. MAM periodically reviews the amount, nature and quality of the research services it receives in conjunction with its review of execution price and quality.

### **Client Directed Brokerage**

Although MAM prefers to use its preferred broker-dealers for execution of client transactions, MAM does not require clients to execute transactions through a specific broker and will under certain circumstances permit a client to direct brokerage. Although MAM will attempt to effect such transactions in a manner consistent with its policy of seeking best execution and price on each transaction, there may be occasions where it is unable to do so. Clients who request directed brokerage may pay higher brokerage commissions because we may not be able to aggregate orders with other transactions or obtain less favorable execution for the client than available from our preferred brokers-dealers.

### **Trade Aggregation**

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 Rotation Policy**

Where MAM offers portfolio management services on a model basis to institutional clients, 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, MAM sends notification to each Financial Intermediary or group of similarly managed accounts in the order of their appearance on the rotation schedule. MAM 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 MAM does not control execution of transactions in model portfolio accounts, MAM 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**

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.

When correcting errors detected after settlement of a trade, 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 purpose of correcting trade errors detected prior to settlement. Any securities acquired by such an account for purposes of correcting a trade error are promptly disposed of. MAM is

responsible for paying net losses incurred when correcting such a trade. Net gains in error accounts may be retained in the account and used to offset future net losses or donated to charity depending on the program. All trade errors and related calculations are documented and reported to the compliance department.

### **ITEM 13 – REVIEW OF ACCOUNTS**

Each portfolio is 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. 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.

Individually managed accounts are reviewed no less than annually, during significant market events, upon a change in the client’s financial goals or circumstances, or upon a client’s request. Each client receives, no less frequently than quarterly, a written itemized statement showing funds and securities owned. Such reports detail the location of all assets including the identity of each custodial account. Reports detail all debits, credits, and transactions in the client’s account for the period. Funds and securities of clients that are in the custody or possession of the investment adviser are verified once each year by independent public accounts and a report of the examination is filed with the SEC.

### **ITEM 14 – 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%. The arrangement provides the financial adviser with an incentive to refer clients and secure their participation in the program. 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 promoter payments, to unaffiliated third-party broker-dealers, investment advisers and other persons who refer clients to MAM or endorse our services. Promoters are not employees or current clients of the firm. Under these arrangements, MAM shares a portion of the advisory fees collected from the client with referring promoter. Annual fees payable to promoters are negotiable and may be based on a percentage of the client fee or the value of the client’s



account. The arrangement provides promoters with an incentive to refer clients and secure their participation in the program. Each promoter who recommends or endorses our services is required to provide the prospective client with full disclosure of the promoter'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 makes 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.

MAM has entered into an agreement with Charles Schwab & Co. ("Schwab") to provide custodial and brokerage services to its wrap fee clients. Through its Schwab Adviser Services division, Schwab 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. In addition, MAM does not pay custodial fees for accounts enrolled through the Institutional Intelligent Portfolios platform.

In connection with this agreement, Schwab 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 Schwab, 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. Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these

services or pay all or a part of a third party's fees.

## **ITEM 15 – CUSTODY**

All client funds and securities are maintained with a qualified custodian. MAM is deemed to have custody of client funds due to its ability to calculate and direct debit client accounts for investment advisory fees. Clients in the Meeder Wealth Management program receive statements concerning their portfolios from the qualified custodian. In addition, MAM produces and delivers quarterly statements to its clients as a client service. Clients are encouraged to review carefully and compare the custodial records to the account statements provided by MAM.

For accounts held at Huntington National Bank and managed under MAM's wrap fee program, 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. For accounts with the Meeder Investment Portfolios program, MAM is deemed to have custody of client assets because an affiliate provides custodial and account administration services. MAM has implemented policies and procedures intended to annually verify the location of client funds and securities held for the benefit of MAM's clients in these programs.

## **ITEM 16 – INVESTMENT DISCRETION**

MAM typically exercises discretion over the management of its client's 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 MAM 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.

In some instances, MAM's discretionary authority in making investment decisions may be limited by conditions imposed by clients in their written investment guidelines or objectives or in written instructions otherwise provided to MAM. In other cases, MAM's discretion may be limited to management of the specific portfolio or strategy selected by the client. In those instances, MAM does not have discretion to alter a client's selected portfolio or to move assets to any other investment.

## **ITEM 17 – 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 18 – 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.