

*Serving American Investors at Home and Abroad*



**thun**  
financial advisors

## Brochure/Form ADV Part 2A

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Founding Partner: David Kuenzi

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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 6, 2015, the only material changes to the report 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 notice period for termination of the advisor-client relationship as detailed in Section 5 of this document.

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**Section 4: Advisory Business**

Thun Financial 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 financial fact finder that provides information regarding their personal/family financial condition (assets, liabilities, income, expenses, etc.), their long-term financial objectives, the retirement preference (including where they plan to retire), and any special needs. Clients are also required to answer a very simple and straightforward 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 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.

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

Thun Financial manages \$143,548,704 of client assets as of Feb 12, 2016. This figure is calculated according to the method prescribed by the SEC.

**Section 5: Fees and Compensation**

Thun Financial charges on the basis of assets under management. Our standard fee schedule is as follows:

Assets Under Management Annualized Fee		
1.50%	on first	\$300,000
1.00%	on next	\$300,000
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 also have a minimum annual fee of \$5,000. 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. We may also waive or reduce the minimum annual fee for a period of time or indefinitely in special circumstances where the client has provided assurances of future ability to increase the investments subject to the advisory agreement.

Furthermore, Charles Schwab, our clients' primary custodian, charges fees ranging from \$0.0 to \$8.95 per trade to buy the ETFs that we use to build our client portfolios. Clients can expect between \$50 and \$200 of annual Schwab transaction fees if they trade according to our recommendations.

Finally, 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 portfolio that we build for clients has approximately 0.15% to 0.20% of weighted ETF internal expenses.

Clients always have the ability to implement our investment recommendations through any broker they choose. Investment fees and expenses at institutions other than Schwab may vary from the expenses described above.

As a "fee-only" investment advisor, the only revenue source for Thun Financial is 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.

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.

Thun Financial does not provide financial planning services except as one part of an integrated investment management mandate. Thun Financial advisors does not charge separate fees for financial planning. These services are covered by the fees described above.

#### **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, charitable trusts and charitable institutions. We have no minimum account size, but we do have a minimum annual fee of \$5,000 (subject to the exceptions set forth in Section 5 of this document). Under our standard fee schedule, a \$5,000 fee corresponds to \$350,000 of assets under management.

Our average client account size is approximately \$1,000,000 as of February 12, 2016.

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

Our investment strategy is 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 to rebalance the portfolio 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 therefore trade within portfolios infrequently. This approach further reduces tax and investment expenses, thereby further reducing portfolio risk.

#### **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 Schwab. Thun Financial Advisors generally recommends that clients use Charles Schwab because Schwab offers cost-efficient services consistent with our clients' needs. We are in no way 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).

As financial planners, Thun Financial Advisors frequently comments and advises on tax and regulatory compliance 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 advisors. 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 such transactions.

All transactions are done on the open exchange and in large, highly liquid securities (almost always ETFs) where there is no ability to influence the price of the security on the basis of 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.

Every Thun Financial Employee must read, and provide a signed certification that they have reviewed and agreed to abide by the firm's Code of Ethics. 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.

**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. Furthermore, we frequently update clients on their portfolios either verbally or in written form between quarters, as is needed to make or act on recommendations or simply at the request of the client for an update. 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 us to reconsider 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.

**Section 15: Custody**

Thun Financial Advisors does not provide custody for any client funds or securities. Charles Schwab and Co. is the custodian for most of our client's 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 Schwab. 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 Schwab statements with quarterly reviews provided by Thun Financial.

**Section 16: Investment Discretion**

Thun Financial does not accept discretionary authority to invest client assets. We make recommendations and we usually 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, nor discretionary authority over client funds, the financial condition of Thun Financial has no impact on the security of client assets.

**Section 19: Requirements for State-Registered Advisers****David Kuenzi, 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.

**Frederic Behrens**

Frederic brings broad international tax and legal experience to Thun Financial Advisors. Having lived in Switzerland, France and Chile, Frederic understands first-hand the American expat experience.

Previously, he worked in international tax division of Deloitte Tax LLP on corporate tax planning. Frederic authored a widely cited law review article on FATCA.

Frederic speaks English, French, and Spanish. He is a graduate of the University of Georgia (B.B.A., International Business) and the University of Wisconsin (J.D.).

**R. Stanton Farmer**

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, Stan 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.

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.

**Peter Nagy**

Peter joins Thun Financial Advisors after serving as a Financial Analyst for Epic Systems, a leading international software provider to the healthcare industry. Peter has also worked for PricewaterhouseCoopers, where he advised private and corporate clients on international tax matters from PwC's offices in Slovakia.

A native of Slovakia, Peter graduated from Mercyhurst University, where he attained his Bachelor's Degree as a triple major in Accounting, Finance and Business Economics. Peter is a Certified Public Accountant, and speaks Slovak, Czech and English.