

Expanded Form CRS Best Interest Disclosure

March 28th, 2022

B & A Sector Watch

B & A Sector Watch

P.O. Box 629

Registered with the State of Nevada

Virginia City, NV 89440

SEC File Number: 801-IA-954

(775)-847-0774

(888)-219-1119

No material changes have been made since B & A Sector Watch's 3/24/2021 Expanded Form CRS

Brokerage and investment advisory services and fees differ and it is important for the retail investor to understand the difference. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/crs), which also provides educational materials about broker-dealers, investment advisors, and investing.

What investment services and advice can you provide me?

We offer you investment advisory services. We are not a brokerage firm. We are not financial planners.

We are not estate lawyers and we do not draft legal documents.

B & A Sector Watch was formed as a Nevada Corporation and granted its corporate charter on June 15th, 1999 at the height of the dot.com technology boom. As detailed in our ADV Part 2, June of 1999 was a significant and challenging time to *start* an investment advisory business. Our Registered Investment Advisor, Bob Benkovich, founded the entity and continues on in his role as the Registered Investment Advisor for the firm as well as its principal (and only) shareholder as of 3/24/21.

To be successful financially, we at **B & A Sector Watch** really believe that an individual has to (1) own his or her own home; (2) own his or her own business; and (3) diversify any other financial assets remaining. Owning your own home has tax advantages. You get the \$250,000 capital gains exclusion (\$500,000 if you are married), you get to deduct your home mortgage interest, you can use your home equity for an unlimited variety of necessary expenses like old age homes, college tuition, etc. – all with their own additional tax advantages. Owning your own business is a no-brainer today. The tax code today is written for the business owner. **Bob Benkovich, LLC** is the entity you want to contact to continue with this tax code tangent. That entity was created to cater to the business person who is its targeted demographic. Diversifying any other financial assets remaining is where we can help you at **B & A Sector Watch**. Starting with our core and satellite approach to investing assets once you reach step 3 (that is, you own your own home (step 1) and you have your own business (step 2)), we can assess and further diversify your financial footprint with any number of investment and/or market strategies. Once we assess your overall asset positioning, we can maybe point out alternative investment strategies such as hard commodities or collectibles to really provide some diversification. The key again to re-phrase, is our three step investment profile plus a comfort level for your risk-taking activities as you try to grow and diversify. As a client, you may want to, and can, impose restrictions and modifications of your own in

investing in certain securities or types of securities or investment areas for whatever reason you judge prudent, desirable or necessary.

Having said that, we at **B & A Sector Watch**, believe that now the stock market is one of several areas you can use in step 3 to diversify your assets and hold onto some kind of value despite all of the catabalistic forces out there chipping away at your store of value. One common example: if you have your own business or work for someone, you have an incentive (like employer matching funds) to use the 401k option and place your 401k money somewhere. Theoretically, you can invest that money into anything but collectibles. We can help broaden your investment choices, roll over a 401k or an IRA, or maybe even incentivize you to set up a self-directed Roth IRA or an annuity. The bottom line is to keep the stock market as part of your store of value as you go forward in life. Other areas where you can invest besides stocks are commodities, bonds, collectibles, hard assets (plants and equipment and patents), real estate, secured private party loans, life insurance and annuities. We have our ear to the ground every day. Our sources of information include Bloomberg TV, CNBC, and their respective web sites, Yahoo Finance, Investment News, Business News, Investor's Business Daily, as well as many other web sites. We get input from Guggenheim Funds, Pro Funds, TD Ameritrade in newsletters, Vanguard, Fidelity, BigCharts.com, and nearly two dozen weekly and monthly publications that we subscribe to which can give us investment ideas.

The ultimate deciding factor is you, your situation, your risk tolerance and your comfort level.

We monitor the market daily. Virtually each trading day we are aware of the closing market performance in Japan, Hong Kong and Australia. Bloomberg TV with over 2,700 reporters in 120 countries informs us of the European close and the U.S. market open and close. We calculate your daily account balance and give a copy of it to you in the quarterly statement you receive from us. Depending on the custodian for your money that you choose, we are contracted with them through their Limited Power of Attorney procedures for your account.

B & A Sector Watch is a company where clients can store valuable capital and find investment options that provide value and make sense in today's changing global economy. As the words "Sector Watch" in our name implies, part of our original inspiration for creating this entity was to time the sectors of the stock market for financial advantage. Using software programs in existence at the end of the century, this was not a difficult task. A bull market and a rising tide lifts all ships. With the advent of (1) leveraged index funds, (2) proprietary hedge funds for qualified investors (with 5 million or more in investable assets), and (3) a changing tax climate in the United States, our sector timing motivation has morphed into what was called a "core and satellite" approach to investing. The core position is a leveraged (at 2 to 1) position in the major U.S. market indexes – the S & P 500 and/or the NASDAQ 100 –for about 80 percent of the portfolio's value. The satellite position (the remaining 20 percent) was intended for tax harvesting in a sector timing strategy that we felt might out-perform the benchmark S & P 500 index. The problem with the satellite approach, we have found, was that, with considerable effort we can out-perform the benchmark index but not comfortably and reliably enough to out-perform a 2 times leveraged underlying position in the benchmark. Tax harvesting (short-term capital gains) lost its luster against the underlying core position taxed at long-term capital gains rates and returning twice the benchmark. Rather than abandon our satellite strategy, we have positioned the remaining 20 percent of most new portfolios into what we feel will be the sector to benefit in the next trend for the aging U.S. population – biotechnology. Positioned demographically, this is where we are today. This is our current

investment direction. It could change tomorrow. And keep in mind, with our investment recommendation, you have daily liquidity.

To get the full story, read our ADV Part 2 Item 4 Advisory Business available to you for free on our website or by calling us at the telephone numbers provided at the beginning of this brochure.

It should also be noted, if you are coming in with around \$100,000, this is the strategy we most likely would recommend. If you are coming in with, say, investment funds of around \$10,000, we more likely would recommend you put all of it into the S & P 500 and/or NASDAQ 100 with 2X leverage to build up your investable assets. We would talk with you first. We get a feeling for where you are financially, and then make our recommendation based on your overall financial position. The final decision, of course, is yours. We would get a feel for your risk tolerance, investment time frame, and overall financial goals for your investment.

Given my financial situation, should I choose an investment advisory service? Why or why not?

Well the obvious part of this question is just what is your financial situation? We have got to figure this out first to answer the question. In our current Form ADV Part 2, which is required reading for you, we advise that you own your own home, own your own business, and diversify your remaining assets. When it comes to diversifying your remaining assets, we recommend that you maintain for retirement your three-legged stool: (1) social security, (2) your 401K, and (3) your other investments which would include an IRA, Roth IRA (a better choice), real estate investments besides your home, collectibles, etc.

They are all important. Against this landscape, we have got to figure out where you are on your journey.

To help us do this determination, we do an initial client assessment for all new clients. Then, every two years, as part of our record update Client Identification Program, we tell you where we think you are on your financial journey and ask you to either verify our assessment or let us know what has changed due to your specific circumstances in writing and respond to us in a postage paid envelope.

A copy of our current "Initial Client Assessment" form (2 pages) follows.

Name: _____ Initial Client Assessment

Date of Assessment: _____

Assessed by: _____ Is client a qualified investor? _____

Client Approximate Net Worth: _____ Determination made by: _____

Diversified Across Different Asset Classes: _____ Adequately? _____

Different Asset Classes invested in: _____

Determination made by: _____

Does client have realistic and reasonable expectations about volatility and return from stock market investing? _____

Comments: _____

What time horizon is client looking at for his/her investment returns? _____

Is it realistic? _____

Comments: _____

How much risk is client comfortable with for this investment?

_____ Little or _____ Moderate

None & Reasonable _____ Aggressive

Is client aware that indexing outperforms over 80% of market timing strategies over time?

Comments: _____

Is client aware of enhanced indexing options available as a client? _____

Comments: _____

Is client aware that timing and sector trading can sometimes involve a lot of volatility?

Comments: _____

Was client delivered a copy of ADV Part II? _____

Was client delivered a copy of Form CRS Best Interest Disclosure? _____

*Initial Client
Assessment
(continued)*

Client Name: _____

Is client aware that quarterly performance in the stock market can involve gains made in one quarter and losses in another quarter? _____

Comments: _____

Is client aware of bear market periods in the stock market and the recovery times needed historically to recoup bear market losses? _____

Comments: _____

Is client aware that stock market returns are not “guaranteed”? _____ And that past performance does not necessarily mean future continuation or future success? _____

Comments: _____

Is client aware that an advisory fee is charged on a quarterly basis? _____

Is client aware of how much the fee is? _____

Recommendations: _____

[illegible]

This is how we assess your current financial situation.

To answer the second part of the question “Should you choose an investment advisory service?” the answer will depend on you.

ON THE ONE HAND, no one likes to pay fees. We like to do things ourselves – on the internet and ask Siri, Google or Alexa for help if something pops into our head at any fleeting moment. The value of a classic, well-rounded liberal arts education has lost its shine at and since the turn of the century. Young minds are taught today, from before kindergarten on, to get on the web, drill down through the databases and use Alexa, Siri or Google Assistant as our cheat sheet for our i-phones. With an attitude of “YOU can do it!” you do not need anyone. What clown said “No man is an island?” Left brain dominated linear thinking, common in *Homo sapiens*’ males, extols the virtue of algorithmic investing and diversification. Use of Monte Carlo simulations with a dose of probability theory will tell us where and how to navigate in the market.

Trouble is, with this approach, you miss a very important point. An old-timer who passed away at the turn of the century, used to remind me frequently that the market is out to get everybody. If you miss factoring in inflation or currency devaluation -- GOTCHA! If you like the brain-dead target date funds and forgot to factor in the impact of the Coronavirus beginning in 2020 – GOTCHA! If you didn’t factor in interest rates going to zero – GOTCHA! You maybe should have used a Registered Investment Advisor.

ON THE OTHER HAND, dealing with a Registered Investment Advisor who puts your best interest first, may be more like going with an experienced local tour operator. You are not just focused on things to check out and prices, but you also see your projected returns along with your exit strategy and may better be able to plot an optimum course. Napoleon Hill wrote his classic “Think and Grow Rich” book based on his interviews with successful captains of industry. Hill doesn’t talk much about diversification. He does cite Andrew Carnegie who admonishes us to “put all of your eggs in one basket – and watch the basket!” if we want to get rich. The Registered Investment Advisors’ training, licenses, and experience working for you could be a bargain. We would only add to that by saying make sure you have your house, your business, and your three-legged stool.

Keep in mind that you will pay fees and costs whether you make or lose money on your investments. This goes for whether you do it yourself or choose an investment advisor. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

SO, WHAT KIND OF INVESTOR TEMPERMENT DO YOU HAVE? There are no right and wrong answers here to second part of the choosing of an investment advisor question.

A great place to start on the **investor.gov** Securities and Exchange Commission website is:

- Top Tips for Selecting a Financial Professional
- Investor Bulletin: How to Select an Investment Professional

Then navigate to the dozens of other bulletins on their website so you can make a rational decision and get a feel for how complicated investment products and services are in today’s society.

How will you choose investments to recommend to me?

If you have attended college and taken an Investing 101 course, you have learned that investing in indexes out-performs around 80% of market timing approaches. This has been known for around 30 years. The late John Bogle of Vanguard Funds was a champion of this approach as is Jeremy Siegel of the Wharton School of Finance at the University of Pennsylvania. We also follow this approach but we add leverage – two times the performance of an index – up or down. With a historical tailwind of a little over five percent in the S & P 500 based on all available data, this approach makes sense. Of course no investments are “guaranteed” in any way. Historical performance does not mean future continuation nor success. But we have a disciplined investment strategy.

What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

Education and Business Background

Robert M. Benkovich

date of birth: 3/4/1948

Colleges Attended

Villanova University – B.A. in Social Sciences 1970

University of Nevada, Reno – completed course work for doctorate in Social Psychology

University of Bedford – Bedford, United Kingdom – Ph.D. in Social Psychology, June 1983

Boston University – Program for Financial Planners

Member of Nevada State Legislature

State Assemblyman 1974 to 1976

Former owner of 2,000 plus acre Dry Valley Ranch

During the last 5 years

Sector timing for my own and trust accounts of others. Actively engages in this business.

Investment Advisor for **B & A Sector Watch** since its inception in 1999. Actively engaged in this business.

Owner and principal in **Bob Benkovich, LLC** which does outsourced, professionally (accountant) completed tax preparation services and Life and Health Insurance Services since its inception in January of 2007. Actively engaged in this business.

Gaming executive at Nugget, Sparks, LLC, 1100 Nugget Avenue, Sparks, Nevada 89431 where various supervisory roles including shift manager, assistant shift manager, table games supervisor and schedule master have been performed during that sojourn. No longer actively engaged in this business.

Licenses

Series 65 Registered Investment Advisor with State of Nevada

Life and Health Insurance Producer License with State of Nevada

IRS CAF number recipient for various prepared tax returns and IRS inquiries, audits, settlements

Some Former Affiliations and Memberships (Currently non-affiliated and non-member in...)

Better Business Bureau of Northern Nevada, Inc. – member from 2004 to 2013 – rating A+

Market Technicians Association – member from 4/1/1999 through 2013.

Current Affiliations and Memberships

None – fiercely independent.

• * *

Education and Business Background

Sonja A. Benkovich

date of birth: 9/4/1970

Colleges Attended

University of Virginia – B.S. in Electrical Engineering 1995

Sonja began her career at Bear Stearns in New York City where she supported both the Emerging Market Bond Traders and the Collateralized Mortgage Option (CMO) Traders with daily financial data and reports. Soon after she took a senior role at Bondnet Trading Systems based in Greenwich, Connecticut as Quality Assurance Manager for the first Bond Trading System (pre-internet era) with links directly to the NYSE and over 40 national brokerage houses. Bondnet's successful launch of the cutting edge Bond Trading System led to a buyout by the Bank of New York (now BNY Mellon).

After this entrepreneurial success, Sonja started her own first company at age 25, through which she provided technical consulting services to over 15 financial Wall Street companies focusing on the financial and trading system support.

Since 2000, Ms. Benkovich worked internationally on many businesses. She helped launch and manage several enterprises based primarily in the U.S., India and Singapore, exposing her to the complexities of international trade and commerce. As a successful entrepreneur, she is well versed in international finance, foreign exchange, and compliance structures and handles multi-million dollar operations across international borders.

During the last 5 years

In 2009 Sonja Benkovich joined B & A Sector Watch as Marketing Director. She is now an Investment Advisor Representative and a Director with B & A Sector Watch focusing on international sectors.

Licenses

Series 65 – Registered Investment Advisor with the State of Nevada

Private Pilot SEL

Current Affiliations and Memberships

None – fiercely independent

•

*

*

While the above formal training and first hand experiences are impressive, our Registered Investment Advisor Bob Benkovich was there and invested for the:

- * Crash of 1987 when the Dow Jones Industrial Average fell 22.6% in one day on October 22nd.
- * End of the 20th century dot.com boom and bust
- * Real Estate boom and bust circa 2004
- * Market meltdown of 2008-2009
- * Greatest bull market in history (2011 to 2021) – 10 years
- * Coronavirus self-inflicted economic sucker punch of 2020-2021

So what do all these qualifications mean for you? We have experience and just one bit of advice.
Stay the course and navigate rationally.

What fees will I pay?

Keep in mind that you will pay fees and costs whether you make or lose money on your investments. This goes for whether you do it yourself or choose an investment advisor. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

At **B & A Sector Watch** we are compensated for our advisory services by advisory fees which are based on a percentage of assets under management. It is important to note up front that we get no fees, nor do we get any compensation from **Bob Benkovich, LLC**. All management fees can be negotiable. They may even be waived in light of other considerations. The management fee is equal to the amounts shown in the table below. The maximum percentage fee will be 0.25% of the account's average total dollar value each quarter. Larger accounts can get a management fee of as little as 0.125% of the accounts average total dollar value each quarter. We have found our advisory fees are less than the average fee charged clients according to *Investment News*.

Advisory fees are assessed after the end of each calendar quarter. The minimum account size is the minimum of the investment vehicle or strategy the client chooses.

TOTAL DOLLAR VALUE AND MANAGEMENT FEE TABLE

Minimum to \$1,249,999.99	0.25% per quarter
\$1,250,000.00 to \$1,499,999.99	0.21875% per quarter
\$1,500,000 to \$1,749,999.99	0.1875% per quarter
\$1,750,000 to \$1,999,999.99	0.15625% per quarter
\$2,000,000.00 and over	0.125% per quarter

We can deduct fees from clients' assets or bill clients for fees incurred. Clients may select either method. We send out quarterly statements to all clients showing fees due for the previous quarter. Fees cannot be paid in advance, only after the fact so they can be accurately calculated and delivered to the client in the quarterly statement.

We charge no custodian fees and we tend to use no-load mutual funds to save clients fees and expenses. Clients who choose to invest with *Guggenheim Funds* and clients who choose to invest with *Pro Funds* pay no additional fees BUT if they maintain an IRA account at either of these two entities, they get charged an annual \$15.00 IRA maintenance fee directly by the entity. We get none of that money. Clients who choose to invest at *TD Ameritrade* may pay a brokerage fee in and out of a particular security or mutual fund if it is not on their list of "transaction free" securities. That list changes daily and can be obtained by contacting TD Ameritrade. Online transaction fees vary at TD Ameritrade which is now owned by Schwab. Options, closed end funds, broker assisted transactions, etc. can result in a higher transaction fee depending on their current schedule of fees which is posted on their website. Go to TD Ameritrade.com. We can use any brokerage service the client chooses besides TD Ameritrade. Each has fees and expenses posted on their website. We get none of that transaction money.

No one at **B & A Sector Watch** nor any of our supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

No one at **B & A Sector Watch** nor any of our supervised persons accepts performance-based fees – that is, fees based on a share of capital gains or capital appreciation of the assets of a client (such as a client that is in a hedge fund or other pooled investment vehicle).

We have no requirements for opening or maintaining an account, such as a minimum account size at our end. However, the investment vehicle the client selects may have an account minimum. Purchasing treasuries directly from the U.S. Government would require enough money deposited to complete the desired purchase. Purchasing securities through TD Ameritrade, although they technically require no minimum balance for opening an account, would require a minimum amount of money to complete the desired transaction. Should the client decide to open an account at Guggenheim Funds, their minimum account size is \$25,000. But if your account at Guggenheim is opened through **B & A Sector Watch**,

there is NO minimum at this time. Should a client decide to open an account at Pro Funds, their minimum account size is \$15,000. In short, we have no requirements for opening or maintaining an account at our end, such as a minimum balance. Any kind of minimum balance would depend on the investment entity the client chooses and their particular requirements and what the client wants to do with whatever money the client brings to the table.

Help me understand how these fees and costs might affect my investments.

If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

If you are coming to us with \$10,000, \$100,000 or \$1,000,000, every penny will be invested for you. We stick with the stock market and use leveraged index funds – specifically 2 times the performance of the

S & P 500 and 2 times the performance of the NASDAQ 100 as a core position for your portfolio.

Depending on how much money you have to invest, we might also recommend a satellite position in an unleveraged index fund (right now, with the aging U.S. population, we like Biotechnology).

Starting with \$10,000, we would see where you are financially with your investments and most likely recommend that you consider a 50/50 mix of the S & P 500 and NASDAQ 100. With a modest \$10,000 investment, depending on your circumstances, you might also consider putting all of it just into the S & P 500 to build it up or put all of it into the NASDAQ 100 just to get your account balance growing. When a portfolio starts with or reaches \$100,000, we might consider going 40% in the S & P 500 and 40% in the NASDAQ 100 and 20% in a sector (unleveraged) that makes sense for an aging U.S. population. Right now we like Biotechnology. The same recommendation most likely would be made with a \$1,000,000 portfolio once other factors such as your savings goals, investment time line, risk assessment and tax situation were factored in. In short, we have to talk about you – where you are financially, how much you have to invest, and get a feel for your overall financial situation.

As mentioned elsewhere, advisory fees are assessed after the end of each calendar quarter and given to you, from us, in a quarterly statement which shows your daily account balances, your highest account balance, and your average account balance for the past quarter. The quarterly statements also show our fee arrangement. While all fees are negotiable, we post our fee table which is based on a percentage of assets under management to give you an idea of what kind of fees one would be looking at if not negotiated. Fees may also be waived in light of other considerations.

People who experience their investments being scalped before being put to work for them many times point to life insurance, long term care insurance, annuities, sometimes closed end funds, hedge funds, etc. To pick annuities as one example, the person who sells you that annuity might be making 2% to 8% from your money before your investment starts working for you. We do NOT do anything like that at **B & A Sector Watch** with our investment strategy.

Brokerage and investment advisory services and fees differ and it is important for the retail investor to understand the difference. Free and simple tools are available to research firms and financial professionals at **Investor.gov/CRS**, which also provides educational materials about broker-dealers,

investment advisors, and investing. We strongly recommend you check out their website to compare services offered, fees charged, expenses, products offered and see what is right for you. You are going to have to do your homework to compare apples to oranges in a lot of cases. A great place to start on the **investor.gov** Securities and Exchange Commission website is:

- Top Tips for Selecting a Financial Professional
- Investor Bulletin: How to Select an Investment Professional
- How Fees and Expenses Affect Your Investment Portfolio

Then navigate to the dozens of other bulletins on their website so you can make a rational decision and get a feel for how complicated investment products and services are in today's society. Apples and oranges are great but before you compare the two, do your homework, allow yourself not to be rushed into any decision, and give your effort more than a lazy afternoon of dabbling. Expect to put in the same effort that you would for an intense six-week summer course and determine what feels right for you. You can then go from one product and service to another comparing rates, fees and overall long and short term costs and liquidity. Once you get a feel for the landscape, you can begin interviewing financial professionals to work for you.

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. We are extremely proud of the fact that since our inception on June 17th, 1999, we have held ourselves to this standard as a State of Nevada registered investment advisory firm. We have NO proprietary investments issued, sponsored, or managed by us or affiliates (we have no affiliates). We get NO compensation from third parties when recommending or selling certain investments. We have NO revenue sharing arrangements nor principal trading.

B & A Sector Watch does not participate in or have an interest in any client transactions or personal trading.

We do not, nor does any related person, recommend to clients, or buy and sell for client accounts, securities in which we or a related person has a material financial interest in. We do not, as principal, buy to sell securities to or from our clients. We do not act as a general partner in any partnership in which we solicit client investments. We do not act as an investment advisor to any investment company that we would recommend to clients. We do recommend indexed funds and particularly leveraged indexed funds traded on the open market and our investment advisor puts his personal money into that indexed fund in many cases. These are investment strategies in the public domain that are currently in academic favor at most university teaching classes as sensible investment positions. We do not view this as any conflict of interest. It is more a case of university-level consensus investing.

We at **B & A Sector Watch** do not have any arrangements, oral nor in writing, where we are paid cash by or receive some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients. We are not directly nor indirectly compensated for client referrals.

B & A Sector Watch has joined the Laughlin Associates Referral Program which enables clients and acquaintances of **B & A Sector Watch** to engage in business legal document preparation services that Laughlin Associates offer. Specifically, many clients and acquaintances are business owners who face a legal requirement that their business entity's documents are in good order and their corporate veil is impenetrable. Since we at **B & A Sector Watch** are not attorney's nor legal experts, joining Laughlin's Referral Program now enables our clients and contacts to have their legal business documents put in good order by a law firm that specializes in that kind of document compliance service. Two further considerations are in order: ONE – we do NOT actively solicit clients to invest in Laughlin's services. Business firm clients and acquaintances we come into contact with are in no way pressured to join Laughlin. However, casual due diligence of a business entity's structure sometimes creates a reasonable suspicion that the liability protection clients think they have may not be there because their business entity's documents are NOT in good form making them potentially personally liable should any legal issues arise. We are not attorneys nor legal experts at **B & A Sector Watch**. It just seems as if we have a legal duty to point clients that we see with a potential legal entity issue in the right direction to address any legal business structure problems they may have down the road. TWO – clients we refer to Laughlin that join their business document compliance program, now generally pay a \$800 first year fee to Laughlin for unlimited document preparation and attorney consultations and around \$475 for subsequent years. **B & A Sector Watch** stands to gain 10% of the first year's Laughlin fee for that legal referral should it materialize and nothing from subsequent renewals. This legal referral fee is outside our normal financial activity and in no way impacts clients' investable capital or performance.

<i>How might conflicts of interest affect me, and how will you address them?</i>
--

As we have just shown, we have NO conflicts of interest that would affect you in what we do.

How do your financial professionals make money?

At **B & A Sector Watch** we are compensated for our advisory services by advisory fees which are based on a percentage of assets under management. It is important to note up front that we get no fees, nor do we get any compensation from **Bob Benkovich, LLC**. All management fees can be negotiable. They may even be waived in light of other considerations. The management fee is equal to the amounts shown in the table in the "What fees will I pay?" section above. The maximum percentage fee will be 0.25% of the account's average total dollar value each quarter. Larger accounts can get a management fee of as little as 0.125% of the accounts average total dollar value each quarter. We have found our advisory fees are less than the average fee charged clients according to *Investment News*.

Do you or your financial professionals have legal or disciplinary history?

No.

You or any other investors can go to investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

There are NO legal or disciplinary events that are material to a client's or prospective client's evaluation of the advisory services we offer at **B & A Sector Watch**, our advisory business, or the integrity of our management.

We were a member of the Better Business Bureau of Northern Nevada from 2004 through 2013 and enjoyed their highest rating, A+, throughout our entire relationship. The annual fee they were charging for membership became too much an expense. Rather than pass that fee on to clients, we ended our relationship at the end of 2013.

As a financial professional, do you have any disciplinary history?

No.

You or any other investors can go to investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Additional information can be obtained by calling us at **B & A Sector Watch**. Our hours are by appointment only. Most weekdays that is from 6:30 AM PST to 1:00 PM PST during normal stock market hours. Our telephone number is **(775)-847-0774**. We can also be reached toll free at **(888)-219-1119**.

You can obtain up-to-date information and request a free copy of CRS by calling these numbers and speaking to our Registered Investment Advisor Bob Benkovich or by just leaving a message.

Who is my primary contact person? Who can I talk to if I have concerns about how this person is treating me?

Bob Benkovich is our Registered Investment Advisor and our primary contact person. If you have any concerns about how you are being treated, let us know by phone or in writing.

State Required Disclosure: Neither **B & A Sector Watch**, Bob Benkovich, Sonja A. Benkovich, nor any management person compensated in any way with performance based fees.

State Required Disclosure: Neither **B & A Sector Watch**, Bob Benkovich, Sonja A. Benkovich, nor any management person involved in (1) any award or otherwise found being liable in an arbitration claim alleging damages in excess of \$2,500.00, (2) any award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding.

State Required Disclosure: Neither **B & A Sector Watch**, Bob Benkovich, Sonja A. Benkovich, nor any management person has any relationship or arrangement with the issuer of securities that is not listed in Item 10C of Part 2A.

