



Proactively Addressing Integrity Risk

Benchmark's "Enhanced Integrity" Manager of Managers Services

Benchmark Financial Services, Inc. is an investment advisor registered with the United States Securities & Exchange Commission which provides "enhanced integrity" asset management, fiduciary consulting and investigative services to institutions, law enforcement, regulators and wealthy individuals.

Our asset management program was developed in response to investor concerns regarding investment manager stewardship and the demand for an integrity monitor to be embedded, on an ongoing basis, into the asset management process. For many investors, this new paradigm is preferable to traditional approaches that limit heightened scrutiny to due diligence and forensic investigations.

As a manager-of-managers, we allocate investment capital among a variety of other managers, each characterized by demonstrable skill in a particular asset class or investment strategy. Our "enhanced integrity" asset management services focus on rigorously scrutinizing and selecting independent third-party money managers to manage the designed investment strategy we have developed. We then closely monitor

the investment performance of the managers to whom we have allocated assets. Unlike other managers of managers, we serve as a uniquely qualified resource to the managers in our programs regarding ethical business practices and regulatory compliance.

"Enhanced Integrity" Defined

"Enhanced integrity" refers to the proprietary heightened due diligence and monitoring methodology that Benchmark utilizes to reduce risk and increase returns. We know from our decades of experience as experts investigating the money management industry that breaches of fiduciary duty by money managers and others involved in the investment management process result in substantial, quantifiable harm. That is, conflicts of interest, unethical business practices, and undisclosed compensation arrangements that are pervasive throughout money management, will undermine the integrity of an investment process and detrimentally impact performance over time.

Our role is to serve as an "integrity monitor" both protecting client assets from industry malfeasance and promoting manager stewardship.

The Leader in Money Management Investigations for 25 Years

- Identifying money management and securities industry abuses
- Working with regulators, self-regulatory organizations and law enforcement for uncompromised investor protection
- Promoting transparency and heightened industry conflict of interest disclosure
- Collaborating with major media to build public awareness of the dangers of investing

Our manager-of-managers programs are unique in offering our "enhanced integrity" oversight. Our manager-of-manager clients benefit for our decades of forensic due diligence and investigative experience—experience that no other manager-of-managers possesses.

“There simply is no other firm that has been so consistent in identifying money management wrongdoing and anticipating regulatory developments.”

The Leader in Money Management Investigations for 25 Years

For over 25 years, Benchmark and its founder, Edward Siedle, have pioneered the field of forensic investigations of money management and have conducted high-profile high-risk investigations worldwide involving in excess of \$1 trillion in assets under management. As a result of our early focus on asset management abuses and the intense scrutiny we are uniquely qualified to provide, the firm has the most extensive track record of successfully investigating the money management industry available. There simply is no other firm that has been so consistent in identifying money management wrongdoing and anticipating regulatory developments.

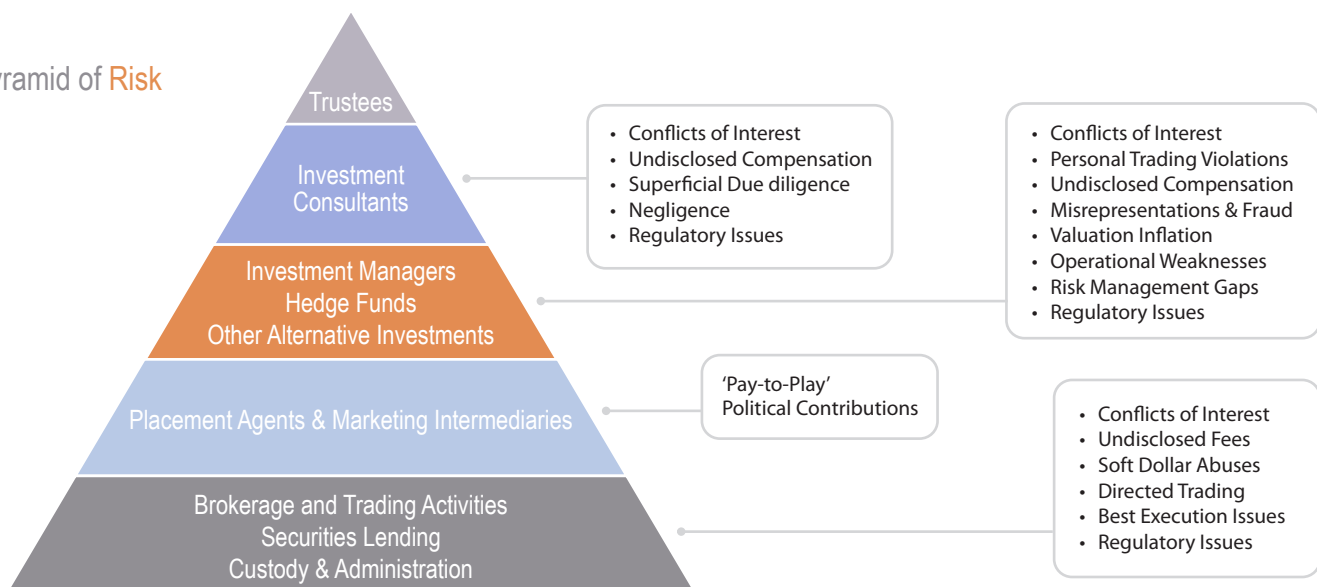
Our historic representation of institutional investors with substantial assets managed by external investment advisors has allowed us, in connection with our due diligence and monitoring, enhanced access to public and non-public information regarding professional money managers.

Working frequently with regulators and law enforcement, the firm has the most substantial body of specialized knowledge regarding investment management abuses available outside of governmental organizations. Our groundbreaking investigations have had a profound impact upon the management of institutional assets and have helped redefine the investment consulting industry. Our investigative focus enables

us to anticipate emerging fiduciary concerns and regulatory developments, in addition to adhering to existing standards.

Most firms offering money management due diligence services lack meaningful investigative credentials and largely rely on the information provided by the managers themselves. Benchmark has the most seasoned team of investment management investigators available. Our “enhanced integrity” approach involves the heightened scrutiny that only a team of nationally recognized experts in investment management/securities industry business practices and regulation, combined with former senior intelligence, law enforcement and financial services executives can bring.

A Pyramid of Risk



Manager of Managers (MOM) Programs

There are three ways for an institutional or high net worth investor to manage its investment programs. First, if they possess core competency in-house, they can do it themselves. Second, they can hire a broker, consultant or other intermediary, who in turn helps them select a line-up of investment managers but may resist acceptance of fiduciary status. Third, the investor may hire a MOM to select and monitor multiple managers.

Hiring a MOM involves significant additional unique risks and costs. MOMs and other intermediaries generally lack demonstrable due diligence investigative track records and inflate their due diligence and monitoring capabilities. Further, since hiring a MOM involves an additional layer of fees, only MOMs that add ongoing value to the investment management process should be considered. Deficiencies at the MOM level can be more harmful to overall investment performance than those affecting any single underlying investment manager participating in the program. Intense scrutiny of the MOM is normally required to ensure risk reduction is achieved. Finally, MOMs may be subject to undisclosed conflicts of interest that taint their manager selection process. These are some of the very conflicts of interest that Benchmark has pioneered investigating for decades -- conflicts that Benchmark has shown (and governmental studies confirm) clearly undermine investment performance.

Benchmark Offers a New Paradigm

Benchmark is unique in applying its heightened scrutiny "enhanced integrity" approach to MOM investing. Our approach of embedding an integrity monitor with 25 years of investigative expertise into the asset management process is a new paradigm. The value we add is substantial and readily apparent.

Rather than develop an extensive portfolio management organization in-house, we retain objective third-party investment managers to manage and advise us on security selection. These are independent, professional fund managers whose core competency is evaluating and identifying investments and whose integrity we have reviewed.

In addition to investigative due diligence, our core competencies include identifying managers we believe are most likely to outperform; combining those managers into portfolios designed to beat a specific benchmark; and monitoring the managers and portfolios to ensure they stay on track to meet investment objectives. An overlay of administration and technical services connect into a seamless package.

Among its other benefits, a MOM program can offer access to investment firms not otherwise available and a single efficient source of diversification across multiple managers, various asset classes and different investment styles.

Benchmark offers customized MOM programs involving traditional, emerging and hedge fund managers.

Emerging and Minority Multi-Manager Program

Since the early 1990s many emerging and minority multi-manager programs have been established utilizing widely divergent manager selection criteria. Some programs offer to target managers by location, type of ownership or other considerations, based upon client preferences. The goals of such programs have been described as providing access to smaller firms with superior performance and increasing minority and women participation in pension asset management.

Our "enhanced integrity" approach to investing with emerging and minority firms addresses weaknesses related to existing programs we have observed over the years through our investigations. Our investigative and due diligence skills ensure that the structure and performance of our program will be consistent with investment-related criteria, uncompromised by political or other considerations. Our program also offers emerging and minority managers a unique resource to assist in their development.

Hedge Fund of Funds

As the recent spectacular failures in third party hedge fund due diligence demonstrate, investors need "enhanced integrity" oversight to protect them from fraud and operational risks related to hedge funds. Our hedge fund of funds program was created to address weaknesses related to these programs for those investors committed to investing in such funds. As testifying experts in the Madoff litigation, we know that hedge fund of fund managers regularly claim to provide impressive (and unrealistic) levels of scrutiny of the managers participating in their programs. Unfortunately, without meaningful investigative experience related to even traditional investment managers, such firms cannot adequately review and monitor the integrity of less regulated managers employing esoteric investment strategies. Given the heightened risks related to these managers, "enhanced integrity" due diligence and monitoring is critical to a prudent investment program.

Groundbreaking Investigations of the Money Management Industry*

1988	<ul style="list-style-type: none"> Mutual Fund Portfolio Manager Personal Trading Whistleblower
1995	<ul style="list-style-type: none"> Pension Consultant Conflicts of Interest
1997	<ul style="list-style-type: none"> Soft Dollar Trading Abuses
1998	<ul style="list-style-type: none"> SEC "Sweep" Investigation of Soft Dollar Brokerages
2000	<ul style="list-style-type: none"> Money Manager Devices to Avoid Disclosure of Violations Venture Capital Practices
2001	<ul style="list-style-type: none"> 401(k) Plan Dangers Hedge Fund Fraud
2002	<ul style="list-style-type: none"> Publication of The Siedle Directory of Securities Dealers Documents Brokerage Industry Disciplinary Under-reporting Actuarial Limitation of Liability Collusion Public Pension Pay-to-Play
2003	<ul style="list-style-type: none"> Study of Investment Advisory Fees Documents Excesses "Most Favored Nation's" Violations Mutual Fund Industry Abuses- Spitzer Alternative Investments Valuation Inflation Emerging Manager Fraud
2004	<ul style="list-style-type: none"> Florida Public Pension Abuses Public Pension Class Action Law Firm Marketing Schemes
2005	<ul style="list-style-type: none"> PBGC/GAO: Industry Conflicts Contribute to Pension Failures SEC/DOL Staff Investigation of Pension Consultant Conflicts Health Insurance Trust Conflicts
2006	<ul style="list-style-type: none"> 457 and 403(b) Plan "Shadow" Marketing; Endorsements DOL "Independent Fiduciary" Conflicts
2007	<ul style="list-style-type: none"> Benchmark as Lead Plaintiff NASD Proxy Fraud case.
2008	<ul style="list-style-type: none"> Pension Hedge Fund Overload Best Execution in Securities Lending
2009	<ul style="list-style-type: none"> Madoff-Related Investigations/Expert Testimony
2010	<ul style="list-style-type: none"> "Wrap Account" Hidden Trading Costs

*Contemporaneous articles and other information relating to the above investigative initiatives can be found both in our Library of Articles at www.benchmarkalert.com and through online searches. In most instances, we are able to provide additional information to existing or prospective clients interested in issues raised in these investigations.



photo: Edward Siedle testifies before The United States Senate Committee on Banking, Housing, and Urban Affairs.

The Founder

Benchmark was founded by Edward Siedle, a former SEC attorney and internationally recognized expert in the money management and securities industries. The media has referred to Siedle as "the Pension Detective" and he writes a "Financial Watchdog" column for Forbes magazine. He has testified before the Senate Banking Committee regarding the mutual fund scandals and the Louisiana State Legislature regarding pension consultant conflicts of interest.

He is a testifying expert in various Madoff litigations. Articles about him have appeared in publications including Time, BusinessWeek, Wall Street Journal, The New York Times, Barron's, Forbes, USA Today, Boston Globe, and Institutional Investor. He widely lectures and has appeared on CNBC, Wall Street Week, Fox Business News and Bloomberg News. He was born Edward Ahmed Hamilton Siedle in Trinidad, British West Indies and has lived in Trinidad, Venezuela, Panama, Peru, England, Uganda, Egypt and the United States.

Benchmark is a 100% minority-owned business enterprise or "emerging" firm.

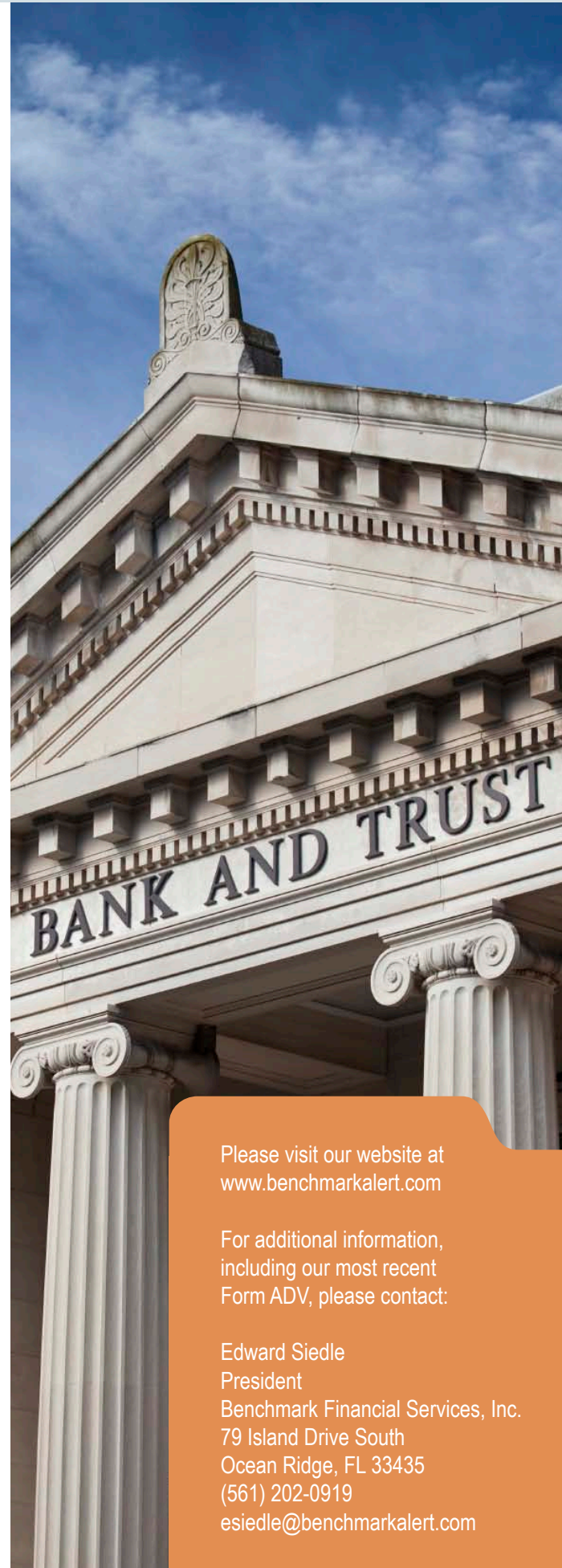
The Center For Investment Management Investigations

The investment management industry has changed dramatically in recent years. Global markets are becoming more integrated and accessible and investment strategies once available only to institutions on a limited basis, many involving unregistered non-traditional managers, are now commonplace. Investigating and monitoring manager integrity and performance is more critical and challenging than ever. At times a multi-disciplinary approach to due diligence may be warranted.

In 2004, Benchmark created the Center for Investment Management Investigations (CIMI) to serve as a resource to both institutional investors seeking expertise in money management investigations and professionals offering expert services. Creation of CIMI expanded Benchmark's focus from investigations on behalf of defined benefit pensions to include defined contribution plans and retail products such as mutual funds and variable annuities. Since then, expert firms have contacted CIMI regarding their capabilities or to share information regarding potential investigations.

In 2009, Benchmark created an Advisory Board consisting of experts in asset management, consulting, law enforcement and retirement plan regulation. Benchmark also entered into a supplemental due diligence arrangement with Forensic Investigative Associates (FIA), the investigative and risk management arm of T&M Protection Resources, LLC, a company with over 4,000 employees and annual revenue of over \$120 million. Key members of the FIA team include former senior law enforcement, FBI, Secret Service, and CIA professionals.

In addition to its investigative activities, FIA is an approved member of the International Association of Independent Private Sector Inspector Generals (IPSIG) and has extensive experience as a compliance monitor in the financial services, health care, carting and construction industries.



Please visit our website at www.benchmarkalert.com

For additional information, including our most recent Form ADV, please contact:

Edward Siedle
President
Benchmark Financial Services, Inc.
79 Island Drive South
Ocean Ridge, FL 33435
(561) 202-0919
esiedle@benchmarkalert.com