



**ZUNA, LLC**

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This Form ADV Part 2A ("Brochure") gives information about the investment advisor and its business for the use of clients and prospective clients. If you have any questions about the contents of this Brochure, please contact us using one of the methods listed above. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration of an investment advisor and does not imply any certain level of skill or training.

Additional information about our firm is available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2. Material Changes**

This Brochure dated March 1, 2023 serves as the annual amendment and update to the Brochure dated March 1, 2022.

Since filing our last update to this brochure on March 1, 2022, there have been no material changes. there have been no material changes.

Additional information about us is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with us who are registered or required to be registered, as investment adviser representatives.

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#### **Item 4. Advisory Business**

##### **Description of Firm**

We are a registered investment advisory firm that is wholly owned by Lair Hill Partners, Inc. DBA ZUNA Holdings ("ZUNA Holdings"), an Oregon Corporation. Greg Koleno and Aalok Shah (who also serves as ZUNA's Chief Compliance Officer) own more than 25% of Lair Hill Partners, Inc. ZUNA is managed by elected managers, who are also owners of ZUNA Holdings including Carrie Hepburn.

##### **Advisory Services Offered**

As a registered investment advisory firm, ZUNA offers a variety of services to both corporations and non-profits through a service model that promotes both innovation and collaboration among itself and its clients.

In its service to both public and private entities, our diverse team of professionals provide the following services to defined contribution and defined benefit plans:

##### ***Fiduciary Services to Retirement Plans***

ZUNA will serve as a fiduciary under the Employee Retirement Income Security Act ("ERISA") Section 3(21)(A) to the retirement plan as it relates to selection, monitoring and replacement of the plan's investment options, including the default investment option. We will either serve in a non-discretionary capacity, in which case we will make a recommendation to the client and the client will have the ultimate decision-making authority, or we will serve in a discretionary capacity under Section 3(38) of ERISA. If we are appointed to serve with discretion, we will make decisions about the plan's investment options and report back to the client. Our investment services will be provided on a continuous basis to the plan.

We can also build model portfolios available within the plan, if it is determined that model portfolios would be appropriate for the plan's participants. In the event the plan determines that certain features are necessary and appropriate to implement for its employees, we can assist with reviewing such features including managed accounts, which are generally offered through a third party (not through ZUNA).

##### ***Non-Fiduciary Services to Retirement Plans***

In addition to the services that ZUNA provides to the plan in a fiduciary capacity, we are also available to provide several other services in a ministerial (or non-fiduciary) capacity. These services will assist the client in meeting its fiduciary responsibilities to be able to continue to offer the plan and meet its requirements under the current law and regulations. We offer the following services:

- Fiduciary governance support and documentation including preparation of meeting agendas for the plan's fiduciaries, preparation of draft meeting minutes to document the meetings of the plan's fiduciaries, and assistance with drafting and revising documents to reflect the processes of the plan fiduciaries including committee charter and investment policy statement.
- Fiduciary education for retirement plan fiduciaries and staff to include information related to fiduciary responsibilities under ERISA and ever-changing regulatory and legislative changes.
- Review of plan rules/provisions and assistance complying with the existing provisions. When changes to the plan are contemplated, ZUNA will assist the plan's fiduciaries with understanding the implications of contemplated (or required) plan changes.
- Coordination of communications and oversight of third-party service providers (for example, third party administrators, recordkeepers, auditors) to assist with plan administration.

- Fee benchmarking for recordkeeper(s) and contract negotiation assistance to assist the plan's fiduciaries in paying no more than reasonable fees as required under the regulations.
- Coordination of requests for proposals for service providers (for example, third party administrators, recordkeepers, payroll providers, auditors) to assist the plan in selection (or maintaining) a service provider that meets the needs of the organization while charging no more than reasonable fees through a competitive and objective bidding process.
- Implementation of a new service provider (for example, third party administrators, recordkeepers, payroll providers) by facilitating contract reviews, timelines, data transfer, and employee communications, as required.
- Review and implementation of procedures for monitoring missing participants and small sum distribution providers (as necessary).
- Support to the retirement plan(s) during mergers and/or acquisitions including assistance with decisions to terminate or maintain and acquired company's plan and assistance communicating with impacted participants.

### ***Fiduciary and Non-Fiduciary Services to Participants in Retirement Plans***

While many of our services are aimed at assisting the company (and its fiduciaries) in meeting their obligations under the law, we also provide services directly to employees (also known as participants). We provide services to participants in both a fiduciary capacity under ERISA Section 3(21) as well as in a non-fiduciary capacity.

In a fiduciary capacity, ZUNA provides participants with the opportunity to meet one-on-one with a licensed financial professional in which investment advice will be provided to help employees meet their financial goals. This investment advice is non-discretionary in nature, meaning that ZUNA's financial professionals may make recommendations to the employee but it is up to the employee to implement the recommendation. The engagement with these employees is not continuous and ongoing but may still be deemed to be investment advice in some instances. Where we provide financial planning services, we will disclose the terms of the engagement, including specific services, fees and payment, in a written agreement with the client.

We will also provide the following non-fiduciary services to employees:

- Group sessions via the web or in-person in which employees will have access to a variety of topics of interest including social security, general financial education, and more.
- Phone and email support for plan inquiries.
- Access to a wellness program and monitoring of effectiveness delivered through online resources.

### ***Assets Under Management***

As of December 31, 2022, we have regulatory assets under management of approximately \$206,683,184 of which \$196,459,459 is managed with discretion and \$10,233,725 is managed without discretion.

## **Item 5. Fees and Compensation**

We are required to describe our brokerage, custody, fees and fund expenses so you will know how much you are charged and by whom in connection with the advisory services we provide to you.

We agree to a specified flat-dollar annual fee that is detailed in the client agreement. From time-to-time, we may also charge an hourly fee or project fee to clients. The fee varies depending on the services agreed upon by ZUNA and the client. The hourly fee ranges between \$100 to \$500 per hour depending on the

services provided. We charge these fees quarterly in advance. In no event will we charge more than \$1,200 six months or more in advance. Where either ZUNA or the client terminates our agreement prior to the end of a quarter, we will refund pre-paid fees either (1) pro-rata based on the number of days remaining in the quarter or (2) based on the agreed deliverables and ZUNA's progress on those deliverables. In all cases, we will provide an accounting of the amounts refunded and the method for calculating the amount. Our minimum annual fee is typically \$10,000.

We permit clients to pay us either directly after receiving an invoice or clients may elect to pay reasonable and necessary plan expenses from plan assets by directing the custodian or recordkeeper to remit payment to us. Clients may select either method.

### **Other Fees**

In addition to ZUNA's fees, clients are responsible for charges assessed by third parties, such as retirement plan recordkeepers, and administrators. Clients will also incur brokerage and other transaction costs, if applicable. Clients may incur charges imposed by custodians, brokers and other third parties such as custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to ZUNA's fees, and ZUNA does not receive any portion of these commissions, fees, and costs.

None of our employees accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from mutual funds.

### **Item 6. Performance-Based Fees & Side-By-Side Management**

We do not accept performance fees and this item is, therefore, not applicable to our services.

### **Item 7. Types of Clients & Account**

We generally provide advice to the following types of clients:

- Retirement Plans
- Charitable organizations
- Corporations

Our standard minimum annual fee for retirement plan services is \$10,000, but this may be negotiated.

### **Item 8. Methods of Analysis, Investment Strategies & Risk of Loss**

ZUNA uses a variety of methods of analysis in managing investment portfolios and selecting securities, including fundamental, interest rate, and economic analysis. The main sources of information we use are financial newspapers and magazines, annual reports, prospectuses and other filings with the SEC, company press releases, research prepared by others and corporate rating services.

Investing in securities involves risk of loss that clients should be prepared to bear. Risks include a general stock or bond market decline, an economic slowdown (domestic or global), inflation or loss of purchasing power risk, interest rate fluctuations, liquidity risk, and business or company-specific risk. All of these

factors, and others, may contribute to investment losses. We seek to minimize these risks by diversification of portfolio assets amongst various asset classes, industry sectors and individual securities. However, clients should understand that these risks cannot be eliminated, and should be prepared to accept volatility of portfolio returns.

### ***Risks of Particular Asset Classes, Types of Investments, and Strategies***

We use mutual funds to obtain exposure to equities, fixed income markets, foreign securities, commodities, real estate, natural resources, and other asset classes. We describe both the primary types of securities held by mutual funds, as well as the risks that can, depending on holdings, also apply to the underlying assets of a specific mutual fund.

We employ both actively-managed and passive funds. Passive (index) funds generally have lower internal expenses than actively-managed funds. This can have a significant impact on overall performance over time. Passive funds will tend to track whatever index they were designed to follow. This can result in significant volatility. We attempt to address this by allocating investments to different asset classes and sectors and changing the weight of those allocations when we believe it makes sense to do so. No investment strategy, including asset allocation, can guarantee the prevention of loss or any particular return.

- **Common Stocks and Equity-Related Securities.** Prices of common stock react to the economic conditions of the company that issued the security, industry and market conditions, as well as other factors, and may fluctuate widely. Investments related to the value of stocks may rise and fall based on an issuer's actual and anticipated earnings, changes in management, the potential for takeovers and acquisitions, and other economic factors. Similarly, the value of other equity-related securities, including preferred stock, warrants and options, may also vary widely.
- **Exchange-Traded Funds.** Exchange-traded funds ("ETFs") are funds bought and sold on a securities exchange that attempt to track the performance of a specific index (e.g., S&P 500), a commodity, or a basket of assets such as a set of technology-focused, country-specific, or other sector-specific stocks. The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in its value being more volatile than the underlying securities. ETFs have management fees that increase their costs. ETFs are also subject to other risks, including: (i) the risk that their prices may not correlate perfectly with changes in the underlying index; and (ii) the risk of possible trading halts due to market conditions or other reasons that, in the view of the exchange upon which an ETF trades, would make trading in the ETF inadvisable. Mutual funds commonly hold positions in ETFs.
- **Small- and Mid-Cap Securities.** Securities of small-cap issuers may present greater risks than those of large-cap issuers. For example, some small- and mid-cap issuers often have limited product lines, markets, or financial resources. They may be subject to high volatility in revenues, expenses and earnings. Their securities may be thinly traded, may be followed by fewer investment research analysts and may be subject to wider price swings and thus may create a

greater chance of loss than when investing in securities of larger-cap issuers. The market prices of securities of small- and mid-cap issuers generally are more sensitive to changes in earnings expectations, to corporate developments and to market rumors than are the market prices of large-cap issuers.

- **Foreign Securities.** The securities markets of many foreign countries, including emerging countries, have substantially less trading volume than the securities markets of the US, and securities of some foreign companies are less liquid and more volatile than securities of comparable US companies. As a result, foreign securities markets may be subject to greater influence by adverse events generally affecting the market, by large investors' trading significant blocks of securities, or by large dispositions of securities, than US markets. Further, many foreign governments are less stable than the US. There can be no assurance that any significant, sustained instability would not increase the risks of investing in the securities markets of certain countries. While we typically gain exposure to foreign markets through ETFs, funds, or similar pooled vehicles rather than investing directly in foreign securities, the limited liquidity of some foreign markets may affect our ability to acquire or dispose of securities at a price and at the time we think is advisable. We may also obtain exposure to foreign markets through debt securities with multi-national banks. These securities pose the risks associated with domestic fixed income securities, as well as the risks posed by foreign securities. Overseas investments are subject to fluctuations in the value of the dollar versus the local currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Fixed Income Securities.** Prices of fixed income instruments (e.g., bonds) can exhibit volatility and change daily. Fixed income investments present numerous risks, including credit, interest rate, reinvestment and prepayment risk, all of which affect price. For instance, an increase in interest rates will generally cause the price of bonds to go down. If the security is held to maturity and the issuer does not default, the client should receive the face amount of the bond at the maturity date, as well as stated interest payments while the bond is held. In this case, the change in price prior to maturity may not affect the client. If the client sells prior to maturity, however, the investor would likely experience a loss. Where a client's fixed income exposure is to bond funds the fund does not itself "mature," although different issues held by the fund will mature and will experience price fluctuations. Investors are therefore highly dependent on the manager's ability to accurately anticipate the impact of rate changes and to appropriately manage the portfolio to achieve both adequate returns and reasonable risk. The US has experienced a prolonged period of historically low interest rates; future rate increases could have a material negative impact on the value of current fixed income holdings. In addition, the value of fixed income securities may decline in response to events affecting the issuer, its credit rating or any underlying assets backing the instruments. For corporate bonds prices may be especially sensitive to developments affecting the company's business and to changes in the ratings assigned by rating agencies. The prices of high-yield, fixed income securities fluctuate more than high-quality debt issues. High-yield securities can experience sudden, sharp price swings due to changes in economic conditions,

stock market activity, large sales by major investors, default, or other factors. In the event of a default, the investment may suffer a partial or total loss.

- **Alternative Strategy Mutual Funds/ETFs.** Certain mutual funds or ETFs invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies may not be suitable for all investors and involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes and potential illiquidity. There are special risks associated with funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates, and price volatility because of the fund's concentration in the real estate industry.
- **Market Liquidity Risks.** The value of securities held in client accounts that are traded on exchanges and the risks associated with holding these positions vary in response to events that affect asset markets in general. Market disruptions such as those that occurred in 1987, in 2001, 2008, and the "Flash Crash" in May 2010 (the biggest one-day point decline, 998.5 points, on an intraday basis in Dow Jones Industrial average history) could lead to violent price swings in securities held within client portfolios and could limit the ability to buy or sell securities. Liquidity risks can result in substantial losses.
- **Volatile Markets.** Securities prices can be highly volatile. Many things influence prices, including interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs, government policies, and national and international political and economic events. Clients are also subject to the risk of failure of any of the exchanges on which their positions trade or of its clearinghouses.
- **Short Selling.** We do not employ short selling in our client portfolios but funds purchased for clients may use short selling. We may also use short funds or ETFs on a limited basis in client portfolios. Short selling involves selling securities which are not owned and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the client of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position are available for purchase at or near prices quoted in the market. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

#### Item 9. Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events material to a client or prospective client's evaluation of the firm or the integrity of its management. ZUNA has no information applicable to this item.

#### **Item 10. Other Financial Industry Activities and Affiliations**

Aalok Shah, one of our Managers and an owner and officer of our parent, maintains a 45% ownership interest in another investment adviser, Harbour Investment Management, LLC (“Harbour”). Mr. Shah provides investment advisory services to Harbour’s clients. ZUNA and Harbour generally operate independently, though ZUNA and Harbour do have a solicitor arrangement in which the two firms refer prospective clients to each other and receive a portion of the other firm’s management fee. This is described generally in **Item 14 of this Brochure**.

ZUNA Consulting is an LLC that provides general business consulting to companies, including support for mergers and acquisitions and searches for operational service providers. ZUNA Consulting is wholly owned by ZUNA Holdings. ZUNA may refer clients to ZUNA Consulting from time-to-time if ZUNA believes it is in client interests to do so. ZUNA has a conflict of interest in recommending ZUNA Consulting’s services because ZUNA’s parent stands to earn additional revenue through the use of the affiliated company. We mitigate this conflict by disclosing it and by recommending ZUNA Consulting’s services only when doing so is consistent with the fiduciary duty we owe to our clients.

#### **Item 11. Code of Ethics, Participation or Interest in Client Transactions & Personal Trading**

ZUNA has adopted a Code of Ethics (“Code”) which applies to all persons in our firm. It describes our fiduciary duty to our clients, our standards of business conduct, and our policies on a wide range of topics including information privacy and security, electronic communications (including social media), giving and receiving gifts and gratuities, political contributions, and employee trading. All personnel must acknowledge the terms of the Code annually and adhere to it every day.

We follow our own advice. As a result, we permit our employees and their family members to invest in the same securities that we recommend to clients. Our employees may also choose to own securities that we don’t recommend to clients. This is due to individual risk assessment, appropriateness for our employee or family account and/or lack of suitability for clients. We may also recommend the purchase of securities for clients that ZUNA employees would not purchase for their own accounts, for these same reasons.

If you would like a copy of our Code, please contact us at the email address on the cover of this Brochure.

#### **Item 12. Brokerage Practices**

Retirement plan clients select their own custodian, and we work with several providers (as selected by our retirement plan clients). These service providers work in concert with the custodians on behalf of their clients to execute trades and place assets with qualified custodians. ZUNA does not execute any trades on behalf of our clients.

We do not have any soft dollar arrangements, and we do not receive client referrals in connection with use of any brokers or custodians.

#### **Item 13. Review of Accounts**

The firm’s investment committee regularly reviews current investment recommendations, including current model construction and asset allocation. The assigned lead adviser is responsible for

implementing recommendations at the client level. Advisers conduct ongoing account reviews, both in response to new investment committee recommendations and in light of client requirements.

Clients receive quarterly statements from the qualified custodian holding the plan's assets. We also provide periodic reports to clients, as agreed between ZUNA and the client. We urge you to carefully compare information on your custodial statements to reports we provide to you.

#### **Item 14. Client Referrals & Other Compensation**

##### ***Referral (Solicitor) Relationships***

We maintain some solicitor relationships, in which a third-party introduces clients to us and we pay that third-party a portion of our advisory fee. We pay solicitors in accordance with applicable federal and state securities laws. Unless otherwise disclosed in the documents the solicitor must deliver to prospective clients, any referral fee is paid solely from our investment management fee and does not result in any additional charge to the client.

##### ***Other Compensation & Benefits***

Our employees occasionally attend conferences and events put on by financial services companies and product sponsors. These typically provide industry-related educational content and discussion while also promoting products or investment opportunities of the sponsors. Sponsors hope we will use their products with clients. Accepting travel, lodging, meals, entertainment, and participating in informational sessions from these sponsors could create a conflict of interest in that we have an incentive to recommend the products to continue to receive the sponsor's benefits, but we have not found that to be a problem. The events our employees attend do not provide lavish entertainment or accommodations and we do not repeatedly attend events from a single sponsor.

By policy we limit meals and entertainment (outside of conferences and educational events) from sponsors and vendors to \$250 per sponsor per event.

See **Item 10 of this Brochure** which describes our affiliates. When we refer advisory clients to these affiliates, our parent ZUNA Holdings stands to earn additional revenue if the client engages an affiliate. We make these referrals only when we believe it in our client's interest to do so.

#### **Item 15. Custody**

We do not maintain constructive custody of client funds or securities. All client assets are held with an unaffiliated qualified custodian and clients receive account statements directly from the custodian.

#### **Item 16. Investment Discretion**

We provide investment advisory services on both a discretionary and non-discretionary basis. The authority we have over a given client's assets will be described in the advisory agreement. Where we have discretionary authority to trade without obtaining prior client consent, our advisory agreement contains this direction and grant of authority in writing.

**Item 17. Voting Client Securities**

ZUNA does not have any authority to and does not vote proxies on behalf of any advisory clients. Clients retain responsibility for receiving and voting proxies for any and all securities maintained in their portfolios or accounts. Clients will receive proxies or solicitations directly from the custodian or transfer agent.

**Item 18. Financial Information**

We do not have any financial commitment that impairs our ability to meet contractual and fiduciary commitments to our clients. In addition, neither ZUNA nor its management persons has been the subject of a bankruptcy proceeding.