

*Serving American Investors at Home and Abroad*



**thun**  
financial advisors

## Brochure/Form ADV Part 2A

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This brochure provides information about the qualifications and business practices of Thun Financial Advisors. If you have any questions about the contents of this brochure, please contact us using the contact information listed above. 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 Thun Financial Advisors also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Section 2: Material Changes**

Since our previous ADV Part 2 filing on March 9, 2018, there are no material changes, and changes to our ADV Part 2A pertain to:

- The number of clients and the amount of assets under management as detailed in Section 4 and Section 7 of this document;
- The composition of our Advisory Team due to the growth of our client base and assets under management as detailed in Section 19.

**Section 3: Table of Contents**

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**Section 4: Advisory Business**

Thun Financial Advisors (hereafter referred to as “Thun Financial,” “The Firm” or “The Company”) was founded in 2008 by David Kuenzi and remains wholly owned by the founder.

The Firm provides investment management and financial planning services for individuals and charitable endowments.

Thun Financial integrates investment management with a high degree of financial planning. Financial planning is focused on making tax-efficient investment and financial decisions. Financial planning also focuses on helping clients plan for long-range financial goals such as college funding, retirement, charitable giving and estate planning.

At the beginning of the advisory relationship, clients are requested to complete a detailed financial questionnaire that provides information regarding their personal/family financial condition (assets, liabilities, income, expenses, etc.), their long-term financial objectives, retirement preferences (including where they plan to retire), and any special needs. Clients are also required to answer a risk profile questionnaire, in order to gauge their tolerances for portfolio volatility and their expectations with respect to portfolio returns, variance of returns, and their comfort with staying the course with an investment strategy when the securities markets experience a period of substantial losses.

During the planning process, every client is provided with an individualized recommended asset allocation (generally one for pre-retirement and one for the period of retirement), which is based on a combination of factors, including:

- Tolerance for risk and ability to endure periods of volatility;
- The client’s age and income;
- Long-term return expectations and needs; and
- Preferred currency exposures given country of residence and/or planned retirement.

Each client’s model portfolio is typically implemented through purchasing low-cost, highly diversified, and tax-efficient exchange-traded funds (ETFs). Sometimes, client legacy positions in other ETFs, bonds, stocks, or mutual funds may be held to avoid or manage tax liabilities or to accommodate other client preferences. In such circumstances, we try to incorporate these legacy positions into the overall allocation. We also recommend and purchase individual treasury bonds for clients when appropriate for their portfolios and to manage liquidity.

The client’s individual preferences will ultimately drive the portfolio, as we do not manage money on a discretionary basis.

Thun Financial manages \$434,205,627 of client assets as of March 8, 2019. This figure is calculated according to the method prescribed by the SEC.

## Section 5: Fees and Compensation

Thun Financial charges its clients a fee based on assets under management, which covers comprehensive financial planning and investment management services. As a “fee-only” investment advisor, the only revenue source for Thun Financial are the fees paid directly to us by our clients. We receive no commission or payments of any kind from brokers, mutual fund companies or other institutions. Our standard fee schedule is as follows:

| Assets Under Management<br>Annualized Fee |          |             |
|---|----------|-------------|
| 1.25%                                     | on first | \$600,000   |
| 0.80%                                     | on next  | \$400,000   |
| 0.60%                                     | on next  | \$1,000,000 |
| 0.40%                                     | on next  | \$3,000,000 |
| 0.35%                                     | on next  | \$5,000,000 |
| 0.30%                                     | on next  | \$5,000,000 |

We may offer some discounts from this schedule in cases where a client’s situation is particularly non-complex and where we estimate therefore that the time required for proper planning and portfolio management will be significantly lower than average.

All Thun Financial clients are billed on a quarterly basis. Clients pay “in advance” at the start of each quarter based on the value of assets at the end of the previous quarter. Each client receives an invoice every quarter, and Thun Financial either deducts the fee directly from their Schwab accounts or they send us a check, according to the client’s preference. If a client provides timely notification that they wish to terminate their contract with Thun Financial, they receive a pro-rata refund of any fees paid in advance for a time period beyond the notification period, which is 7 days.

Furthermore, Charles Schwab, our clients’ primary custodian, charges fees up to \$4.95 per trade to buy the ETFs used to build client portfolios. On average, clients can expect between \$50 and \$200 of annual Schwab transaction fees if they trade according to advisor recommendations, depending on the number and types of accounts custodied at Charles Schwab. Clients can implement our investment recommendations through any broker they choose. Investment fees and expenses at institutions other than Charles Schwab may vary from the expenses described above.

The exchange-traded funds (ETFs) that we recommend have their own internal expenses that tend to be extremely low in comparison to mutual funds or other managed products. A typical client portfolio has approximately 0.10% to 0.17% of weighted ETF internal expenses.

**Section 6:     *Performance-Based Fees and Side-By-Side Management***

This section is not applicable because Thun Financial does not charge performance-based fees.

**Section 7:     Types of *Clients***

Thun Financial clients include individuals, families, trusts and non-profit foundations. We have expertise with providing financial planning and investment advice to cross-border clients (i.e., clients that own wealth, live, and/or do business in multiple countries). Accordingly, our client families include U.S. citizens who live abroad, non-citizens who are living and/or working in the United States, and non-U.S. persons who invest in the United States.

We manage approximately \$1.07 million per client as of March 8, 2019.

**Section 8: Methods of Analysis, Investment Strategies and Risk of Loss**

Each client's situation is analyzed on an individual basis. Our international/cross-border clients are often subject to varying and overlapping taxes on their wealth. Therefore, we make every attempt to factor those tax exposures into each investment recommendation. The goal is always to build highly diversified, tax-efficient, stable portfolios of liquid investments.

We generally diversify our clients' portfolios across a range of global assets, including:

- U.S. stocks;
- International developed markets stocks;
- Emerging markets stocks;
- U.S. high-grade bonds (mainly government bonds);
- International high-grade bonds (mainly government bonds);
- Real Estate Investment Trusts (REITs) – U.S. and International; and
- Global commodities (broad basket and precious metals).

Based on the outcome of our planning process, we vary the weight of different investments to make the investment portfolio appropriate for each client's particular risk tolerance, age, income, financial goals and currency exposure needs. In doing so, we aim to build a portfolio that can be reasonably expected to deliver the best possible return for a given level of risk assumed over a medium to long-term period.

Client portfolios are designed for optimal long-run investment outcomes and therefore are usually very stable. We trade infrequently and usually only trade to rebalance the portfolio, derive a tax benefit, or to withdraw or add assets. All investments are subject to a loss of capital. We focus on investing across a wide range of asset classes that have low correlation to one another. This limits investment risk over longer time horizons. Furthermore, our investment portfolios are designed for long-term strategic efficiency and we trade within portfolios infrequently. This approach further reduces tax and investment expenses, thereby further reducing portfolio risk.

External, inherent risks include regulatory/tax law changes, inflation, changes in interest rates, and economic cyclical changes – any or all of which can result in portfolio losses.



**Section 9:      Disciplinary Information**

There have never been any disciplinary actions against Thun Financial Advisors or its registered advisor representatives.

**Section 10: Other Financial Industry Activities and Affiliations**

Thun Financial Advisors works with Charles Schwab and Co. as the custodian for most of our clients' assets. Clients are not required to maintain assets at Charles Schwab and many clients maintain at least some of their assets at other institutions, especially in cases where those assets cannot be moved to Charles Schwab. Thun Financial Advisors generally recommends that clients use Charles Schwab because Schwab offers cost-efficient services consistent with our clients' needs. We are not compensated by Charles Schwab.

None of Thun Financial Advisors personnel is affiliated or otherwise associated with Charles Schwab or any other broker-dealer or any other financial services entity (regulated or otherwise).

Thun Financial Advisors is committed to professional development and continuing education for its advisers. Of our seven advisers, two carry the Certified Financial Planner™ (CFP®) designation, while three hold the Chartered Financial Analyst® (CFA) charter. Thun actively participates in efforts to educate and inform the American expat community. David Kuenzi has served on the tax advisory committee of the American Citizens Abroad (ACA) and has presented at ACA forums in Toronto and London. He also provides *pro bono* financial management of the endowment of the First Unitarian Society Foundation, a philanthropic organization based in Madison, WI.

As financial planners, Thun Financial Advisors frequently comments and advises on tax, regulatory compliance, and estate planning issues that affect our clients' financial affairs. Thun Financial Advisors, however, does not provide formal legal or accounting services. We strongly encourage all clients to review any recommendations we may make in this respect with their outside legal and accounting advisers. We frequently identify clients' needs for such tax, accounting, insurance or legal services, and refer clients to professionals who may be able to provide those services. However, we are not affiliated with any accounting firm, law firm, insurance company or other similar professional organization, and are never compensated (directly or indirectly) for providing such referrals.

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

Thun Financial employees may trade in the same securities (exchange-traded funds and some mutual funds) that we recommend for our clients. Thun Financial Advisors maintains access to records of all employee trading transactions and requires quarterly compliance reporting on all trades of individual corporate issues (i.e., individual corporate stocks and bonds).

All client transactions are done on the open exchange and in large, highly liquid securities (usually ETFs) where there is no ability to influence the price of the security based on Thun Financial or its employees' trading activities. We therefore have no conflict of interest in our normal trading practices.

Our firm operates according to an Ethics Codes, summarized by:

***General Principles***

The Company is a fiduciary for its investment advisory clients. Because of this fiduciary relationship, it is generally improper for the Company or its employees to:

1. use for their own benefit (or the benefit of anyone other than the client) information about the Company's trading or recommendations for client accounts; or
2. take advantage of investment opportunities that would otherwise be available for the Company's clients.

Also, as a matter of business policy, the Company wants to avoid even the appearance that the Company, its employees or others receive any improper benefit from information about client trading or accounts, or from our relationships with our clients or with the brokerage community.

The Company expects all employees to comply with the spirit of the Code, as well as the specific rules contained in the Code.

***Conflicts of Interest***

We have structured our business to reduce or eliminate possible conflicts of interest between Thun Financial and our clients. However, some conflicts of interest may still arise, and it is our policy to always explicitly disclose material conflicts of interest to our clients in those rare circumstances. We also minimize these potential conflicts through our "fee only" advisory structure and operate under a strict fiduciary standard to operate with objectivity (no financial bias in favor of any particular investment) and transparency (disclosing conflicts of interest) to deliver advice that is in the client's best interest.

A copy of the firm's Code of Ethics is available to any client or prospective client upon request.

**Section 12: Brokerage Practices**

Most Thun Financial clients use Charles Schwab and we recommend that they use Charles Schwab. Thun Financial maintains a relationship with Charles Schwab as the preferred custodian for our clients' assets. We receive no compensation or other benefit from Schwab for doing so.

In certain circumstances, including where Charles Schwab is not an available or practical alternative for all or some of a client's accounts, we will recommend that clients open accounts at Interactive Brokers. Additionally, clients may wish Thun Financial to advise on accounts that are not available to transfer to Schwab or Interactive Brokers (e.g., a 529 College Savings Account or an employer-sponsored retirement plan account), in which case we will recommend utilizing a third-party account aggregation system so that we may view client account positions and download account data into our portfolio performance reporting software for quarterly reporting, discussed in the next section.

**Section 13: Review of Accounts**

Thun Financial provides comprehensive written updates to clients about the condition and performance of their portfolios on a quarterly basis. Performance data (actual performance vs. benchmark performance) is provided on the overall portfolio and regarding each unique asset class in the portfolio. This way we can evaluate the overall portfolio and the underlying securities' therein to track the return of their respective benchmarks. Asset allocation and rebalancing evaluations are also made by an advisor on each client's portfolio on at least a quarterly basis.

Furthermore, we frequently update clients on their portfolios either verbally or in written form between quarters, as needed or at the request of the client.

Financial plans are updated typically less frequently. Changes to a financial plan are more commonly done in response to a major change in the client's financial situation that requires a reconsideration of projections and corresponding recommendations.

**Section 14: Client Referrals and Other Compensation**

Thun Financial Advisors encourages existing clients to provide referrals to our firm, but we provide no compensation, direct or indirect, for referrals.

We also occasionally receive referrals from other financial, tax and legal professionals who are working with clients that might benefit from our services. We do not provide compensation for such referrals.

Conversely, we quite often identify client needs for accounting or legal expertise and will recommend that our clients work with experts in these fields that are suited to meet that identified need. Thun Financial Advisors and its employees accept no compensation for referring our clients to other professionals.

**Section 15: Custody**

Charles Schwab and Co. is the custodian for most client assets. Clients are not required to maintain assets at Charles Schwab and many clients maintain at least some of their assets at other institutions, especially in cases where those assets cannot be moved to Charles Schwab. Charles Schwab produces monthly statements for those client accounts in their custody, and clients should carefully review those statements. Thun Financial quarterly client portfolio performance reviews explicitly encourage clients to compare their Charles Schwab statements with quarterly reviews provided by Thun Financial.

Thun Financial Advisors does not provide custody for any client funds or securities, except in the following limited circumstances that meet SEC definitions of the term “custody”:

1. Thun Financial Advisors has limited custody to the extent that, with client authorization, we instruct custodians to deduct our quarterly advisory fees from client accounts;
2. For convenience to our clients, they create standing instructions granting us authority, on the client’s further written or verbal instructions, to transfer funds or positions between their own accounts; and
3. For convenience to our clients, they create standing instructions granting us authority, on the client’s further written or verbal instructions, to transfer funds to third parties (that are unrelated to Thun Financial Advisors).

The circumstances described in items 2 and 3 above are standing instructions created through established processes at Charles Schwab, where the seven conditions outlined by the SEC in its no-action letter on this subject are adhered to by Schwab (six conditions) and Thun Financial Advisors (one condition – to ensure that third-party transactions are never to parties related to Thun Financial Advisors) to avoid the annual independent audit and annual surprise examination requirements.

**Section 16: Investment Discretion**

Thun Financial does not accept discretionary authority to invest client assets. We make recommendations and execute trades on behalf of our clients. However, we execute transactions only after specific client authorization for each transaction has been obtained either verbally or in writing.



**Section 17: Voting Client Securities**

Thun Financial never accepts authority or responsibility to vote on behalf of clients as proxies.

Clients do not receive proxy statements from Thun Financial Advisors and should expect them to be delivered through Schwab (or their broker-dealer, if other than Schwab) or from the transfer agent of the security.

**Section 18: Financial Information**

Because we have no custody of our clients' assets other than under the limited circumstances described in Section 15, nor discretionary authority over client funds, the financial condition of Thun Financial has no impact on the security of client assets. Thun Financial Advisors is therefore not required to report financial information regarding its business operations.

**Section 19: Requirements for State-Registered Advisers**

Thun Financial Advisors is registered with the United States Securities and Exchange Commission (SEC) and further provides notice filings to the relevant state regulatory authority in its home state of Wisconsin, as well as the states of California and Texas. Our advisors, profiled below, are also registered as investment advisor representatives with the Wisconsin Department of Financial Institutions.

**A. Our Advisory Team****David Kuenzi, CFP®, Founder**

David Kuenzi founded Thun Financial Advisors in 2008 with a mission to bring world-class investment management and financial planning services to cross-border families and Americans abroad.

David is a recognized expert on cross-border wealth management, especially with respect to Americans abroad. He has been frequently quoted on topics ranging from FATCA to currency management in *The Wall Street Journal*, *CNN*, *NPR*, *the Economist*, *Bloomberg*, *CNBC* and many other forums. His own writings have appeared in the *Wall Street Journal*, *International Investment Adviser* and *Emerging Money*.

Before founding Thun Financial, David worked as a securities analyst and institutional broker specializing in European and emerging markets. His employers included Chase Manhattan Bank, Deutsche Bank, Bank Austria and the Harvard Institute for International Development. His career included postings in New York, London and Moscow.

David grew up in Wisconsin but spent most of his professional career in New York City and in Europe before returning to the Madison in 2005. He received his undergraduate degree from the University of Wisconsin and completed graduate work in politics and economics at Columbia University and Harvard University before launching a career in finance. David is a Certified Financial Planner™ and speaks English, Russian and Spanish.

**Peter Sengelmann, CFA, Chief Investment Officer**

Peter joined Thun Financial Advisors as its Chief Investment Officer after a diversified career in international investment management and business.

After working in international trade between the United States and Asia, Peter joined the Financial Industry in 2003. Most recently, he was based in Singapore where he worked as Senior Portfolio Manager at NN Investment Partners (formerly ING Investment Management), specializing in Asian securities and currencies while managing mutual funds and institutional portfolios. In addition to these responsibilities, he has been featured in numerous media outlets, including *The Wall Street Journal*, *Investment Week*, *de Telegraaf* (Netherlands), *Banca & Mercata* (Italy), *Handelsblatt* (Germany), and *The Jakarta Post*. Peter has also been a speaker at conferences organized by the Investment Management Association of Singapore, the CFA Society of Singapore, and FinanceAsia.

Peter holds the Chartered Financial Analyst® (CFA) designation. He graduated from the Anderson School of Business at the University of California at Los Angeles (M.B.A.) and the University of California at San Diego (B.A., Economics). Peter also completed a Mandarin language scholarship at the National Taiwan Normal University. He speaks English, Mandarin Chinese and Spanish.

### **R. Stanton Farmer, CFP®, Chief Compliance Officer**

Stanton brings twenty years of professional experience to Thun Financial Advisors, including a decade of financial services experience both within the United States and abroad. He began his career as an attorney, working as an associate at two large law firms, including five years with the international firm of Faegre & Benson (now Faegre Baker Daniels). In 2004, Stanton left the practice of law to follow his passion for wealth management and financial planning.

Over the past decade, Stanton has advised high-net-worth clients at the two largest global wealth management firms (Merrill Lynch and Morgan Stanley), and has also lived and worked overseas in Africa (Angola), the Middle East (U.A.E.) and Europe (Portugal), serving as Director of Investments for Ridge Solutions International – a private equity group based in Dubai, U.A.E. While at Thun, Stanton has written articles that have appeared in *Investment News* and *International Investment* magazines.

Stanton is a graduate of Northwestern University (B.A., Economics), the University of Pennsylvania (M.G.A.), and the University of Iowa (J.D.). Stanton is a Certified Financial Planner™ and speaks English and Portuguese.

### **Francisco Aguilar**

Francisco joined Thun Financial from an international background, having grown up in South America (primarily Ecuador) and been educated in the United States.

Previously an Investment Analyst Intern with Thun Financial, Francisco also has a well-rounded academic and professional background in investing and finance for both individual and institutional clients. His experience includes serving as a financial analyst for Tocqueville Asset Management, a New York-based Institutional and Private Wealth Management firm, and as a student portfolio manager for the University of Wisconsin-Oshkosh endowment. Francisco returns to Thun after teaching economics at the University of Wisconsin-Whitewater while completing research on implied volatility and portfolio returns.

Francisco is a graduate of the University of Wisconsin-Oshkosh (B.B.A. Finance and Economics) and the University of Wisconsin-Whitewater (M.S. Economics). He is fluent in English and Spanish.

### **Sylvain Michelin, CFA**

Syl joined Thun Financial from Citi Private Bank. In his role at Citi, he advised high net worth individuals and families on matters of investment, lending and wealth planning.

Originally from France, he graduated from the New York Institute of Technology and joined the financial industry in 2005. Syl initially worked for Citi's institutional Global Transaction Services business in Dublin (Ireland) before relocating to Geneva in 2007 to join Citi Private Bank. In 2009 he was promoted to the position of Private Banker, a role he would go on to hold in London (2012–13) and most recently in New York (2014–18). Syl's international background gives him a unique insight on the expat experience and the complexities of managing investments across jurisdictions.

Syl holds the Chartered Financial Analyst® (CFA) designation and is a member of the Madison CFA society. He is fluent in French and English.

### **Nancy Metzger**

Nancy brings twenty years of professional and international executive experience to Thun Financial Advisors, having served two decades in various international advisory and financial services positions in the United States, Latin America, Europe, Africa, Eurasia and the Middle East.

Nancy previously served as Executive Director and securities agent for an impact investment fund investing in alternative small and micro-cap finance companies in Latin America, and as Trust Fund officer for a global trust fund of the International Finance Corporation of the World Bank Group. Nancy is a former Vice President of Financial Markets International, a global capital markets and commercial law consulting firm based in Washington, DC.

Nancy began her career as an attorney, with both trial and transactional experience for individual and institutional clients. She is a graduate of Georgetown University (B.S.L.A. Russian language) and of the National Law Center at George Washington University (J.D.). She speaks English, Spanish, Russian and French, and holds series 63 and series 65 securities licenses.

### **Charles Saunders, CFA**

Chuck comes to Thun financial after a long career in investment and endowment management. He started his career as an investment banker in Tokyo and New York working on cross-border M&A transactions, and subsequently managed the International Equity portfolio for over a decade at The State of Wisconsin Investment Board (SWIB). Chuck then spent twelve years as a Partner and Sr. Portfolio Manager at NorthRoad Capital Management, a registered investment advisory firm specializing in the management of international and global stock portfolios. He has also spent the past several years overseeing the endowment of Lawrence University.

Chuck holds the Chartered Financial Analyst® (CFA) designation and graduated from The Columbia Business School with an M.B.A. He also holds a B.A. in Government from Lawrence University and has undertaken advanced Japanese language study at the Stanford Inter-University Center for Japanese Language Studies in Yokohama, Japan. He was a resident of Japan for eight years.

There are no outside activities or disclosure events to provide for any of Thun Financial Advisor's employees.