

# Meeder Asset Management, Inc.

## Advisory Services Brochure

FORM ADV, Part 2A

6125 Memorial Drive  
Dublin, OH 43017  
800-325-3539  
[www.meederinvestment.com](http://www.meederinvestment.com)

**March 30, 2020**

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. 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 the material and immaterial updates and changes made to this ADV disclosure brochure since its last annual amendment dated March 29, 2019.

- **Item 4.** A description was added for investment management services offered for fee-based variable annuity products.
- **Item 5.** A standard investment advisory fee was added for the adviser's short-term fixed income portfolios.
- **Item 17.** A disclosure was added regarding the firm's policy concerning class action settlements.

The adviser does not consider these updates to be material in nature for existing clients who receive services under this ADV disclosure brochure. Copies of the current ADV disclosure brochure are available on Meeder's website at [www.meederinvestment.com](http://www.meederinvestment.com) or by contacting your investment representative.

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### ITEM 4 – ADVISORY BUSINESS

Meeder Investment Management, Inc. (“MIM”) offers a complete range of equity, fixed income and cash management investment solutions through its wholly-owned SEC registered investment advisers: Meeder 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, 2019, MAM had assets under management of \$2,813,484,981 of which \$2,788,839,477 was discretionary assets and \$24,645,534 was non-discretionary assets.

#### 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, 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 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.

#### 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.

#### 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, local government investment pools, 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.

#### PUBLIC FUNDS MANAGEMENT

MAM also provides investment advisory services to STAR Ohio, a local government investment pool. Doing business as Public

Funds Administrators, MAM also serves as the administrator for STAR Plus, an FDIC insured bank deposit program. MAM receives an advisory fee for services provided to STAR Ohio and an administration fee for services provided to STAR Plus.

#### 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 quarterly, in advance, for the upcoming calendar quarter. The account fee for these accounts is calculated based on the end of quarter market value of all assets in the account, including all balances in cash or money market funds, multiplied by one-quarter of the applicable annual fee. All fees applicable to any account are set forth in the investment management agreement. 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 for newly opened accounts may be 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.

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 and selected custodian, clients may pay 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.

### **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.

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

MAM does not charge performance-based fees.

## **ITEM 7 – TYPES OF CLIENTS**

MAM acts as the investment adviser to the Meeder Funds, a registered investment company. 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 and advisory and administrative services to the Ohio local government investment pool.

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.

### Risks Associated with Portfolio Investments

Investing in securities involves risk of loss that clients should be prepared to bear. 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 cause the portfolio to 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.** The 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 may perform worse than a non-diversified portfolio.

**Commodities Risk.** The strategies may cause us to 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 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.** A decline in the credit quality of a fixed income investment in bonds or corporate debt obligations could cause the fund to lose value. An issuer of a fixed income security may not be able to make interest and principal payments when due. Such default could result in additional losses.

**Derivatives Risk.** We may utilize derivatives in connection with our investment strategies, 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.

**Exchange Traded Funds Risk.** Many of the portfolios include ETFs, 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.

**Fixed Income Risk.** The portfolios may include fixed income securities. These securities will increase or decrease in value based on changes in interest rates. If interest rates rise, the value of a portfolio's fixed income investments generally declines.

**Foreign Investment Risk.** Investments in securities of foreign issuers present 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.

**Investment Company Risk.** Some 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.** The strategies may utilize 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.** A portion of the 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 portfolios hold equity investments, which fluctuate in value due to changes in general economic conditions and market developments.

**Quantitative Analysis Risk.** The adviser relies heavily 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. Quantitative analysis is unlikely to be successful unless the quantitative assumptions made by the adviser remain relevant in future market conditions. If future market environments do not reflect the assumptions made in our quantitative models, quantitative investment strategies employed may exhibit capital loss.

**Real Estate Risk.** The portfolios may 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 involve short-selling of securities. The portfolio 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.

**Turnover Risk.** Our strategies or an underlying fund we select 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, Adviser Dealer Services, Inc. (“ADS”), Mutual Funds Service Company (“MFSCo”) and Meeder Insurance Services, LLC.

MAS is registered investment adviser that typically serves as an investment strategist, providing independent broker-dealers, investment advisers, and other financial intermediaries with access to Meeder’s investment portfolios and retirement portfolios, which consist principally of Meeder Funds. 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.

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

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

Meeder Insurance Services, LLC., is a licensed insurance agency. Some Meeder representatives are licensed insurance agents or representatives of Meeder Insurance Services who may recommend the purchase of certain insurance products. Insurance products are offered on a commission basis.

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

### **Code of Ethics**

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 personally trading 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, 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 MAM's clients 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 all the client accounts over which MAM exercises investment discretion, including MAM's role as adviser to the Meeder Funds. However, a particular research product may not be used for every advisory account and some clients may benefit more from research services than others. 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.

### **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%. This fee is described in Item 5 of this brochure and may increase the total fees paid by the client.

MAM also pays solicitor fees to unaffiliated third-party broker-dealers and investment advisers who refer clients to MAM. Under these arrangements, MAM shares a portion of the advisory fees collected from the client with referring broker-dealers or investment advisers. Any solicitor payment must be approved by the client after being provided with identity of the solicitor, the amount of the compensation, and the nature of the relationship. Solicitor fees are paid solely from the investment advisory fee paid to MAM and do not result in any additional charge to the client.

MAM also receives payments from StoneCastle Partners, LLC ("StoneCastle") for introducing financial institutions that participate as depositories in an FDIC insured cash program offered by StoneCastle. The financial institutions provide StoneCastle with additional capacity for StoneCastle to offer its clients the opportunity to participate in StoneCastle's cash program. The payments to MAM do not create a potential conflict of interest, as MAM receives no additional benefit from StoneCastle for placing a StoneCastle client's money with the financial institutions introduced to StoneCastle by MAM.

### **ITEM 15 – CUSTODY**

All client funds and securities are maintained with a qualified custodian in a separate account for each client under each client's name. MAM is deemed to have custody of client funds due to its ability to calculate and direct debit client accounts for investment advisory fees. For each client account, the qualified custodian provides quarterly and annual statements to each client. 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 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 and it has implemented policies and procedures intended to safeguard client funds and securities held at the custodian for the benefit of MAM's clients. Additional information regarding MAM's wrap fee programs may found in the firm's Form ADV, Part 2A, Appendix 1 brochure.

### **ITEM 16 – INVESTMENT DISCRETION**

MAM exercises discretion over the management of its Separately Managed Accounts, Meeder Investment Portfolios, Bank Deposit and Private Wealth Management Programs. Typically, MAM is retained as a discretionary investment adviser by its Private Client Services and Private Wealth Management account holders and is authorized to make investment decisions on behalf of the client in accordance with the client's specified investment objectives. In those circumstances, MAM is not required to consult with the client on a transaction-by-transaction basis.

Where MAM is retained on a discretionary basis, the client will typically execute a limited power of attorney, authorizing MAM to establish, use and operate bank, mutual fund, brokerage and trust accounts on the client's behalf and to transfer cash or securities between accounts opened on the client's behalf at qualified custodians. 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 some cases, MAM's discretion may be limited to management of the specific Meeder Investment Portfolio or Separately Managed Account 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. MAM may also be engaged by clients to provide non-discretionary investment services.

#### **ITEM 17 – VOTING CLIENT SECURITIES**

In discretionary accounts, MAM typically accepts authority to vote proxies for our clients; however, certain clients may retain proxy voting authority. For those clients who give MAM authority to vote proxies on their behalf, MAM has adopted proxy voting policies and procedures designed to ensure that we vote such proxies in a manner consistent with the best interest of our clients.

To assist MAM with voting proxies, MAM has engaged an unbiased, unaffiliated, third-party proxy voting service to provide proxy voting recommendations. Proxies are generally voted in accordance with the recommendations of the third-party proxy voting service, but MAM reserves the right to exercise its own judgment on a case-by-case basis. MAM will not vote proxies for any client in a manner designed to benefit any other client. In the event MAM becomes aware of a material conflict of interest relating to a proxy between MAM and a specific client, MAM will typically deliver the proxy to the client and disclose the nature of the conflict.

MAM's proxy voting policy and procedures and a record of all proxy votes cast on behalf of clients are available upon request. MAM also keeps records regarding votes cast regarding client securities. Please contact MAM for further information.

#### **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.