

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

**B & A Sector Watch**

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**March 28<sup>th</sup>, 2024**

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This brochure provides new, current and prospective clients with a narrative brochure that is organized in a consistent, uniform manner. Our business practices, fees, conflicts of interest and disciplinary information are addressed and included. This brochure provides information about the qualifications and business practices of **B & A Sector Watch**. If you have any questions about the contents of this brochure, please contact us at 1-775-847-0774 or toll free at 1-888-219-1119. 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.

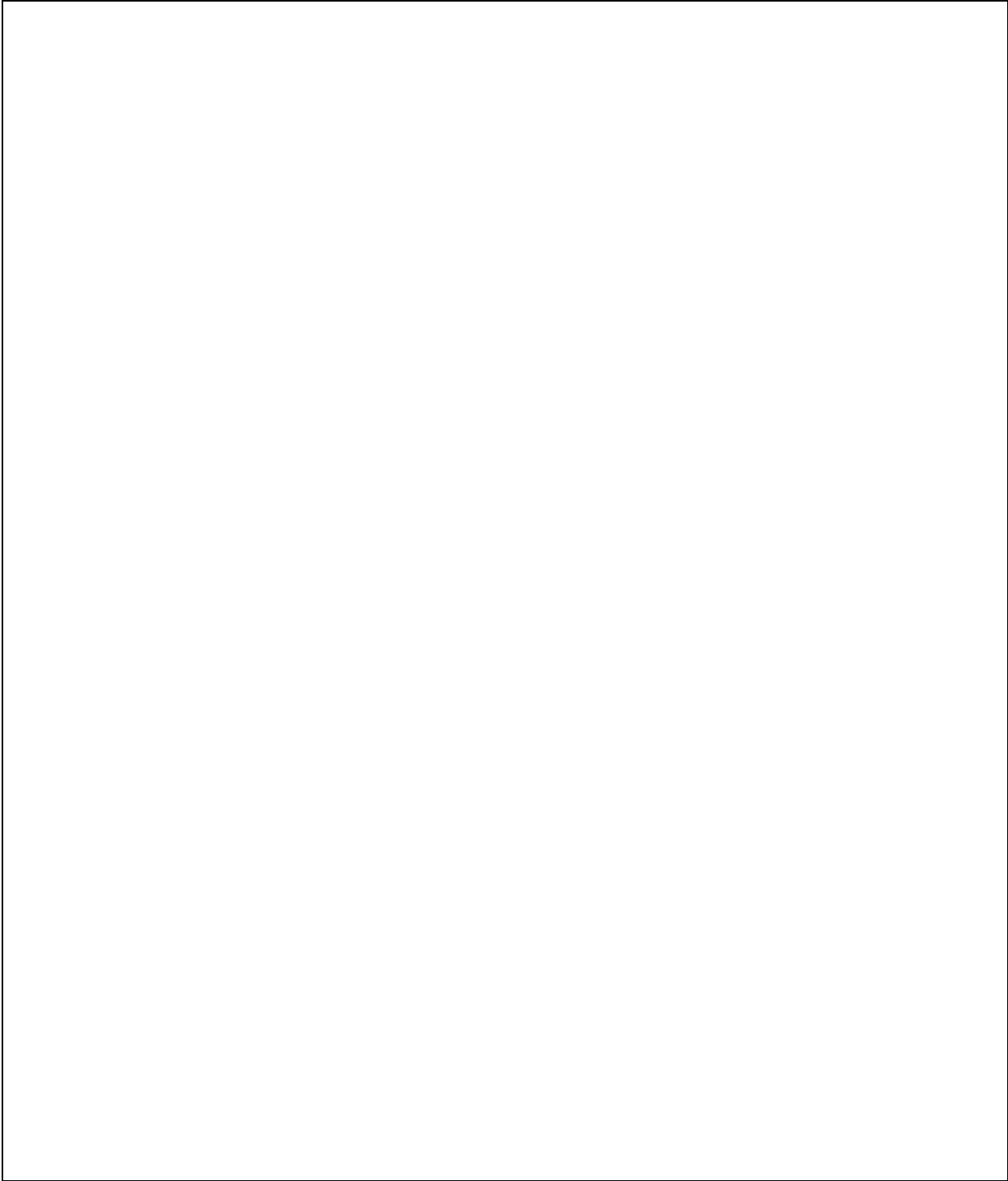
**B & A Sector Watch** was formed as a Nevada corporation and granted its corporate charter on June 15<sup>th</sup>, 1999 at the height of the dot.com technology boom. Our Registered Investment Advisor Representative, Bob Benkovich, founded the entity and continues on in his role as the Registered Investment Advisor Representative for the firm as well as its principal shareholder.

Registration with the Nevada State Securities Division and the Nevada Secretary of State's Office does NOT imply, in any way, approval. The registrations have not been approved or disapproved by the Securities and Exchange Commission nor has the Commission passed on the accuracy or adequacy of this brochure. No state has approved or disapproved this offering. Any representation to the contrary is a criminal offense. The Securities Division reviews the brochure to ensure that it contains the necessary material facts, but it does not guarantee the disclosure's accuracy. The SEC simply clears this brochure for distribution, implying that the SEC has approved this brochure violates federal law. Finally, registration does not imply a certain level of skill or training. The SEC does not pass judgment on the brochure's investment merit.

## Item 2 Material Changes

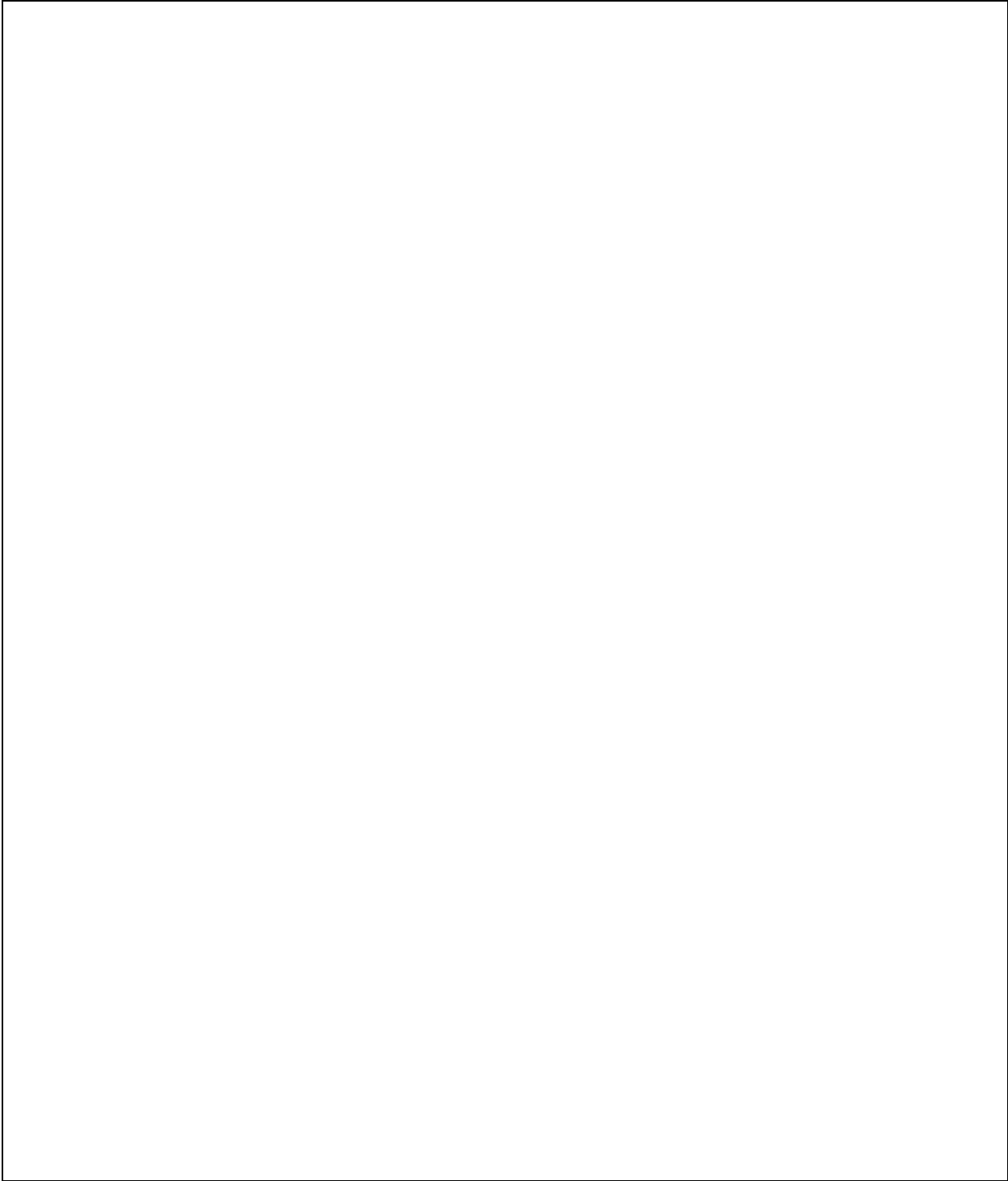
Under SEC Rule 1A-3060, Registered Investment Advisors now have to provide new and prospective clients with narrative brochures that are organized in a consistent, uniform manner. These brochures have to include plain English disclosures of the Adviser's business practices, fees, conflicts of interests, and disciplinary information. This new Form ADV Part 2 is a result of these new requirements.

Since our previous ADV Part 2 filing dated 3/28/23 there have been no material changes to the ADV of **B & A Sector Watch**. As mentioned then, to reiterate, Sonja A. Benkovich is also a Registered Investment Advisor Representative in her own right. Sonja, daughter of Robert M. Benkovich, is NOT engaged in any of the day to day operations of **B & A Sector Watch**. Sonja does NOT own any interest in **B & A Sector Watch**. Sonja is on the Board of Directors of **B & A Sector Watch**. Her duties are focused on exploring the feasibility and possibility of developing an international footprint for **B & A Sector Watch** at some time in the future. She also advises on international sectors. Sonja is registered with the State of Nevada as a Registered Investment Advisor Representative and holds her Series 65 credential.



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Item 4 Advisory Business

**B & A Sector Watch** is a company where clients can get direction on where to store their valuable capital and find investment options that provide value and make sense in today's changing global economy.

Looking back over the past one hundred years of stock market investing, we can identify many trends and investment mantras. During the 1920s before the crash, the urge was to buy any stock and to buy it on margin. Company CEOs of that time made about 3.5 times the wage of the average worker. After the crash in 1929, it took World War 2 and its aftermath to get stocks to recover. Returning veterans needed homes, cars, and television sets. By the 1950s, the marketing pitch became "see, stocks always recover". Never mind that we had an oligarchy in the U.S. Think back on those three major television networks, the four major car dealers, and the three biggest steel producers. We had a closed economy. Plus, we had dropped the A-bomb and were the leading world economic engine. The U.S. dollar became the world's reserve currency. Academics were quick to corral investors into mutual funds which expanded at an unsustainable break-neck pace until they leveled off in 1968 and nearly went out of existence by the 1972-1974 recession. The nifty-fifty stocks, darlings of the 1950s and 1960s --fifty solid companies that you wanted to own and hold for the rest of your life, lost 80 to 90 percent of their value from 1972 to 1974. Again, to use a poker term, we were suckered into going "all in" with the capital we had besides our house and our car only to see those assets dissipate. We wouldn't make that mistake again. Right? Like a receding shore line ahead of an incoming tidal wave, we maintained with increasing taxes and interest rates that crested at 18 percent until 1982 when the time was ripe for the Reagan Revolution. Interest rates declined, tax rates were cut, and the Soviet Empire collapsed. Marketing experts capitalized on the idea of dividend paying stocks. When that idea ran out of steam, stocks were labeled "growth" and "income" stocks. When that idea ran its course, style boxes such as large cap, mid cap and small cap were proffered to a pliable investing public. The internet took center stage and dot.com stocks that couldn't miss made spectacular runs. Among internet stocks, the three largest investments at the end of the century had hundreds of millions of dollars in cash on the books with no debt. We were suckered again into going "all in". Stocks, as measured by the S & P 500 Index, lost half of their value in 2000 alone – Bill Clinton's last year in office. Yet the marketing masters morphed into real estate groupies and did enough damage control to ally investor fears. Real estate became the next store of value. Our investment advisor representative, Bob Benkovich, maintains a picture that hit the news-wires of a Bank of America big wig with a sour look on his face while a smiling U.S. Senator and the head of a minority owned lobbyist group (also smiling) touting the new federal

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home ownership incentive programs which required little or nothing down and no proof of income to own a home.

Again, we were all in with homes and investment homes and we got leveled to reality. We wouldn't make that mistake again. Right? U.S. Bonds and government backed securities were the answer. Smart investors quietly made their way to U.S. backed debt according to marketing PR. By 2008, too many investors had their bond portfolios on cruise control throughout the 2008-2009 credit crises. The result: their portfolios shrank by a third or more. With the change of administration in 2009, people looked for answers. What they got was "quantitative easement round 2" from November 2010 through February of 2011. In QE2 an untold amount of play money, i.e. U.S. dollars, were printed out of thin air. The Fed stopped reporting M3 money supply, the amount of U.S. dollars in circulation, to the public in 2006 before quantitative easement round 1. This was damage control. States and municipalities were struggling with budget shortfalls and unfunded pension liabilities. The aggressive smart money with tens of millions to invest, has moved on to proprietary hedge funds where eggheads from Harvard or MIT run software programs designed to be a few hundredths of a millisecond ahead of the actual stock trade routed through the supercomputer in Mahwah, New Jersey in the hope of generating alpha for their clients. Hedge funds are a sea of quicksand. They charge a high percentage to get in, then charge another percentage on any profits. This may work for a year or two or three. Once qualified investors are "all in" and the strategy stumbles, the fund operators must decide to close down and liquidate or wait for an unlikely rebound. A "high water mark" must be exceeded before more fees can be charged so the most likely decision the hedge fund manager makes is one to close down and liquidate and start all over with a new hedge fund. Performance statistics qualify hedge fund returns with phrases like "among hedge funds still in business" or "for this fund since inception (while the investment money is still flowing in)". Recall former New Jersey governor John Corzine who told Congress that he couldn't recall where over one billion dollars of investor money in his hedge fund went in public testimony. According to Bloomberg TV on March 23<sup>rd</sup>, 2012, 55% of stock market money in 2011 was being moved in milliseconds by "Quants" and their hedge funds. The rest of us just wonder, "What now?" University academics were marketing agents to lure the masses with their adaptative rationales. Congressman Ron Paul has traction. Jeremy Segal at the Wharton School of Finance at the University of Pennsylvania, who wrote "Stocks for the Long Run" is

back-peddling. John Bogle's old Vanguard Fund is offering bargain basement prices on

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something not many people trust today: stocks. Even David Swensen who navigated the successful Harvard Endowment Fund for three decades and author of the masterful “Pioneering Portfolio Management” road-map to multi-generational investment success, has been struggling the past few years with his timberland and hard-asset approach. In 2012, with average company CEO compensation at 250 times that of the average worker, do you really want to own stocks?

It is against this explanatory event background that former Nevada State Assemblyman, Bob Benkovich, our registered investment advisor representative, has created the entity called **B & A Sector Watch**. Bob served on the Assembly’s Labor and Management and Commerce committees. Experienced gained (1) during that legislative sojourn along with (2) his graduate school training in the social sciences at the University of Nevada, Reno, his (3) self-taught three decades of stock market experience with over 79 signed texts from stock market legends like John Bogle, Steve Forbes, Norman Fosback, and many others, and (4) his lifetime experience of always working for individual self-made multi-millionaires (Leonard Tose, former owner of the Philadelphia Eagles football team, Lincoln Fitzgerald of the Nevada Club and Fitzgerald’s Club fame, and John A. Ascuaga founder of John Ascuaga’s Nugget in Sparks, Nevada) – have all precipitated into two entities: **B & A Sector Watch** and **Bob Benkovich, LLC**. The entity we are concerned about, **B & A Sector Watch**, is concerned with the world of investing and investment advice. **Bob Benkovich, LLC** is concerned with Life and Health Insurance and outsourced tax preparation to actual accountants half-way around the globe for a price that is about 40 percent of what accountants in Northern Nevada are charging for professionally prepared returns. Having clarified where we are coming from in **B & A Sector Watch**, what then is our investment direction, what kind of advisory services do we offer, and how can we tailor our services to you, the client? Against the rather lengthy explanatory background above, the answers to these questions can now make more sense to you, the reader.

**B & A Sector Watch** was formed as a Nevada Corporation and granted its corporate charter on June 15<sup>th</sup>, 1999 at the height of the dot.com technology boom. As detailed above, June of 1999 was a significant and challenging time to *start* an investment advisory business. Our Registered Investment Advisor Representative, Bob Benkovich, founded the entity and continues on in his role as the Registered Investment Advisor Representative for the firm as well as its principal (and only) shareholder as of 3/28/2024.

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

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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 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. We are also currently fascinated with one proprietary January barometer which has an uncanny correlation with the performance of the market in the ensuing year. That one indicator has not and is not a decisive factor in any timing system we employ but it is being monitored nonetheless.

We are not financial planners. We are not quantitative analysts. We are NOT, as qualified above, market sector timers per se. We can be if financial advantage appears probable at some time in the future but we are not, at this time, anything other than position players looking for that “store of value”. It is probably a good time now to elaborate on that “store of value” concept having said what we said in the previous pages of this section.

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

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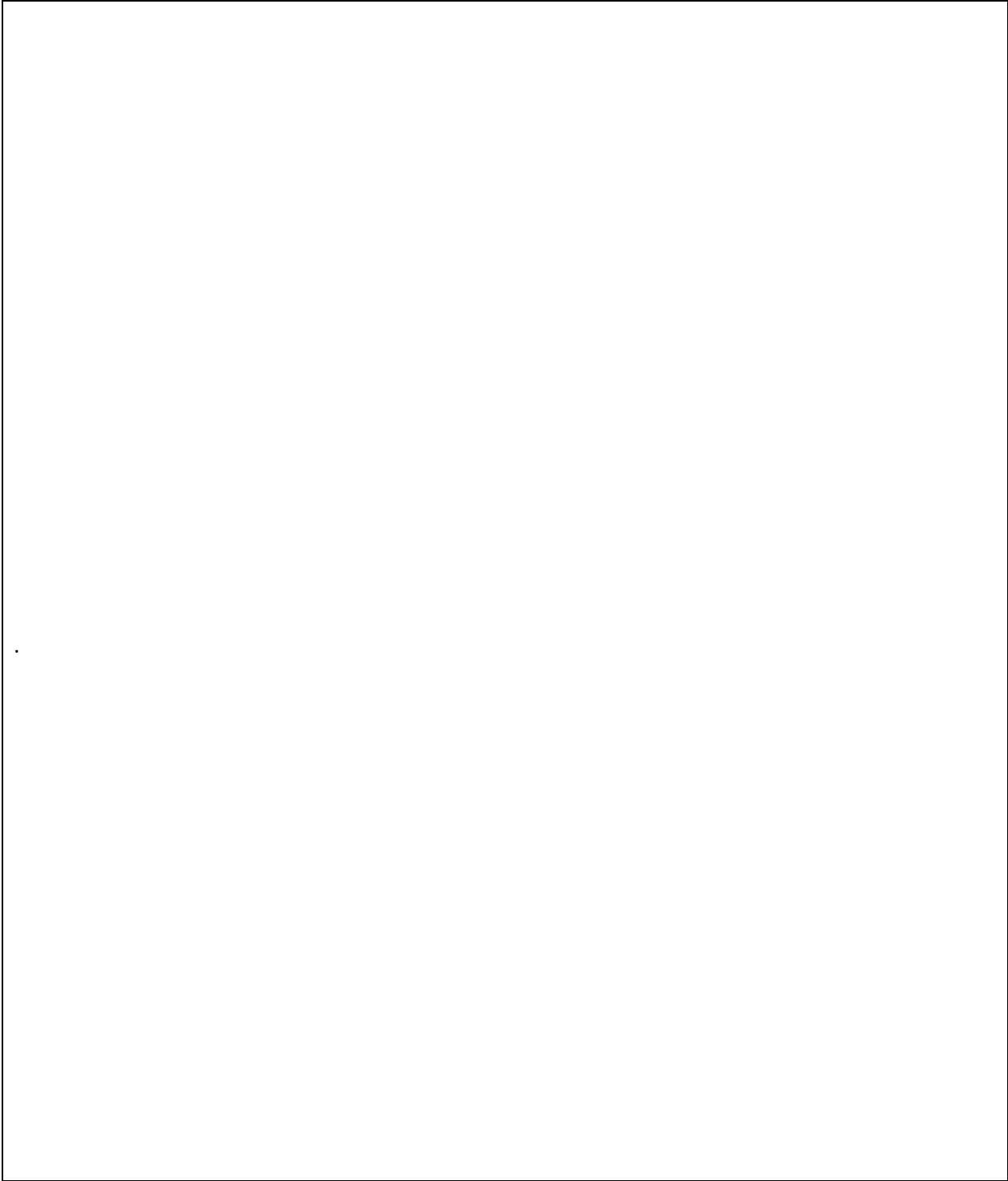
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any other financial assets remaining is where we can help you at **B & A Sector Watch**. Starting with our core and satellite approach to investing assets once you reach step 3 (that is, you own your own home (step 1) and you have your own business (step 2)), we can assess and further diversify your financial footprint with any number of investment and/or timing 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 you 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 (only if you follow certain rules (see us) or invest only in seven bond categories – see item 8), 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, Big Charts,, as well as many other web sites. We get input from Guggenheim Funds, Pro Funds, Charles Schwab in newsletters as well as Vanguard, Fidelity, BigCharts.com, as well as 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.

**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.



Item 5 Fees and Compensation

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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 fixed annually or 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

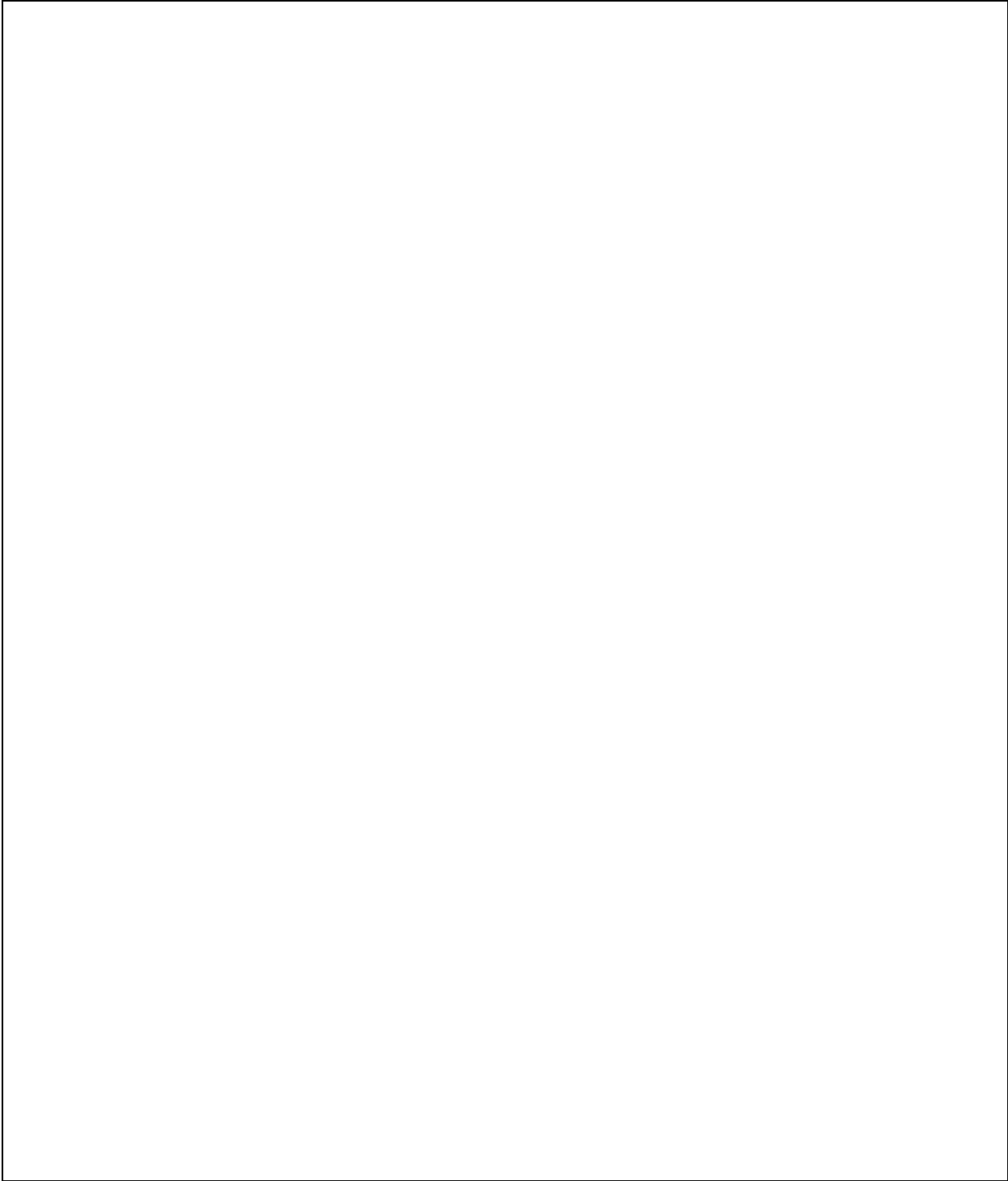
We can deduct fees from clients' assets or bill clients for fees incurred. Clients may select either method. We send out quarterly statements to all clients showing fees due for the previous quarter. Fees cannot be paid in advance, only after the fact so they can be accurately calculated and delivered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

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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 *Charles Schwab* 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 Charles Schwab. Online transaction fees vary at Charles 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 CharlesSchwab.com. We can use any brokerage service the client chooses besides Charles Schwab. 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.



Item 6 *Performance-Based Fees and Side-By-Side Management*

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).

Item 7      Types of *Clients*

**B & A Sector Watch** provides investment advice to individuals, trusts, estates, or charitable organizations, corporations or business entities. We also give advice on self-directed pension and profit-sharing plans.

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 Charles Schwab, 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. It should be noted that Guggenheim Investments and Pro Funds do maintain a \$15.00 annual maintenance fee at their end.





**B & A Sector Watch** offers advice on equity securities, exchange listed securities and United States government securities, state and municipal securities, and mutual fund shares. Our methods of analysis include some fundamental, but mostly charting, technical and cyclical considerations. The main sources of information that we use are Bloomberg television, financial newspapers and magazines, bond direction from publications and other sources as detailed below. The investment strategies used to implement any investment advice given to clients include long-term purchases (securities held at least a year), short-term purchases (securities sold within a year), trading (securities sold within 30 days), and other strategies as detailed below.

Investing in securities involves risk of loss and clients should be prepared for this risk of loss when investing. There is an old mantra in the academic investing world that says the more you stand to gain, the larger the risk of loss from that effort. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. Investing in indexes, like the S & P 500 and NASDAQ 100 has a history of risk and loss as detailed in our discussion of our advisory business in Item 4 above – you must read all the pages of item 4 before you invest any money with us or with anyone else. Leveraging a position to get two times the kick, as we do, amplifies the volatility of the S & P 500 and NASDAQ 100 providing twice the potential gain and twice the potential loss.

We attempt to achieve market performance for our clients. I am also providing market timing for mutual funds and stocks in an attempt to out-perform that market return. The type of timing we do depends on the best fit for the client and academic consensus which relies heavily on indexing as an investment strategy and leverage of that indexing. Timing is based on technical analysis. It can range from buying and holding a sector or index to using technical indicators to determine entry and exit positions. It can also include using my discretion after the technical indicators are viewed to factor in any number of peripheral considerations to determine entry and exit positions.

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Continuation Page 1 for item 8

Choosing a stock should be part of an integrated approach that focuses on the overall portfolio construction process. Stock selection, portfolio construction, and market monitoring are three important aspects of one's stock selection methodology. We continue to recommend that stock purchases be limited to those stocks with an earnings per share rank and a relative strength rank of 80 or above on a scale of 1 to 100. It is also strongly recommended that the stock be sold if either ranking falls below 70. Dividend paying stocks need to be evaluated a little differently, but still against that background.

To achieve market performance, we also strongly recommend using indexing and enhanced indexing to follow academic consensus to achieve one's financial goals. Over the last twenty years, academics have had a dismal, losing record (since the crash of 2000). ETFs purchased through Charles Schwab may be a good way to purchase leveraged index funds such as those offered by Guggenheim and Pro Funds. The need for unlimited switching and easy entry and exit are high on our investment criteria list along with transparency.

We use a core and satellite strategy to our investing. Our recommended core positions are usually enhanced index funds (or basic index funds). These should achieve market performance with the leveraged position providing above average market performance in our core position. Our satellite position is usually a variation of a rate of change timing strategy designed to keep that portion in the hottest sector depending on a constellation of technical indicators. Holding a particular sector for a long or longer term is also within our range of options given the market environment and tax considerations. We have found that we can out-perform the market averages in the satellite position but cannot overcome the leveraged (e.g. the 200% leveraged) core position with consistency. Our thinking currently has shifted to using the satellite position for tax harvesting if traded aggressively per client instructions, or portfolio cushioning with a longer term horizon and long-term capital gains tax advantages (e.g. positioning in biotechnology in light of the aging U.S. population).

After the 2007 to 2010 bond debacle, following the lead of Marilyn Cohen, there are just 7 bond categories we consider safe right now: Pre-Refunded Bonds, General Obligation Bonds, Revenue Bonds with a Secondary Repayment Source, Essential Service Revenue Bonds, First Mortgage bonds, Senior Secured bonds and Unsecured Bonds.



Item 9

Disciplinary Information

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 of an expense. Rather than pass that fee on to clients, we ended our relationship at the end of 2013.

**B & A Sector Watch** and our investment advisor representative, Bob Benkovich, has arrangements with Guggenheim Funds and Pro Funds which involves trading authorization for specified clients who own shares or investments with these companies. Neither **B & A Sector Watch**, nor Bob Benkovich, nor any related person, is a general partner in any partnership in which clients are solicited to invest.

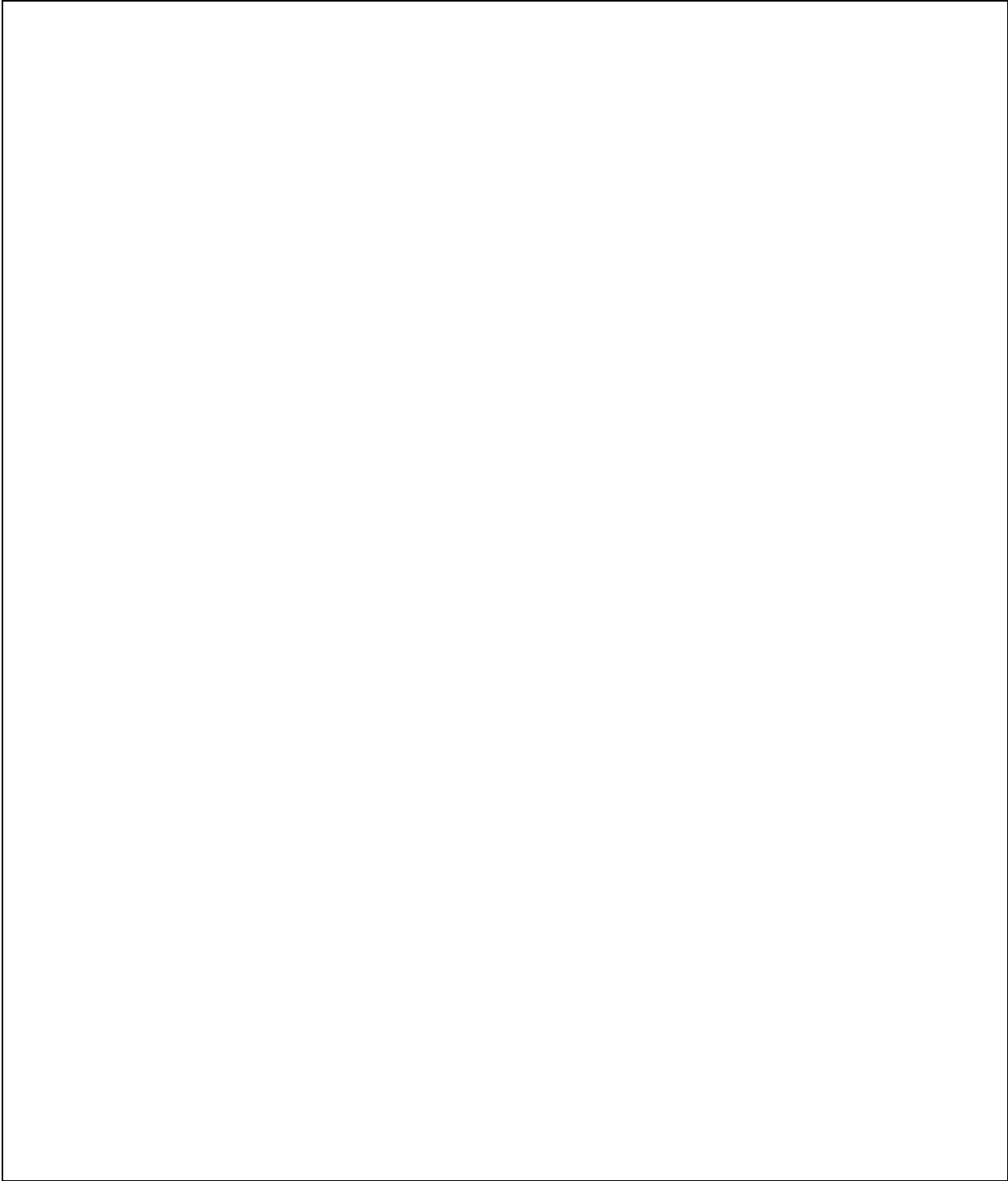
Our investment advisor representative, Bob Benkovich, does prepare income tax returns as a business through the entity **Bob Benkovich, LLC**. Our investment advisor representative, Bob Benkovich, does sell life and health insurance and annuities as a business through the entity **Bob Benkovich, LLC**.

Bob Benkovich does manage private family trust accounts for his five children.

**B & A Sector Watch** does recommend no-load mutual funds to clients along with their exchange traded fund counterparts. We receive NO compensation of any kind in doing so from these companies. It is strongly felt that no-load fund companies keep more of the investment dollars working for the client. We Like Guggenheim and Pro Funds especially because they provide leveraged funds and because they permit unlimited switching of shares. It is strongly felt that daily switching, if necessary, can provide enhanced profit making opportunities in certain circumstances, tax considerations aside.

We can use just about any brokerage firm, such as Vanguard, Fidelity, Charles Schwab, etc. for clients who choose stocks or ETFs as an exchange traded vehicle. We receive NO compensation of any kind in doing so. The basis for using any custodian is service, a low commission structure along with the peripheral services available for clients. It is felt the low commissions keep more of the investment dollars working for the client. There are other custodians out there that we are prepared to use if the client has a preference.

In trying to time the market, our investment advisor, Bob Benkovich, has been and does tend to get pushed out of mutual fund families with limited (and to us, restrictive) switching policies because of frequent trading. Bob is comfortable, for example, with sixty-five mutual fund switches per year if he has to time the market for a client under certain circumstances. The extra trades to him mean enhanced profit making opportunities. Many fund families typically allow three to six (depending on the fund) trades per year, enforcing their house rules with redemption fees if one stays in for less than a certain number of days. We like to avoid most funds with these policies and trading restrictions. Our goal is to incur no charges from the fund families we choose to invest or trade in while also still maintaining various sector alternatives and strategies at our end. Similarly with stock trading, the cheaper the commission is, the better the deal for the client over the long run. Dividend stocks, of course, are an entirely different consideration.



Item 11 Code of Ethics, Participation or Interest in *Client* Transactions and Personal 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.





At **B & S Sector Watch** we can work with just about any broker-dealer should the client have a personal preference for any reason.

Many of our client accounts are at *Guggenheim Investments*. We also like *Pro Funds*. We get no fees from using *Guggenheim* or *Pro Funds* of any kind. As already mentioned, other brokers such as Vanguard Brokerage, E-Trade, Fidelity, Charles Schwab, Interactive Brokers, Options Xpress, TIAA-CREF, Merrill Edge, and Scottrade may even be a better fit for a client. These possible alternatives just complete a laundry list of the top brokers a client would be looking at for custodial broker services.

We receive no soft dollar benefits and no research or other products or services other than the execution of the trade from *Guggenheim*, *Pro Funds* or any other associated third party. We do not cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft-dollar benefits. We do not receive or use soft dollar benefits to service clients' accounts. We do not receive any products or services from the client paying brokerage commissions. We do not receive any client referrals from any broker-dealer or third-party in the financial services industry.

We do not aggregate orders for the purchase or sale of securities for various client accounts. Annual IRA maintenance fees are charged by many custodians and brokerages. They generally average around \$15 a year and are usually deducted by the custodian near year end. *Guggenheim* and *Pro Funds* do charge an annual IRA maintenance fee.

Item 13      Review of Accounts

At **B & A Sector Watch**, we review client accounts and account information and strategies in writing about every two years. The reviews are personally done by our registered investment advisor representative, Bob Benkovich.

We do NOT charge for these reviews.

We are not financial planners.



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.

At **B & A Sector Watch** we do not have custody, at any time, of client funds or securities.

The broker selected by the client sends quarterly, or more frequent, account statements directly to the client. The client will receive account statements from the broker-dealer, bank, or other qualified custodian and the client should carefully review these statements.

Account daily balance statements are sent to each client by **B & A Sector Watch** for the purpose of documenting the calculation of the advisory fee at the end of each quarter. Clients are urged to compare the account statements they receive from the qualified custodian with those they receive from us.



At **B & A Sector Watch** we do accept discretionary authority to manage securities accounts on behalf of clients through the limited power of attorney form the client fills out with the broker.

As a result of this limited power of attorney, we can choose, without specific client consent, the securities to be bought or sold, the amount of securities to be bought or sold and the timing of such a trade unless the client directs us otherwise over the phone or in writing. We cannot choose the broker or dealer to be used without the consent of the client nor can we choose the commission rates to be paid, as these are set by the broker.



Item 17 Voting *Client* Securities

We at **B & A Sector Watch** do not have, nor will we accept, authority to vote client securities. Clients will receive their proxies or other solicitations in the mail directly from their custodian. Clients can contact our registered investment advisor representative, Bob Benkovich, with questions about a particular solicitation at any time by calling us at 1-775-847-0774 or toll free at 1-888-219-1119.



Item 18 Financial Information

At **B & A Sector Watch**, we do not require prepayment of more than \$500 in fees per client, six months or more in advance. All fees are charged after the end of the current quarter. Clients receive a statement from us at the end of each quarter detailing their daily account balances, their highest daily account balance for the past quarter, their average daily account balance for the past quarter, their management fee rate, and their management fee due along with the agreed upon method of payment before any fee is deducted or becomes due. See *Item 5 Fees and Compensation* for our management fee rates.

A Schedule G balance sheet is NOT provided with this ADV.

Our IRS Employee Identification Number is 88-0424268 for income tax purposes.

**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.

Registered Investment Advisor Representative for **B & A Sector Watch** and **Bob Benkovich, Market Timing Services** since their inception in 1999. **Bob Benkovich, Market Timing Services** now merged into **B & A Sector Watch**. 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 their 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.

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### 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

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.