



Form ADV, Part 3  
CRS: Relationship Summary

February 17, 2021

### **Item 1 Introduction**

Moneywatch Advisors (MAI, Inc) is registered as an investment advisor with the U.S. Securities and Exchange Commission. Registration as an investment advisor does not imply a certain level of skill or training. It is important for clients/potential clients to understand that Investment advisory services and fees differ from those of brokerage services.

#### **“Is an Investment Advisory Account Right for You?”**

There are different ways you can get help with your investments. You should carefully consider which types of accounts and services are right for you.

We are an investment adviser and provide advisory accounts and services rather than brokerage accounts and services. This document gives you a summary of the types of services we provide and how you pay. Please ask us for more information.

Please reference the below websites for additional information.

Securities Investor Protection Corporation <https://www.sipc.org/>

FINRA <https://www.finra.org/investors#/>

Free and simple tools are available to research firms and financial professionals at <https://www.investor.gov/CRS>.

The site provides educational materials about broker-dealers, investment advisers, and investing.

### **Item 2 Relationships and Services**

#### **What investment services and advice can you provide me?**

Moneywatch Advisors (MAI, Inc.) provides investment advisory and financial planning services to clients. We provide continuous advice on investments consistent with a client's individual needs and financial objectives. We do not provide brokerage services.

**Monitoring** – As a standard service we monitor all client investments on a continual basis, rebalancing quarterly when appropriate or more frequently if a need arises.

**Investment Authority** – We accept discretionary authority on all client assets unless a client has previously given alternate instructions to buy, sell or hold a security.

**Limited Investment Offerings** – We do not offer proprietary products. Our current investment recommendation consists of open and closed-end mutual funds from several different mutual fund families. We are limited to the mutual funds offered by the specific custodian.

**Account Minimums and Other Requirements** – Our minimum fee is \$400 annually. Client fees are negotiable.

Moneywatch Advisor’s approach to managing a client’s investment assets is to determine the client’s needs in terms of income (cash flow), preservation of capital and capital appreciation. We recommend an appropriate investment strategy which dictates how the investment assets are to be divided between income and growth investments.

Every client is treated on an individual basis. Some are retired, some are rich (having far more money than they will need to satisfy their goals), and others are in the wealth accumulator mode. Young or mature, rich or an accumulator, all clients are treated appropriately with respect to their personal financial situation.

We manage investment capital on a long-term basis and avoid short term trading.

Investment capital consists of monetary assets including cash, checking and savings accounts, bonds, annuities, CDs, insurance cash value, common & preferred stock, equity and bond funds, investments in 401k, 403b and other employer retirement plans, investment real estate, exchange traded funds, unit investment trusts, company stock options, etc.

Please refer to our ADV Part 2A for additional information.

<https://moneywatchadvisors3.advisorwebsite.com/sites/default/files/users/moneywatchadvisors3/2020%20ADV%20Final%20Version%202020-03-03.pdf>

**Conversation Starters:** “Given my financial situation, should I choose an investment advisory service? Why or why not?” “How will you choose investments to recommend to me?” “What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?”

### **Item 3 Fees, Costs, Conflicts, and Standard of Conduct**

#### **What fees will I pay?**

We charge a quarterly fee of one quarter of one percent (0.25% each quarter for a total of 1% annually) of the client’s total investment capital, as previously defined, and which is paid quarterly in advance. It does not matter whether we have discretion over the assets, whether the assets are liquid, or whether they are held in a 401k or 403b plan, or a bank or credit union. Fees are negotiable, so if a client believes an asset should be excluded from the calculation, we listen and negotiate. Moneywatch Advisors does NOT receive any other form of compensation, such as performance-based fees or transactions-based compensation/commission.

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A conflict of interest can arise if our firm has an incentive to encourage an investor to increase assets in their account as this would increase the advisory fee.

**Description of Other Fees and Costs** – Other fees such as custodian fees, account maintenance fees, fees related to mutual funds, annuity products and transactional fees may be charged by third parties. We have no control over these fees and do not benefit from them in any way.

When given a choice, we go with the least expensive and most appropriate options.

You will pay fees and costs whether you earn or lose money on your investments. 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.

**Conversation Starters:** “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?”

“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?”

#### **Standard of Conduct**

**When we act as your investment advisor**, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

Investment Allocation – gains & losses may vary based on amount of risk we believe you can afford to take.

We do NOT recommend proprietary products, accept third-party payments, participate in revenue sharing or principal trading.

**“How do your financial professionals make money?”**

Employees are paid a salary which is directly related to their productivity.

#### **Item 4 Disciplinary History**

**Do you or your financial professionals have legal or disciplinary history? No.**

Please visit investor.gov/CRS for a free and simple search tool to research all financial professionals.

Conversation Starter: “As a financial professional, do you have any disciplinary history? For what type of conduct?”

#### **Item 5 Additional Information**

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A copy of our Relationship Summary can be found here.

</sites/default/files/users/moneywatchadvisors3/Relationship%20Summary.pdf>

Or you can call the office to request a copy, 859-268-1117.

**Conversation Starters:** “Who is my primary contact person? Is he or she a representative of Moneywatch Advisors? Who can I talk to if I have concerns about how this person is treating me?”