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Disclosures Brochure

# BUCKETS

ADVANCED INVESTING STRATEGY

Buckets is offered By Vickerman & Driscoll Financial Advisors, Inc.  
108 N. Washington, Suite 300, Spokane WA, 99201 (509) 325-7610

[www.buckets.us](http://www.buckets.us)

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## Introduction

“Buckets - Advanced Investment Strategy” is an automated investment management service sponsored by Vickerman & Driscoll Financial Advisors, Inc. (the Advisor), a registered investment advisor (RIA) with the US Securities and Exchange Commission (SEC). This service is available exclusively to a client of Vickerman & Driscoll, which can be attained through an enrollment process.

Buckets offers clients a range of investment strategies that are selected by the Advisor and consists of a diversified portfolio of exchange-traded funds (ETFs) and/or Mutual Funds. 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. TD Ameritrade, a large independent broker/dealer, provides trade execution, reporting, cash management, transfers and other custodial services. See the Vickerman & Driscoll ADV Part 2A, brokerage practices, for a more detailed discussion.

Buckets enables the 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 automated rebalancing

The Advisor created the investment strategies by choosing from hundreds of ETFs 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 AutoPilot/Orion.

The information in this brochure has not been reviewed or verified by the SEC. Additional information about Vickerman & Driscoll Financial Advisors can be obtained by reviewing the firms ADV Part 2A&B on the SEC's website at [www.adviserinfo.sec.gov](http://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 is provided online through the interactive website branded “Buckets - Advanced Investment Strategy”. The website will:

- First ask a series of questions to determine the client’s investment objectives and risk profile
- Provide the client a recommended investment strategy based upon their answers
- Make available a retirement income-planning tool to assist them in determining their overall investment objectives
- Offer online cash management deposit and withdrawal requests

The Advisor or client may initiate communication during this process to fine-tune the investment strategy selection process. However, the Advisor is under no obligation to follow up on the information provided by the questionnaire. Clients can request that the Advisor change their investment strategy in the future by going to the website and completing a new investment profile questionnaire, which will be reviewed and approved.

The Advisor will use the technology platform contracted from AutoPilot/Orion to:

- Automatically generate trading instructions to invest funds deposited in the client’s account
- Periodically rebalance the 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 Advisor. The Advisor has discretion on whether to execute these rebalancing trades and how frequently the accounts are rebalanced. The 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 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 text messaging or email.

## Account Requirements

Clients of the Buckets program may include accounts registered with TD Ameritrade as:

- Individuals
- Joint Tenants or Community Property
- Traditional IRAs
- Roth IRAs
- Simple IRAs
- SEP IRAs
- Custodial Accounts for Minors
- Revocable Living Trusts
- Testamentary Trusts

Clients that are organizations (such as corporations and partnerships) or government entities, along with Qualified Retirement Accounts subject to ERISA, are not eligible for the Buckets program.

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 need to either transfer the securities to another brokerage account at TD Ameritrade or another custodian. The client may also instruct TD Ameritrade to liquidate their account assets and send the proceeds to them.

## Fees

The Advisor fee is .50% annually but is billed monthly based upon the assets under management in the client's accounts at the end of each month. That comes to a charge of the .50% divided by 12, or roughly .042%, at the end of each month. The fee will be deducted automatically from the client's accounts while the platform provides a billing report for the client to review.

The clients will also be required to pay any transaction fees that may apply to the account custodian, TD Ameritrade. Certain ETFs have a cost per trade of \$7.95, 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 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 Advisor is under no obligation from TD Ameritrade 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

My Bucket 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 My Bucket’s model portfolios are tied to these markets. ETFs, in which My Bucket 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 My Bucket 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.

My Bucket 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 Advisor will attempt to inform and educate clients of My Bucket 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 AutoPilot/Orion 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.

## Privacy

The Advisor, TD Ameritrade, and AutoPilot/Orion are all required to inform their clients of policies regarding privacy over their personal information. Any non-public personal information obtained in providing My Bucket 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 My Bucket services and fulfilling regulatory requirements. In all situations, the confidential nature of the information being shared is vital and treated as such.

Vickerman & Driscoll Financial Advisors, Inc. and TD Ameritrade will provide you a complete version of our respective privacy policies when the My Bucket application documents are completed.