

Pathway Financial Advisers, LLC

Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Pathway Financial Advisers, LLC. If you have any questions about the contents of this brochure, please contact us at (260) 925-2887 or by email at: david@pathwayria.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Pathway Financial Advisers, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Pathway Financial Advisers, LLC's CRD number is: 166237

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Registration does not imply a certain level of skill or training.

Version Date: 04/08/2021

Item 2: Material Changes

There are the following material changes in this brochure from the last annual updating amendment of Pathway Financial Advisers, LLC on 03/01/2021. Material changes relate to Pathway Financial Advisers, LLC's policies, practices or conflicts of interests only.

- The firm has updated its email address (Cover Page).
- The firm has updated Other Financial Industry Activities and Affiliations (Item 10).
- The firm's Chief Compliance Officer is David Tracey.

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Item 4: Advisory Business

A. Description of the Advisory Firm

Pathway Financial Advisers, LLC is a Limited Liability Company organized in the state of Indiana. The firm was effective in January of 2013, and the owners are Steven E Post, Joel Grimm and David R. Tracey.

B. Types of Advisory Services

Pathway Financial Advisers, LLC (hereinafter "PFA") offers the following services to advisory clients:

Investment Supervisory Services

PFA offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. PFA creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

PFA evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. PFA will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Selection of Other Advisers

PFA may direct clients to third-party investment advisers. Before selecting other advisers for clients, PFA will verify that all recommended advisers are properly licensed, notice filed, or exempt in the states where PFA is recommending the adviser to clients.

Financial Planning

Financial plans and financial planning may include, but are not limited to: investment planning, life insurance; tax concerns; retirement planning; college planning; and

debt/credit planning. These services are based on hourly fees and the final fee structure is documented in Exhibit II of the Financial Planning Agreement.

Services Limited to Specific Types of Investments

PFA generally limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, REITs, insurance products including annuities, and government securities. PFA may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

PFA offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent PFA from properly servicing the client account, or if the restrictions would require PFA to deviate from its standard suite of services, PFA reserves the right to end the relationship.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. PFA does not participate in any wrap fee programs.

E. Amounts Under Management

PFA has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$271,535,416.00	\$0.00	December 2020

Item 5: Fees and Compensation

A. Fee Schedule

Investment Supervisory Services Fees

PFA will meet with the client prior to providing investment supervisory services to their account. Clients will be educated about their investments and together with PFA will determine the appropriate investments. PFA will then open the client account and allocate the assets accordingly. PFA will charge an hourly fee of \$150 to complete this due diligence prior to managing client accounts based on the fee schedule below.

Assets Under Management	PFA Annualized Fee (deducted quarterly in arrears)
First \$250,000	0.8 %
On Next \$250,000	0.6 %
On Next \$500,000	0.4 %
Over \$1,000,000	0.2 %
At Account inception or large infusion of capital: Hourly Fee \$ 150 for due diligence, portfolio design/implementation, account setup, and managing transfers.	
Under certain circumstances, fees may be negotiable.	

These fees may be negotiable depending upon the needs of the client and complexity of the situation, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are invoiced quarterly in arrears, and clients may terminate their contracts with thirty days' written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract.

Selection of Other Advisers Fees

PFA may direct clients to third-party investment advisers. PFA will be compensated via a fee share from the advisers to which it directs those clients. The fees shared are negotiable and will not exceed any limit imposed by any regulatory agency. The notice of termination requirement and payment of fees for third-party investment advisers will depend on the specific third-party adviser selected.

Financial Planning Fees

Hourly Fees

Depending upon the complexity of the situation and the needs of the client, the hourly fee for these services is \$150. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Fees are paid in arrears upon completion. Because fees are charged in arrears, no refund is necessary. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

B. Payment of Fees

Payment of Investment Supervisory Fees

Advisory fees are withdrawn directly from the client's accounts with client's written authorization. Fees are paid quarterly.

Payment of Financial Planning Fees

Hourly Financial Planning fees are paid via check in arrears upon completion. Because fees are charged in arrears, no refund is necessary.

C. Clients Are Responsible For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by PFA. Please see Item 12 of this brochure regarding broker/custodian.

D. Prepayment of Fees

PFA collects its fees in arrears. It does not collect fees in advance.

E. Outside Compensation For the Sale of Securities to Clients

Neither PFA nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

PFA does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

PFA generally provides investment advice and/or management supervisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans

Minimum Account Size

There is no account minimum.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

PFA's methods of analysis include fundamental analysis and technical analysis.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Technical analysis involves the analysis of past market data; primarily price and volume.

Investment Strategies

PFA uses long term trading and short term trading.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading generally holds greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

PFA generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

Mutual Funds: Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned above).

Equity investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

Treasury Inflation Protected/Inflation Linked Bonds: The Risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

Fixed Income is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.

Debt securities carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.

Stocks & Exchange Traded Funds (ETF): Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

REITs have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

Precious Metal ETFs (Gold, Silver, Palladium Bullion backed “electronic shares” not physical metal): Investing in precious metal ETFs carries the risk of capital loss.

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Short term trading risks include liquidity, economic stability and inflation.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither PFA nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither PFA nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Steven E Post is the 25% owner of an accounting and tax professional practice, Post & Miller, Inc. He considers these activities as his secondary business. From time to time, he will offer clients advice or products from those activities. PFA always acts in the best interest of the client. Clients are in no way required to implement the plan through any representative of PFA in such individual's outside capacities.

David Tracey, Austin Miller, Steve Post and Joel Matthew Grimm are the owners of Financial Building, LLC DBA Covenant Properties. This building was purchased by David Tracey (50%), Austin Miller (25%), Steve Post (12.5%) & Joel Grimm (12.5%) in Auburn, Indiana for the purpose of renting it to the Investment Firm Pathway Financial Advisers, LLC & an accounting/tax Firm Post & Miller, Inc. Their responsibilities include managing the real estate property for the tenants of Pathway Financial Advisers, LLC & Post & Miller, Inc. 5 hours a month are devoted to this activity during trading hours. 10 hours a month are devoted to this activity outside of trading hours. 0 yearly compensation is expected to be derived from this business.

Joel Matthew Grimm is the owner of JG Legacy Properties LLC, a real estate property business. His responsibilities include managing real estate property for various tenants. 2 hours a month are devoted to this activity during trading hours. 8 hours a month are devoted to this activity outside of trading hours. 10% of his yearly compensation is expected to be derived from this business.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

PFA utilizes the outside adviser DPL Financial Partners when insurance or annuity policies may become appropriate as part of a financial plan. DPL offers commission-free insurance & annuity policies specific to RIA's. As a member of DPL, PFA pays an annual membership based on its total assets under management. All assets of clients that are utilized at DPL fall under our AUM and PFA has an annual flat rate of 0.5% of said AUM billed quarterly in arrears like the rest of our fees. Note: PFA would receive no commissions whatsoever on any insurance products and would never be the agent of record.

DPL Financial Partners, LLC ("DPL") is a third-party provider of a platform of insurance consultancy services to SEC-registered investment advisers ("RIAs") that have clients with a current or future need for insurance products. DPL offers RIAs memberships to its platform for a fixed annual fee and, through its licensed insurance agents who are also

registered representatives of The Leaders Group, Inc. ("The Leaders Group"), an unaffiliated SEC-registered broker-dealer and FINRA member, offers members a variety of services relating to fee-based insurance products. These services include, among others, providing members with analyses of their current methodology for evaluating client insurance needs, educating and acting as a resource to members regarding insurance products generally and specific insurance products owned by their clients or that their clients are considering purchasing, and providing members access to and product marketing support regarding fee-based products that insurers have agreed to offer to members' clients through DPL's platform. For providing platform services to RIAs, DPL receives service fees from the insurers that offer their fee-based products through the platform. These service fees are based on the insurance premiums received by the insurers.

DPL is licensed as an insurance producer in Kentucky and other jurisdictions where required to perform the platform services. Its representatives are also licensed as insurance producers, appointed as insurance agents of the insurers offering their products through the platform, and registered representatives of The Leaders Group.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

PFA does not recommend that clients buy or sell any security in which a related person to PFA or PFA has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of PFA may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of

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PFA to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. PFA will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of PFA may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of PFA to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. PFA will always transact client's transactions before its own when similar securities are being bought or sold.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

The Custodian, Fidelity Brokerage Services LLC, (CRD# 7784), was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. PFA will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

1. Research and Other Soft-Dollar Benefits

PFA receives no research, product, or services other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

2. Brokerage for Client Referrals

PFA receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

PFA allows clients to direct brokerage: however, PFA may recommend custodians. PFA may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients money because without the ability to direct brokerage PFA may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices. Not all investment advisers allow their clients to direct brokerage.

B. Aggregating (Block) Trading for Multiple Client Accounts

PFA maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing PFA the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts are reviewed at least semi-annually by Steven E. Post, Managing Member, Joel M. Grimm, Member and/or David R. Tracey, Chief Compliance Officer. The Chief Investment Adviser of the firm is Steven E. Post who reviews all Member's or Investment Adviser Representative's semi-annual client reviews with regard to client's respective investment policies and risk tolerance levels. All accounts at PFA are assigned to these reviewers. All financial planning accounts are reviewed upon financial plan creation and plan delivery by one of the firm's Members.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each client will receive at least monthly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian. Clients will also have online access to review their custodial accounts at all times.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

PFA does not receive any economic benefit, directly or indirectly from any third party for advice rendered to PFA clients.

B. Compensation to Non – Advisory Personnel for Client Referrals

PFA does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

PFA does not take custody of client accounts at any time. Custody of client's accounts is held primarily at Fidelity Brokerage Services LLC, (CRD# 7784). Clients will receive account statements from the custodian and should carefully review those statements.

Item 16: Investment Discretion

For those client accounts where PFA will have investment discretion, the client has given PFA written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides PFA discretionary authority via a discretionary investment management clause in the Investment Advisory Contract and/or a limited power of attorney clause in the contract between the client and the custodian.

Item 17: Voting Client Securities (Proxy Voting)

PFA will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

PFA does not require nor solicit prepayment of more than \$1200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither PFA nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

PFA has not been the subject of a bankruptcy petition in the last ten years.