



Buckets Program Brochure

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Introduction

“Buckets - Advanced Investment Strategy” is a total return investment management strategy sponsored by Ten Capital Wealth Advisors (the Advisor), a registered investment advisor (RIA) with the US Securities and Exchange Commission (SEC). This service is managed for clients by Mike Vickerman, Jr. (Senior Investment Advisor) at Ten Capital Wealth Advisors.

Buckets offers clients a range of investment models that are selected by the Senior Investment Advisor and consists of a diversified portfolio of stocks, exchange-traded funds (ETFs) and/or Mutual Funds. The securities of the models are based on the size of each clients accounts and then customized to match the Riskalyze score obtained by the Senior Investment Advisor conducting a risk assessment with each client. The assets managed through Buckets will be held in separate accounts established by the client during the enrollment process with our selected custodian, TD Ameritrade or Charles Schwab. TD Ameritrade and Charles Schwab, a merged large independent broker/dealer, provides trade execution, reporting, cash management, transfers and other custodial services. See the Ten Capital ADV Part 2A, brokerage practices, for a more detailed discussion.

Buckets enables the Senior Investment Advisor to automate certain keys parts to the investment process and determine:

- The client's investment objectives
- The client's risk tolerance
- An appropriate investment strategy while managing the client's portfolio through strategic and routine rebalancing

The Senior Investment Advisor created the investment strategies by choosing from hundreds of stocks, ETFs and/or Mutual Funds that meet certain criterion. The technology platform and related trading and account management services for the Advisor and Buckets has been provided by Black Diamond.

The information in this brochure has not been reviewed or verified by the SEC. Additional information about Ten Capital Wealth Advisors can be obtained by reviewing the firms ADV Part 2A&B and Form CRS on the SEC's website at www.adviserinfo.sec.gov.

Enrollment and Services

Enrollment with the firm is the initial step in order to utilize Buckets. New clients will enter into an investment management agreement whereby they authorize their account to be managed by the Advisor on a discretionary basis. The agreement grants the Advisor authority to:

- Assign an investment strategy
- Make trades to invest
- Rebalance the account to conform to the selected strategy

Clients are not allowed to make trades in their accounts.

Buckets provides an interactive website branded “Buckets - Advanced Investment Strategy”. The website will:

- First ask for information about the client so we can reach out to answer questions
- Give a direct link to establish your risk number using Riskalyze
- Allow access to the MyBucketSystem cash retirement calculator
- Provide a sign in to access the client portal

The Senior Investment Advisor or client may initiate communication during this process to fine-tune the investment strategy selection process.

The Advisor will use the technology platform contracted from Black Diamond to:

- Generate trading instructions to invest funds deposited in the client’s account
- Periodically rebalance the stocks, ETFs and/or Mutual Funds to the target percentages assigned to their investment strategy

These trades will be electronically forwarded to the account custodian, TD Ameritrade, for execution and settlement.

Rebalancing trades will be generated by the system when the percentage allocation for a security in the model portfolio varies from the parameters established by the Senior Investment Advisor. The Senior Investment Advisor has discretion on whether to execute these rebalancing trades and how frequently the accounts are rebalanced. The Senior Investment Advisor also may change the model portfolios at any time if they determine there are better securities to meet the objectives of the particular model portfolio strategy. The Senior Investment Advisor may even suspend trading in their accounts if they believe market conditions or other reasons warrant such action and will reactivate trading when deemed appropriate.

The extensive reporting features of the website include account holdings, cost basis, and market values in addition to meaningful daily performance reporting. Account statements, trade confirmations, and tax documents will also be available. Communications regarding account activity or other investment related topics are done by email, phone or meeting depending on the services agreed upon in the Investment Management Agreement.

Account Requirements

Buckets provides two levels of service for accounts dependent on the size of the clients portfolio. Portfolios that range from \$5,000 to \$500,000 are eligible for the Virtual Online Advisor service. Portfolios greater than \$500,000 are provided the Full-Service level. A comparison of both services will be provided upon introductions of Buckets.

The minimum investment required to open an account is \$5,000. If the market value of the account falls below \$5,000 due to the withdrawal of assets by the client, the Advisor has the option to require additional deposits to bring the account back up to the minimum value while reserving the right to terminate the account from the Buckets program. Clients will not be terminated from the program if the account falls below the minimum balance solely due to market fluctuation. The advisor will provide at least 30 days notice before termination and may provide the opportunity to remedy the reason for termination. If the client is unable to comply and fails to make arrangements to transfer or liquidate the account, then the Advisor will instruct the custodian to liquidate and send a check for the proceeds to the client's address of record.

Clients who voluntarily terminate their participation in the Buckets program will have their custodian account delinked from the Advisor. The client may also instruct TD Ameritrade or Charles Schwab to liquidate their account assets and send the proceeds to them.

Fees

The Virtual Online Advisor service management fee is .50% annually but is billed quarterly based upon the assets under management in the client's accounts at the end of each quarter. That comes to a charge of the .50% divided by 4, or roughly .125%, at the end of each quarter. The fee will be deducted automatically from the client's accounts.

The Full-Service management fee is 1% annually but is billed quarterly based upon the assets under management in the client's accounts at the end of each quarter. That comes to a charge of the 1% divided by 4, or roughly .25%, at the end of each quarter. Breakpoints are available based on the clients size of account which may bring the overall management fee below 1%. The fee will be deducted automatically from the client's accounts.

The clients will also be required to pay any transaction fees that may apply to the account custodian, TD Ameritrade or Charles Schwab. Most ETFs have a cost per trade of \$0, and certain Mutual Funds have transaction fees up to \$19.95. There are ETFs and Mutual Funds available with no attached transaction fee for trades, and the

Senior Investment Advisor will attempt to use these “no fee” securities in constructing the model portfolio whenever possible. However, there may be other overriding investment priorities that will determine security selection other than just the transaction fee. The Senior Investment Advisor is under no obligation from TD Ameritrade or Charles Schwab nor do they receive any benefit from the securities selected for the model portfolios.

ETFs and Mutual Funds have administration fees to cover expenses like reporting, distribution, custodial, legal, audit, and other customary costs to run a fund. These expenses indirectly reduce the overall investment returns available to the client. The Advisor will consider the level of fund expenses as one factor in their security selection process and will attempt to use ETFs and Mutual Funds with lower expense ratios all else being equal.

Risks

Buckets deals with investment in securities, which includes potential gains and a risk of loss that clients should be ready to bear.

Equity and fixed income markets fluctuate daily, and the securities in Buckets model portfolios are tied to these markets. ETFs, in which Buckets may invest, are pools of securities usually benchmarked to an underlying index. Prices of the securities that comprise these indexes can, and do, decline, which will negatively affect the ETFs pricing. Additionally, the ETFs pricing may not fully replicate the underlying benchmark index due to market volatility, lack of liquidity, pricing discrepancies, etc., resulting in the ETF trading at excessive premiums or discounts.

Mutual funds used in the Buckets model portfolios will be focused on the fixed income asset class. Fixed income investments also have risk of loss. The primary risk factors are:

- Credit risk: the underlying issuer might get into financial difficulty and not be able to meet their obligation to pay interest and return principal.
- Interest rate risk: when interest rates rise, the market value of a fixed income security could fall and hurt the performance of the fund.
- Liquidity risk: many fixed income securities are thinly traded or do not trade at all, making it difficult to find a market value. This can lead to heavy losses if required to sell at an inopportune time.

Buckets investment strategies may include a significant exposure to international securities. The weighting assigned to these international holdings may vary between strategies. In addition to the market risks identified above, international securities have currency risk. Fluctuations in exchange rates may adversely affect the value for securities denominated in foreign currencies when converted to US Dollars. Emerging

markets are subject to frequent disruptions due to geopolitics, economics, a lack of liquidity, local market disruptions, and other exposures.

The Senior Investment Advisor will attempt to inform and educate clients of Buckets on some of these risks and market activity using email blasts, blog posts, and white papers despite not having the obligation to do so. The client is encouraged to read the prospectus supplied by each ETF and Mutual Fund sponsor to better understand the risks they are taking.

Security

The platform provided by Black Diamond has bank level security built in, including 128-bit encryption, single sign-on, and multi-factor authentication. On top of this level are the security procedures and identity protection provided by the account custodian, TD Ameritrade or Charles Schwab.

Privacy

The Advisor, TD Ameritrade or Charles Schwab are all required to inform their clients of policies regarding privacy over their personal information. Any non-public personal information obtained in providing Buckets services will not be given to any non-affiliated entity unless required or permitted by law. Permitted disclosures include dispensing information to employees and third parties who are essential in providing Buckets services and fulfilling regulatory requirements. In all situations, the confidential nature of the information being shared is vital and treated as such.

Ten Capital Wealth Advisors and TD Ameritrade or Charles Schwab will provide you a complete version of our respective privacy policies when the Buckets application documents are completed.