

Meeder Funds

Important Tax Information for 2016

Dear Meeder Funds Shareholder:

Enclosed with this letter is your 2016 Form 1099-DIV from the Meeder Funds. This is an important document you will need in order to complete your income tax returns for 2016.

Reporting Ordinary & Qualified Dividends*

All dividends paid by the **Prime Money Market Fund²** and the **Institutional Prime Money Market Fund** are derived from interest received from the Funds' holdings in 2016, not from dividends. Therefore, these distributions do not qualify for the reduced income tax rate on qualified dividend income. The entire amount shown in Box 1a on your Form 1099-DIV should be reported on Line 9a of your IRS Form 1040. No amount should appear in Box 1b on your Form 1099-DIV for these Funds.

Dividends paid by the **Quantex Fund, Balanced Fund, Aggressive Growth Fund, Dynamic Growth Fund, Muirfield Fund, Global Opportunities Fund, Spectrum Fund, Dividend Opportunities Fund, and Total Return Bond Fund** in 2016 may qualify for the reduced dividend income tax rate. Qualified dividends (reported in Box 1b on Form 1099-DIV) include dividends paid by most domestic corporations and assumes that underlying stock in the Fund has been held for at least 60 days. Depending on your income tax bracket, qualified dividends may qualify for a reduced income tax rate of 0%, 15% or 20%.

You should not assume that you will be able to apply the reduced income tax rate on the entire amount of qualified dividends paid to you by these Funds in 2016. You may only apply the reduced income tax rate on the portion of qualified dividends you received from the Funds on shares you held for at least 60 days. You cannot apply the reduced income tax rate on the qualified dividends you received from shares you owned for less than 60 days (including shares purchased by reinvestment of Fund distributions).

Because of the rules regarding the 60-day holding period, it is advisable to consult a tax professional or a tax reference guide for instructions on reporting qualified dividends on your IRS Form 1040.

Long-Term Capital Gains*

The Quantex Fund, Infrastructure Fund, Dynamic Growth Fund, and Spectrum Fund distributed long-term capital gains to shareholders in 2016. If you were a shareholder of record when these capital gains were distributed, you may be required to complete Schedule D of your 2016 IRS Form 1040. Capital gains paid to you by the Meeder Funds are shown on Form 1099-DIV in Box 2a. If your only capital gains for 2016 are from mutual fund capital gains distributions, then this amount should be included on IRS Form 1040, line 13. If you have other capital gains for 2016, the amount in Box 2a on Form 1099-DIV from the Meeder Funds should be included on Schedule D, line 13, column h.

If you sold shares in the Meeder Funds in 2016, you will need to report any short- or long-term capital gains or losses you realized from these transactions on Schedule D of your IRS Form 1040. Please consult a tax guide or a tax professional for instructions on reporting capital gains or losses from fund transactions.

Return of Capital*

All of the distributions paid in 2016 by the Infrastructure Fund¹ are considered return of capital. Return of capital is the return of a portion of your original investment in the Fund, and is not taxable to you. The return of capital for the Infrastructure Fund is reported in Box 3 on Form 1099-DIV as a non-dividend distribution. Please consult a tax guide or a tax professional for instructions on reporting a return of capital.

Interest from U.S. Government Securities*

As you prepare your taxes for 2016, you should also be aware that interest earned from U.S. Government securities may be exempt from income tax in certain states. The percentages of total income dividends you received as a Meeder Funds shareholder (Form 1099-DIV, Box 1a - Ordinary Dividends) during 2016 that were derived from U.S. Government securities are as follows:

Fund Name	Percentage of distribution derived from U.S. Government Securities
Prime Money Market Fund	9.57%
Institutional Prime Money Market Fund	4.88%
Total Return Bond Fund	0.04%

For Corporate Clients*

The following percentages of the income dividends paid by the Meeder Funds during 2016 and reported on Box 1 on Form 1099-DIV qualify for the dividends received deduction available to corporations:

Fund Name	Percentage of distribution qualifying for the dividends received deduction
Dividend Opportunities Fund	92.72%
Quantex Fund	92.00%
Spectrum Fund	91.59%
Aggressive Growth Fund	88.47%
Muirfield Fund	85.65%
Dynamic Growth Fund	79.41%
Balanced Fund	42.92%
Global Opportunities Fund	41.47%

This document is for informational use only. You should seek competent tax and legal advice concerning your specific situation.

*This information applies to all share classes of a Fund.

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¹ Prior to September 15, 2016, this Fund was known as the Miller/Howard Infrastructure Fund. ² Prior to October 7, 2016, this Fund was known as the Meeder Money Market Fund.