

Form ADV : Part 2 A & B

As of December 19, 2011

Part 2A: The Brochure: This brochure discloses information about the qualifications and business practices of the investment advisory firm named below for the benefit of its clients and prospective clients. Please note that the terms “registered investment adviser” or “registered” do not imply a certain level of skill or training. If the adviser uses a wrap fee program, it is found in Appendix 1. If you have any questions about the contents of this brochure, please contact us at the contacts given below.

Part 2B: The Brochure “Supplement discloses information about persons providing advice.

2A: Brochure : Item 1 :Cover Page : for

Public Fund Investment Strategies, LLC

[“PFI Strategies”]

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[crd # 148062 / SEC # 801-148062]

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or

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*Please note that this brochure has not been approved by the Securities & Exchange Commission or by any state securities authority. This firm is registered with the and notice filed in one or more states; **registration does not mean approval or verification by those regulators.** More information about the firm is at Investment Adviser Public Disclosure : www.adviserinfo.sec.gov.*

2A: Brochure : Item 2: Material Changes : *If we amend this disclosure brochure, we are to send you either a new copy of the brochure or at least this item 2 describing the changes made so you can decide if you want us to send you a complete, new copy. A summary of material changes is :*

☐ attached as an exhibit to or

☐ included here as part of this updated brochure

or : No summary of material changes is required because there have been no material changes to this adviser’s brochure since its last annual updating amendment.

The changes made are:

In Part 2A, Item 1 and in Part 2B, Item 1 We have changed the firm’s address.

2A: Brochure : Item 3 : Table of Contents : Information that investment advisers must provide to prospective clients initially and to existing clients annually : 18 disclosure items that describe this firm’s advisory business. and (if applicable) Appendix 1 with disclosures required for a “wrap fee” program brochure [*a specialized brochure*].

Item 1. : <u>Cover Page</u> .: The firm’s name, its address, contact information,	Page 1, above
Item 2. : <u>Material Changes</u> .— Amendments made as of _____	Page 1, above
Item 3. : <u>Table of Contents</u>	Page 2, this page
Item 4. : <u>This advisory firm’s business</u> —Services; Assets ; Owners.	Pages 3 – 4
Item 5 : <u>Fees and Compensation</u> . . — How our firm is compensated; fee schedules	Pages 4 – 6
Item 6: <u>Performance-Based Fees and Side-By-Side Management</u> .	Page 6
Item 7 : <u>Types of Clients</u> . — The types of clients we service; account requirements	Page 6
Item 8 : Methods of Analysis, Investment Strategies and Risk of Loss. —	Pages 6 – 10
Caution: Investing in securities involves risk of loss which a client must be able to bear.	
Item 9 : <u>Disciplinary Information</u> . —Legal or disciplinary events relating to our firm to evaluate the integrity of our firm or its management persons.	Page 10
Item 10 : <u>Other Financial Industry Activities and Affiliations</u> . . — Possible conflicts of interest and how they are addressed.	Pages 10 – 11
Item 11. : A. <u>Code of Ethics</u> , & B. - D. —A summary; Interest in client transactions	Pages 11 – 12
Item 12.: <u>Brokerage Practices</u> . — How we select a broker; “soft dollars”	Pages 13 – 14
Item 13.: <u>Reviews of Accounts& Reports to Clients</u>	Page 14
Item 14.: <u>Client Referrals and Other Compensation</u> . Solicitors, etc.	Pages 14 – 15
Item 15. : <u>Custody</u> .	Page 15
Item 16.: <u>Investment Discretion</u> .	Page 15
Item 17. : <u>Voting Client Securities</u> .— Proxy voting practices.	Page 15
Item 18.: <u>Financial Information</u> .— Disclosure of material financial information.	Page 16
Item 19.: <u>State-registered</u> investment advisers : requirements	Page na
Part 2B for Mr. Koetting	Pages 17-18

2A: Brochure : Items 4 – 18:

Item 4. : This advisory firm's business

4. A. Public Fund Investment Strategies, LLC (or "PFI Strategies," "the firm" or "the adviser") is a Missouri state Limited Liability Company [IRS EIN 26-2853545] that registered to do business as an investment advisory firm on 9.9.2008. Note : The use of the phrase "registered investment adviser" or the term "registered" do not imply a certain level of skill or training.

PFI Strategies' sole owner is Mr. James Koetting, Jr., its managing member, chief investment officer and advisory representative. James A. Koetting Jr., is the nationally recognized author of Public Fund Investing For Dummies, published by Wiley Publishing, Inc. ISBN 987-0-470-18412-7.

Mr. Koetting is the managing member of PFI Strategies. Mr. Koetting holds a Series 10,9,7,6,63,66 FINRA Licenses. The firm's standard of education for portfolio managers will be at least five years experience of portfolio management experience, with proper securities licenses.

Business hours are 9 am to 5 pm, Monday through Friday (Central time)

4.B. PFI Strategies offers the following services :

- Financial Planning
- Portfolio Management for individuals, businesses and institutional clients
- Pension consulting
- Selection of and referrals to other investment advisers
- Publication of a periodical / newsletter
- Securities ratings / pricing

4.C. Do we tailor our advisory services to a client's individual needs and how do we do so?
Can clients impose restrictions on investing in certain securities or types of securities?

The adviser will provide investment advisory services base upon each client's specific requirements. By their nature, financial planning services must be based on each client's individual needs to have any useful validity. As a fiduciary, an investment adviser is to make only those recommendations that demonstrably are in the client's own best interests, which means that they, too, must be based on an individual's stated and/ or established, individual needs, goals, risk tolerance and investment time horizon. The firm seeks to establish this personal dimension through a careful, fact-finding interview and discussions with each client.

Clients may impose reasonable restrictions on the adviser's discretion to invest in certain securities or types of securities if a client provides clear, written directions to that effect. Clients may opt to have their account managed on a non-discretionary basis. The client allows the power of discretion to an adviser by means of a limited power of attorney, which the client may revoke at any time.

A client's ability to impose restrictions on the adviser's discretion occurs at the beginning of the process at which time a client accepts or chooses not to invest in the recommended programs. Clients may withdraw from the programs at any time as well. Otherwise, the firm does not itself exercise discretion over the investment platforms that pursue their goals as stated in their prospectuses and ADV forms Part 2A.

4.D. Do we participate in a wrap fee program providing portfolio management services? No, this firm does not do so.

4. E. As of 12.19.2011 this firm manages assets of approximately \$152 million in a continuous and regular manner. All accounts are non-discretionary only.

Item 5 : Fees and Compensation. — How our firm is compensated

5.A. Clients will pay PFI Strategies fees for its advisory services in one of four ways.

1. For investment management of a portfolio, including trade execution and asset allocation, PFI Strategies will compute its fees as a percentage of assets under management. The firm will charge its fees monthly or quarterly in accordance with the following schedules.

equity accounts: on assets of :		short duration fixed income accounts:	intermediate and long term fixed accounts:
.01 to \$249,999	2.00%		0.35 of 1% on all assets
\$250,000 to \$499,999	1.75%		
\$500,000 to \$749,999	1.50%		
\$750,000 to \$999,999	1.25%		
\$1,000,000 to \$2,499,999	1.00%		
\$2,500,000 to \$4,999,999	0.75 of 1%		
over \$5,000,000	0.50 of 1%		
		0.20 of 1% of the first \$10 million	
		0.15 of 1% on assets over \$10 million	

PFI Strategies will charge a minimum annual fee of \$10,000 for advisory services for institutional accounts. If the fee to be charged on an account in accordance with the above schedule is greater than the minimum fee, the annual fee will always be based on a percentage of assets under management, and will rarely be a fixed fee. Fees are subject to negotiation.

- For limited consulting services, including review and development of an investment policy, analysis of existing portfolio, development of investment strategy and other similar services, fees will be computed at the hourly rate up to \$425.
- For portfolio reporting services only, PFI Strategies will charge fees on a monthly basis depending on the reports and the size and type of portfolio. A reporting set up fee can be charged up to \$2,500.00.

Reporting fees will be

- For certain projects, a flat fee will be charged based on the specifications of the project.

Compensation is negotiable, depending on the size of the account, investment objectives, and the type of assets to be managed. Lower fees for comparable services may be available from other sources.

5.B. . Disclosure : Does our firm bill its clients for the incurred advisory fees by :

- Sending an invoice to the client, OR by obtaining each client's signed permission to deduct the advisory fees from the client's account held by the custodian, OR
- May clients select either method of billing? NO.

The firm will charge its fees monthly or quarterly. The adviser will bill clients at the end of each month or at the beginning of each quarter. PFI Strategies does create invoices for its services.

Either PFI Strategies or the client may terminate the contact at any time by written notice.

If termination occurs, PFI Strategies will charge a prorated fee.

5.C. . Disclosure : Other types of fees or expenses clients may pay in connection with the advisory services. Clients should be aware that opening an investment account carries with it costs beyond the advisory fee(s) PFI Strategies charges. When placing a transaction order to buy or sell securities, advisory clients may have to pay any or all of the following charges in addition to the advisory fees charged by this firm.

- | | |
|-------------------------|--|
| • Brokerage commissions | • administrative fees for investments in mutual fund fees, |
| • custodian fees | • and 12b-1 fees in addition to administrative fees, |
| • postage charges | and other marketing fees for mutual funds, paid to |
| • processing charges | a broker dealer; |
| • Ticket charges | • account maintenance fees charged by a broker |
| • Early surrender | dealer for an account, especially if inactive. |
| • Transfer fees | |

We direct clients to this brochure's Item 12 for further discussion of brokerage costs.

5.D. . Disclosure : Do clients pay fees in advance? How may a client obtain a refund of a pre-paid fee if the contract is terminated prior to a billed period's end? How will the amount of the refund be determined? The adviser will bill clients at the end of each month or at the beginning of each quarter. If termination occurs, PFI Strategies will prorate the fee to charge only for the number of days in which the firm provided services.

5.E. Disclosure : Does the firm or any of its supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds? YES, Mr. Koetting is a registered representative of ProEquities, Inc. , a broker dealer, and as such he will receive commissions and 12(b)-1 fees.

Disclosure 5.E.1. Whenever an investment advisory firm's representatives may earn a commission, or mutual fund management 12b-1 fees, or other forms of sales charges in their capacity as the registered representatives of a broker-dealer, that arrangement creates an incentive to recommend those sales and, as a consequence, an inherent possibility for a conflict of interest. An advisor is a fiduciary who is required to make only those recommendations for a client that solely are in the client's own best interest, uninfluenced by any calculation of personal gain. We address this issue by disclosing it to our clients.

We do not reduce our advisory fees to offset the commissions or markups.

Disclosure 5.E.2. Clients always have the option to purchase through unaffiliated broker-dealers and their agents those investment products our firm recommends

Disclosure 5.E.3 Does our advisory firm receive more than half its revenue from commissions and other sales-based compensation? No, our firm's only business activity, in time and in revenues, is its fee-based

advisory service.

Disclosure 5.E. 4. Do we charge advisory fees in addition to commissions or markups? We do, of course, charge advisory fees. Our investment advisory firm is not also a broker dealer and therefore does not receive commissions or markups.

Other disclosures for this section : Our firm does not normally recommend mutual funds to our clients.

Item 6.: Performance-Based Fees and Side-By-Side Management.

Does our firm charge performance-based fees [fees based on a portfolio's increase in asset value] ? No, it does not. [See also: Form ADV Part 1A, Item 5. E. (6).

Does our firm have a supervised person who manages an account that pays performance fees? No, it does not.

NOTE : Regulators have stated that performance fees can cause incentives for an adviser to manage a portfolio with an eye to short term gains only, including investments that are more speculative or have a higher risk of loss. They may also tempt an advisor to allocate more time to them than to other clients' portfolios due to the possibility of a higher fee. As a fiduciary, an investment adviser is to provide equitable treatment to each client's managed portfolio as if it were the adviser's own portfolio - within the investment parameters agreed to with the client.

Item 7. : Types of Clients.

Typically our clients include government entities, defined contribution plans / pension and profit sharing plans, and charitable organization. We are prepared to provide services to high net worth and other individuals, banks and thrift institutions, corporations and other businesses, estates, and trusts as well. PFI Strategies requires no minimum dollar amount to open an account. However, the minimum annual fee of \$10,000 tends to exclude institutional accounts of less than \$5 Million. The firm establishes no other conditions.

Item 8. : Methods of Analysis, Investment Strategies and Risk of Loss.

A. An adviser must describe its methods of analysis and investment strategies used in formulating its investment advice. It must explain in detail any unusual risks.

Caution : Investing in securities involves risk of loss which a client must be able to bear.

In formulating advice, the adviser may apply charting, cyclical, fundamental and/ or technical analytical methods.

1. **Charting** – Charting includes a variety of means of analysis that correlate charts, graphs, and similar **market information** to detect patterns that are judged to be predictable, to reoccur in essentially the same way, given the same chartable factors or relationships among factors. It seeks to predict trends and notice variations in those trends, using various calculated averages.

Problems encountered using a charting analysis : Charting assumes

- 1) an accurate correspondence between real events and the factors charted as selected;
- 2) and that patterns can be detected in such charts such that

3) they are recognizable in advance, predictable as drawn from recurring and therefore essentially mechanistic financial events.

It is a complicated theory. It depends upon a basic assumption that the fundamental financial influences are not radically different in the time periods considered. That assumption is a concept that recently has been questioned on a number of levels.

Particular stocks may diverge from the market/ sector averages radically. Charting may therefore need to be paired with another form of analysis such as fundamental or technical analyses in order to look more closely at particular securities.

The time period most suitable for use in charting analyses is dependent upon the investor's holding period, portfolio structure, and other factors. The choice of relevant segments of performance over time and the understanding of their place in mapping the forces within the larger time period framework is another consideration. Time spent using one analytical method will compete with other analytical methods which might have proven more useful and profitable.

Cyclical – This form of analysis classifies sector types of stock and possibly specific stocks with regard to their relation to recurring up and down business cycles and/ or market movements.

Certain kinds of stock show marked tendencies to mirror these larger economic movements, either directly or inversely. Automobile industry stocks, housing stocks, and many others belong to these groups. Others, such as food-related stocks, have little or no relation to these cyclical economic movements. It is important for the analyst using cyclical predictors to have a good understanding of how certain industries relate to the overall economy and any verifiable changes occurring within the system, to ascertain which business sectors will be affected and how greatly by economic changes.

Risks inherent in using a cyclical method of analysis : The analysis is applied to limited kinds of stocks, which either could limit a portfolio or require other forms of investing whose analyses would then need to be related to and integrated with the concepts and investment goals inherent in a cyclical view.

Understanding business cycles is a complicated endeavor at the least.

The time involved in these cycles is generally longer historical periods whose effectiveness may easily be eclipsed by other forms of market action. Changes in the economy may vary in the magnitude of their cyclical effects from period to period.

Deciding when to enter into a predicted cycle and when to leave can require very careful monitoring; demand for certain cyclical industry items may not always be predictable if a significant portion of consumption is from certain foreign purchasers, the Chinese Peoples Republic, for example. Time spent using one analytical method will compete with other analytical methods which might have proven more useful and profitable.

Fundamental Analysis – Called the “bottom-up” approach to investing, a fundamental analysis seeks an in-depth understanding of a **specific firm/** company to evaluate its intrinsic value and its future prospects before investing in its stock. Such an analysis studies the firm's management, its debt, equity and cash flow, history of financial performance/ growth, dividend payout percentages, its products, operating efficiency and marketing structures, among other factors. The firm's balance sheet and income statement are two key sources of information about the firm.

Fundamental Analysis will compare a firm's stock price with its earnings per share and its net earnings to its gross revenues and compare both with the averages for that industry sector. The ratio of current liabilities to current assets is another important element of this form of evaluation. A central focus is deciding whether the stock is over-valued or undervalued.

As a term in large-scale economics, a fundamental analysis studies gross national product, inflation and interest rates, trade and unemployment trends, consumer confidence, savings and spending patterns and inventories in order to predict the larger movements of national and international economies. These larger concerns greatly influence the elements considered in a fundamental analysis of any given company.

Risks inherent in using a fundamental analysis : The factors involved can require time-consuming study that can fall behind the need to make decisions, if such factors begin to change rapidly. Few of the numbers are absolutes; many are relative to other factors or industry sector information. Most require intelligent judgment and experience to be applied meaningfully to stock values.

Fundamental analysis places value on the financial structure and health of the firm to be invested in. These factors at times are of little or no interest to the market place, such that the stock prices for very sound companies may wither when investors look to other reasons and areas for investing.

For a relatively short time period, a firm can falsify facts to hide poor performance or a fragile financial situation. The independence of balance sheets' and other reports' numerical information from such possible manipulation may not be readily verifiable.

Additionally, time spent using any one analytical method will compete with other analytical methods which might have proven more useful and profitable.

In formulating our investment advice, the firm uses research prepared by others, corporate rating services, annual reports, prospectuses, and filings with the SEC, and company press releases.

Technical – Technical Analysis is, together with fundamental analysis, one of the two major schools of stock market study. This form of value analysis focuses on patterns of **volume and price fluctuations** for a **given stock** as compared to the activity of the larger, general market(s) indicators. Securities are evaluated for purchase or sale based on an analysis of market statistics such as volume and prices over time as seen on charts, etc. that are believed to establish relational patterns that can predict future movements in the markets.

This relative comparison has little or no concern for any company's fundamental structure, production or worth. Market indicators kept in view include volume and direction of market activity, as indicators of supply and demand for securities, often using one or more established index/ indices, such as the NASDAQ, S&P 500, and the Dow Jones Industrial Average. Trends and Penetrations (e.g. of previous "highs") are another type of indicator used. The patterns discerned, often using charts for a quick grasp of the relationship of various factors, are used to predict future market moves and their effects on stocks in general and/ or on particular sectors of the market.

Problems encountered using a technical analysis : Technical analysis purports to see patterns deemed repeatable in similar market conditions. Market conditions may consist of many factors any one of which may alter the outcome of an otherwise very similar situation. No one indicator is absolutely

reliable, and a multiple of indicators may just as likely complicate understanding and evaluation as much as or more than it allows deeper insight into the market's mechanics.

The understandings offered clients in explanation tend to use generic Technical Analysis, while the working concepts that are derived from those basics and modified by experience and a firm's emphasis may well be hidden in part or completely as proprietary strategy /strategies that may let one advisor or market participant outperform another.

Technical analysis assumes that all the market factors are known to and considered by all the market's participants, although, in fact, the market can act in highly partial and even apparently irrational ways. A market termed "dynamic" indicates a sense that the underlying causal relationships may be shifting.

The adviser uses various sources of information for its analyses; these sources may include any or all of the following :

- Financial newspapers and magazines
- Inspections of corporate activities
- Research materials prepared by others
- Corporate rating services
- Timing services
- Annual reports, prospectuses, filings with the Securities and Exchange Commission
- Company press releases

8. B. An advisor must explain the material risks involved in frequent trading if its strategy involves frequent trading of securities. An advisor must explain how frequent trading can affect performance.

The firm's trading strategies include holding for the long term (a year or more), short term purchases (sold within a year), trading (securities sold within 30 days), and option writing. What may be regarded as "frequent trading" varies according to

- the client and the strategy for that client's specific account – one client may have multiple accounts that apply different strategies
- to the type of security or relative mix of securities involved
- and to the current nature of the market.

All these methods are intended to enhance the portfolio's value and ability to meet a client's stated goals. All trades will add some costs to be deducted from a client's account and could reduce the overall return or growth in a client's account, if carefully measured against what its value would have been had the adviser not placed the transactions.

8.C. Do we recommend primarily a particular type of security? What are the material risks involved with that type of security? Are those risks unusual or significant?

We primarily recommend fixed income securities We are prepared to provide advice on most types of securities, including :

<u>Equity Securities</u>	<u>Notable risks</u> involved with this type of investment
exchange-listed securities	Market fluctuations can bring losses, lower dividends
over-the-counter securities	More susceptible to market fluctuations; higher risk
Warrants	Same as OTC
Corporate debt securities	Same as exchange listed, corporate bonds involve credit risk
Commercial Paper	More susceptible to market fluctuations; higher risk of default

Certificates of deposit	Limited liquidity
Municipal securities	Same as exchange listed; It is possible that they can default
<u>Investment company securities</u>	
variable life insurance	Insurance company could go out of business; the value of the subaccounts are subject to market fluctuation and loss
variable annuities	Same as variable life
mutual fund shares	Market fluctuations can bring losses; various fees
US government securities	Returns can be low or even, rarely, negative. As hedge against equity market risk, mirror them.
Options contracts on securities	Market fluctuations can bring losses; must make transaction to realize profits; contract expires worthless
Options on commodities	Options may come due and bring delivery if not closed out
Futures contracts on Intangibles	Market fluctuations, due dates to manage

Mr. Koetting may also recommend real estate and oil and gas partnerships through thoroughly vetted companies, for pensions and endowments.

Please see Item 12 for further description of our brokerage practices.

Item 9 :Disciplinary Information.

What facts about any legal or disciplinary event involving our firm or its personnel should you know of, because it is material to an evaluation of the integrity of our firm or its management persons?

The SEC requires that we inform you, our client, if our firm or any of our management persons has been involved in any of the events listed below in 9. A, B, and C. and, beyond those points, if there is any material fact about any legal or disciplinary event that you should know about in order to evaluate our integrity. You may also see these same questions answered online at the investment adviser public disclosure site (IAPD), in Part 1A, Item 11.

PFI Strategies has no legal or regulatory events to disclose for either the firm or for any management person.

Item 10 :Other Financial Industry Activities and Affiliations.

What material relationships does our firm or any of our management persons have with related financial industry participants? What material conflicts of interest may arise from these relationships and how are these conflicts addressed?

A. Have we, or has any of our management persons, registered either as a broker-dealer or as the representative of a broker-dealer? OR, Do we or any management person have such a registration pending? YES. Mr. Koetting is a registered representative of the broker dealer, ProEquities, Inc. of St. Charles, Missouri.

B. Have we, or has any of our management persons, registered as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of any of these entities named here? OR, Do we or any management person have such a registration pending?

No, none of this item applies to our firm.

C. Do we have any “related person” – a person or a firm that we control or that controls us through ownership or as an officer – with whom we have a material relationship, any arrangement that may cause a conflict of interest when providing our clients with investment advice?

NO. PFI Strategies has no related person who is a:

- Broker Dealer
- Municipal Securities Dealer
- Government Securities Dealer or Broker
- An investment company or other pooled investment vehicle
- including a mutual fund,
- closed-end investment company
- unit investment trust
- private investment company
- hedge fund
- offshore fund
- another investment adviser/ financial planner
- a futures commission merchant, commodity pool operator or commodity trading advisor
- a bank or a thrift institution
- an accountant or accounting firm
- a lawyer or a law firm
- an insurance company or agency
- a pension consultant
- a real estate broker or dealer
- a sponsor or syndicator of limited partnerships.

An adviser’s **related persons** are: (1) the adviser’s officers, partners, or directors (or any person performing similar functions); (2) all persons directly or indirectly controlling, controlled by, or under common control with the adviser; (3) all of the adviser’s current employees; and (4) any person providing investment advice on the adviser’s behalf.

D. Do we recommend or select other investment advisers for our clients? NO. Our firm does not.

Item 11. Code of Ethics / Advisory Persons’ own trading and possible personal interest in our clients’ trades.

A. As required by SEC rule 204A-1 or similar state rules our firm has adopted a Code of Ethics.

Public Fund Investment Strategies, LLC as a matter of policy and practice, and consistent with industry best practices and SEC requirements (new SEC Rule 204A-1 under the Advisors Act), has adopted a written Code of Ethics covering all supervised persons. Our firm's Code of Ethics requires high standards of business conduct, compliance with federal securities laws, reporting and record keeping of personal securities transactions and holdings, review and sanctions in order to detect and prevent possible insider trading, conflicts of interest and potential regulatory violation, Our code of Ethics is distributed annually to all employees when they must submit a written acknowledgement of receipt and understanding. To obtain a copy of our Code of Ethics please fax your request to 800-585-0840.

Please note that using any insider information, information that is not readily available to all participants in the securities markets (upon making a reasonable effort to obtain that information), for any person, ourselves or relatives or clients or any other person, is strictly illegal and punishable by fines and imprisonment.

How our firm controls sensitive information:

- Building security : visitor screening by video camera monitoring
- locked office doors; locked cabinet files; safe
- password protected computer screens and databases

- fire prevention equipment

Regarding steps taken to prevent employees from misusing any inside positions, Mr. Koetting is the only employee and he is well aware of the severity of the prohibition against using insider information.

11. B. [also in Form ADV Part 1A, Item 8. (1)(2) (3)]

Does our firm or a related person recommend to our clients, or do we buy or sell for our clients' accounts, securities in which we or a related person has a material interest?

Our firm and/ or its associates **do**

- invest or are permitted to invest in securities related to those we may recommend to clients, such as derivatives
- buy or sell for the firm or for themselves securities (other than shares of mutual funds) that we also recommend to our advisory clients;

Our firm and its associates **do not**

- buy securities for the firm or for themselves from advisory clients (principal transactions);
- sell securities the firm or its associates own to advisory clients (principal transactions);
- in their capacity as a broker/ dealer agent, transact purchases or sales of any client's securities directly to any other person (an "agency cross transaction" that side-steps using a securities market place)
- buy or sell for the firm or for themselves shares of mutual funds that we also recommend to our advisory clients;
- invest or are not permitted to invest in securities related to those we may recommend to clients, such as derivatives
- recommend securities (or other investment products) to our advisory clients in which our firm or any person or other firm related to our firm has some other proprietary (ownership) or other financial interest.
- Act as an investment adviser to an investment company that we recommend to our clients.

11. C. **Personal Trading** : investing in the same or related securities

Does our firm permit itself, its personnel, or a person related to our firm (by ownership or other forms of control) to invest in the same securities that we recommend to our clients, or in securities that are related to those securities, such as options or other derivatives?

Yes, we do allow it. Mr. Koetting generally invests in options; his recommendations to clients are primarily in fixed income securities. There is no real opportunity for front running or other prohibited actions.

When our firm or its personnel buy or sell securities for their own accounts, we will always place clients' orders before our own. We enforce these guidelines by self-discipline in a one-person firm.

The possible conflicts of interest that arise whenever we recommend, or, in our discretion, buy or sell for you a security that we may also buy or sell for ourselves are

- using your order's market effect to benefit ourselves ("front running");
- using your order as "inside information" that would give us an unfair advantage in the markets to benefit ourselves or any other person (which is an illegal act);
- gaining a lower brokerage cost for ourselves in bunching orders, which can create an incentive to involve your account in that transaction.

Does any person in our firm participate in or have an interest in our clients' transactions? How does such a person participate or what is the interest and what conflicts of interest can that create? No. No

one in the firm has a financial interest in any investment transaction the firm recommends to its clients. Examples of such interests would include an adviser recommending that clients invest in a pooled investment vehicle that the firm advises or for which the investment adviser serves as the general partner, or when an adviser with a material financial interest in a company recommends that a client buy shares of that company.

11. D. **Personal Trading.** : investing in the same or related securities at the same time.

What specific conflicts do we have when our firm or a related person trades in the same securities at or about the *same time* as it places trades for a client's account?

Our practice is to place clients' trades first.

"The SEC generally dislikes 'contemporaneous' trading," that is, that anyone in our firm might enter an order for her or his own account at the same time as an order in the same security for a client. Note that these restrictions are not applied to investments in mutual funds that are unaffiliated with our firm. Unaffiliated means a mutual fund that we have not ourselves created or helped establish and/ or in some way act as the fund's managers.

The SEC has stated that "an adviser's ability to place its own trades before or after client trades in the same security may affect the objectivity of the adviser's recommendations" and therefore states further that the SEC believes *disclosure of this practice* is warranted. The SEC has not in that opinion stated a specific length of time before or after.

Item 12 :Brokerage Practices.

12. A. Does our firm select a broker/ dealer for you? On what basis do we do so? How do we determine the reasonableness of the broker's compensation (commission charges)? We do not recommend one or more specific broker-dealers for our clients' transactions. If an advisory client wishes Mr. Koetting to perform the transaction on a recommended security, he must use his employing broker dealer. He does not direct brokerage for his clients.

12. A. 1. Research and other "Soft Dollar" benefits : Do we have any conflicts of interest such as receiving "soft dollars" from the broker/ dealer? NO. PFI Strategies receives no soft dollars from any other firm or person. PFI Strategies does not use brokerage commissions to pay for research services in compliance with SEC Section 28E.

Required disclosures / explanations:

- a. If an adviser uses client brokerage commissions (or markups or markdowns) to obtain research or other products or services, the adviser receives a benefit in not having to produce or purchase them itself.
- b. Any such benefit creates an incentive to select or recommend the broker-dealer that provides it; an adviser's duty is to select a broker-dealer based on the most favorable execution services for the adviser's clients.

Clients need to understand that "soft dollars" are an enticing benefit for an adviser in so far as they provide access to research and / or other products both of use to the adviser in its business and at no expense to the adviser. Clearly, such an enticement creates an incentive to use the broker-dealer in question and may cause the adviser to use a broker that charges the adviser's clients higher commission rates than another broker-dealer. An adviser has a duty to seek the best execution of trades for its clients, which includes considerations in addition to the commission rate, however.

12. A. 2. Brokerage for client referrals

Do we direct brokerage to a specific broker-dealer in return for client referrals either to our firm or to a related firm? No, we do not. The inherent conflict of interest in this practice stems from an adviser's fiduciary duty to the client to put the client's interests first. The referrals create an incentive to use the broker-dealer not for the services a client will receive, but due to the benefit to the advisory firm.

Directed brokerage may result in brokerage costs that are higher than a client might obtain from another broker-dealer.

12. A. 3.

[a] Do we "routinely recommend, request or require" our clients to direct brokerage?

[describe the practice/ policy] NO. We do not do so. Clients should know that not all advisers do require directed brokerage.

[b] Do we permit a client to direct brokerage to a specific broker-dealer? **Yes.** Our practice is to let the client follow our investment advice as she or he chooses. If a client asks Mr. Koetting to effect a trade as the registered representative of a broker dealer, he must do so through his employing broker dealer or obtain written permission to "sell away" before doing so. Clients should understand that their choice of broker-dealer may lead to higher brokerage costs than they might have otherwise obtained, due to higher rates or an inability to aggregate orders and thereby reduce transaction costs.

12. B. When we place orders with a broker/ dealer for our clients, do we aggregate or "bunch" your trade order with orders for other clients? No, we never do, due to the nature of fixed income securities.

Item 13 :Review of Accounts.

13. A. Does someone in our firm review your investment account portfolio and how often?

The portfolio manager, Mr. James A. Koetting, Jr., reviews all accounts on an ongoing basis.

13. B. What factors might trigger a review in addition to our periodic reviews?

Triggering factors that result in changes in client positions include liquidity requirements, credit analysis, yield spreads and interest rate movements.

Major moves in the national markets or changes in the nation's economy, as well as any information a client makes known to us regarding changes in that client's financial situation or goals all provide important reasons for an adviser to re-evaluate the recommendations it provides to its clients.

13. C. What regular reports do we or others provide you? Are they written reports? What do they contain? PFI Strategies can produce daily reports showing each client's holdings. Reports are furnished to the clients on a monthly or quarterly basis and contain a statement of the Client's current position, and changes from the prior reporting period. Because we send you a report, we urge you, our client, to compare carefully it with any statement you may receive from the account's qualified custodian.

Item 14 :Client Referrals and Other Compensation.

A. Does someone other than a client of our firm pay our firm or related persons, or otherwise provide some economic benefit to our firm, for the investment advice we provide to our clients?

Yes. Advisory representatives who are also registered representatives of the related broker dealer will receive 12(b)-1 fees if they place an advisory client's investments in mutual funds. The payment creates an incentive to recommend such funds and thereby a potential conflict of interest. An investment adviser is to recommend to its clients only those investments that are in the client's own best interest,

free of any taint of the influence that the prospect of additional income may exert. We address the potential for a conflict of interest for an advisory representative in this situation by disclosing it to our clients.

B. Does our firm or a firm related to us through some form of ownership pay someone, directly or indirectly, for client referrals?

Item 15: Custody.

Does our firm have custody of your assets? NO. PFI Strategies does not practice any form of custody, not even the practice of "direct billing," which has been defined by the SEC as a form of custody, but also as a "modern practice" that does not require annual audits. Direct billing also requires that the client receive at least quarterly statements from the account custodian, showing the advisory fee.

US Bank is in some cases the qualified custodian(s) of assets' account; normally it is the client who has decided upon the custodian.

The custodian will send our clients at a minimum a quarterly account statement, monthly statements or confirmations for any month in which there was trade transaction activity in the account. NOTE : These statements should be reviewed carefully. It is not the custodian's responsibility to ascertain the accuracy of the calculation for fees subtracted from your account.

Item 16 :Investment Discretion.

A. Does our firm have discretionary authority over your assets? PFI Strategies does not exercise any form of discretion over its clients' accounts. Decisions as to securities to be bought and sold will be made by the portfolio manager responsible for the account. The securities purchased will comply with the investment objectives of the client. The amount of securities bought or sold will be monitored so as to keep the portfolio properly diversified.

The selections of a broker-dealer to execute the trade depends on which broker-dealer has the best bid or offer at the time. Consideration is also given for research, coverage and execution in the event that identical bids or offers are received from two or more dealers.

In regards to commission rates paid, the applicant's transactions are almost always net trades, as are most institutional fixed income transactions.

Item 17. : Voting Client Securities.. — proxy voting practices

A. Does our firm have or will it accept authority to vote client securities? NO. There are no proxies to vote in our case.

B. This is our policy and our procedures : that we do not vote proxies.

Item 18 :Financial Information.

A. Custody situations : Does our firm have custody of your funds or your securities investments? No.

- Do we require prepayment of a fee of \$1200 or more, 6 or more months in advance of services?
We do not.
- Do we practice “Direct Billing” (charging our fees to your account)? We do not.
- Do we or someone in our firm act as the trustee for an advisory client? No, we do not.

18. B. Financial difficulties : This item does not apply to PFI Strategies :

- our firm has no discretionary authority over your assets
- it does not have custody of its clients’ securities or funds.

Our firm has no financial condition that could reasonably seem likely to impair our ability to meet our contractual commitments to you, our client.

18. C. Our firm has not been the subject of a bankruptcy petition during the last 10 years.

Item 19 :State Registrant Information.(not applicable : PFI Strategies is SEC registered.)

Public Fund Investment Strategies, LLC
[“PFI Strategies”]
17295 Chesterfield Airport Road, Second Floor
Chesterfield, Missouri 63005
Telephone : (636) 447-7402
March 23, 2011

Part 2B: The Brochure Supplement : Here we provide information about advisory personnel on whom you rely for investment advice. We must provide this supervised person’s supplement to you, our client initially at or before the time when *that* specific supervised person begins to provide you with advisory services.

Item 1. Cover Page.

This brochure supplement provides information about James A. Koetting, Jr. that supplements the ADV Part 2A brochure for Public Fund Investment Strategies, LLC. You should have received a copy of that brochure. Please contact Mr. Koetting if you did not receive the firm’s brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Koetting is available on the SEC’s website at www.adviserinfo.sec.gov.

James Anthony Koetting, Jr.
Born 12.07.1966
CRD # 2844846

Item 2. Educational Background and Business Experience

Educational History:

Mr. Koetting attended the University of Missouri with studies in business and computer science. He began working before taking a degree.

Mr. Koetting holds Series 10,9,7,6,63,FINRA Licenses and Series 65 (1.11.2001) and Series 66 (9.21.2007) licenses.

Business Experience :

9.2008 to present : Public Fund Investment Strategies, LLC – Managing Member, Chief Compliance Officer, Chief Investment Officer and advisory representative.

12.2006 to present : ProEquities, Inc. – registered principal and representative of the broker dealer.

3.1992 to 2010 : National Insurance Sales Corporation – insurance agent [name changed to Cheap-Term in 2008, discontinued in 2010. Mr. Koetting still writes insurance through First Protective on occasion.]

9.27.2007 to 12.11.2008 : Investment Advisors (IARD # 15708) in St. Charles, MO : IA representative

6.2006 to 12.2006 : Granite Securities, LLC : registered representative

2.2006 to 6.2006 : AmeriFinancial Services, Inc. in Boca Raton, FL, : registered representative

1.2003 to 1.2006 : Raymond James, in St. Petersburg, FL : registered principal and representative

1.18.2002 to 1.23.2003 : Washington Square Securities, Inc. (IARD # 2882) in St. Charles, MO : registered principal

1.1997 to 1.2003 : Washington Square Securities, Inc. (IARD # 2882) registered representative

6.2002 to 12.2002 : Reef Systems Corp. in St. Charles, MO. Business owner.

Mr. Koetting is a Nationally Recognized Author of Public Fund Investing For Dummies, published by Wiley Publishing, Inc. ISBN 987-0-470-18412-7. Mr. Koetting is the managing member of PFI Strategies.

Item 3. Disciplinary Information.

There are no disciplinary events to report on Mr. Koetting.

Item 4. Other Business Activities.

Mr. Koetting, as noted in Part 2A, is also a registered representative of ProEquities, Inc. and an insurance agent for National Insurance Sales Corp. Also as noted in Part 2A, whenever he may recommend his services as a broker dealer agent or as an insurance salesperson to an advisory clients, the client will be paying him for those services. Such a situation inherently creates a potential conflict of interest. As a fiduciary he must recommend only those services and products that are in a client's own best interest, free of any influence of possible gain for himself. The firm addresses this possible conflict of interest by disclosing it to the firm's clients.

The time that Mr. Koetting spends on these business activities is approximately :

- 30-20 hours per week as a broker dealer agent
- 10-20 hours per week as an investment adviser

Other outside business activities

CEOM Publishing. Self Publishing company that Mr. Koetting owns with his daughter. They both write and will be compensated by any publications.

Tr3ndy... I own 10 % of this company and have worked as the CFO and as a consultant.

Item 5. Additional Compensation.

As described in Part 2A, Mr. Koetting may receive 12(b)-1 fees from the administrative fees a client pays to a mutual fund. If he recommends the purchase of mutual funds to his advisory clients, that recommendation creates a risk for a conflict of interest, due to the 12(b)-1 fees that he may realize.

Item 6. Supervision.

Within PFI Strategies, Mr. Koetting is his own supervisor. He maintains on file in the firm's offices reports of his proprietary trading activities and the formulation of his recommendations for the regulator to review at will. Additionally, the broker dealer, ProEquities, Inc., supervises his trading activities as a registered representative of that firm.

Item 7. State Registration requirements

Mr. Koetting filed a petition for personal bankruptcy on 5.30.2003 for a retail business that he owned. The matter was discharged fully on 9.10.2003. None of the other questions under this item applies to Mr. Koetting.