

Item 1- Cover Page

Sergey Perminov
Beneficial Investment Management

Stock Markets Institute
4281 Express Lane Suite L4538
Sarasota, FL 34238
(727) 369 6893

January 5, 2015

This Brochure Supplement provides information about Dr. Sergey Perminov that supplements the Beneficial Investment Management Brochure. You should have received a copy of that Brochure. Please email us at contact@beneficial.com if you did not receive the Brochure or if you have any questions about the contents of this supplement.

Business address: Udaltsova Street 52, office 1402, Moscow, 119607 Russia

Item 2- Educational Background and Business Experience

Dr. Sergey Perminov (born in 1948), received a Ph.D. in Computer Modeling of Economic Agent Interactions from Novosibirsk State University, Russia, in 1974. He founded Stock Markets Institute in 2002 and has since served as its President and Chief Investment Officer.

From 1971-1984, Dr. Perminov was employed as a researcher at the Institute of Mathematics in Novosibirsk, Russia. He earned a Ph.D. from the Russian Academy of Sciences in 1974. From 1978-1984, he was a Professor at Novosibirsk University where he lectured on “Computer Simulation Technologies”. From 1984-1989, Dr. Perminov was the Director for the Institute for Economics of Technological Development in Moscow. His work helped Russia prepare for a free market economy.

From 1988-1989, Dr. Perminov was a Research Fellow at the International Institute for Applied System Analysis in Luxenborg, Austria where he created mathematical models for manufacturing in various industries. From 1990-1994, he was a Director of a consulting firm known as Manufacturing Networks, Inc. where he worked with a professor at the Harvard Business School to develop plans for restructuring manufacturing enterprises in various Eastern European countries.

From January 2003 until September 2003, Dr. Perminov served as an expert for the United Nations Industrial Development Organization. His work related to electronic commerce in Russia and Eastern Europe.

Dr. Perminov has been a Professor at the Mathematics & Economics Institute since 1990. From 2001-2010, he lectured on “Stock Market Analysis” and “Information Technologies” at Moscow State University. Dr. Perminov has authored numerous books and papers on mathematical modeling in economics and technological forecasting.

Dr. Perminov incorporated SMI in 2002 under Delaware law. SMI’s office is located at Udaltsova Street 52, office 1402, Moscow, 119607 Russia. In 2003-2004, SMI led a project for the U.S. Agency for International Development known as “Information and Communication Technologies as Drivers of Economic Development in Post-Communist Countries”.

Item 3- Disciplinary Information

On September 21, 2012, a consent order was entered in an administrative proceeding initiated by the Securities & Exchange Commission (the “SEC”) on the same date, which proceeding is styled *In the Matter of Stock Markets Institute, Inc. and Sergey Perminov, Administrative Proceeding File No. 3-15038*. The SEC alleged that the Dr. Perminov and SMI violated Sections 206(2) and 206(4) of the Investment Advisers Act of 1940, and Rules

206(4)-1(a)(2) and (5) thereunder. The SEC alleged that in 2009 SMI's website misrepresented the performance of the recommendations made by two of its newsletters in fiscal 2008. In the consent order, SMI and Dr. Perminov (a) agreed to cease and desist from violating Sections 206(2) and 206(4) of the Investment Advisers Act of 1940, and Rules 206(4)-1(a)(2) and (5) thereunder in the future, (b) were censured, (c) agreed to pay monetary penalties of \$75,000 and \$40,000, respectively, and (d) agreed to hire an independent consultant to perform an annual compliance review as of December 31, 2012 and 2013, to provide the SEC with a copy of the independent consultant's report, and to adopt any recommendations of the independent consultant.

In compliance with the SEC consent order, SMI has retained services of an independent compliance consulting firm that has since been assisting SMI with establishing internal procedures and controls to ensure the accuracy of SMI's representations regarding the performance of its trading recommendations to any investor or potential investor, including those on its website. The independent compliance consulting firm has also performed annual reviews of SMI's internal controls, policies and procedures, performance representations, and advertising materials for compliance with the Advisers Act. Monetary penalties levied on SMI and Dr. Perminov have been paid to SEC in full.

Item 4- Other Business Activities

Dr. Sergey Perminov is not engaged in any other investment-related business or occupation.

Item 5- Additional Compensation

Dr. Sergey Perminov does not receive any additional compensation.

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Ekaterina Perminova
Beneficial Investment Management

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Item 2- Educational Background and Business Experience

Ekaterina Perminova (born in 1975), received a B.A. in Investment Management from University of Wisconsin (1996) and an M.B.A. from University of St. Gallen, Switzerland (2001). She joined Stock Markets Institute in 2012 and currently holds the Chief Compliance Officer position. Prior to SMI she served as VP Business Development at a privately held mobile software development company, preceded by seven years in investment banking and corporate finance with Robertson Stephens, Raiffeisenbank Austria, Andersen and Ernst & Young.

Item 3- Disciplinary Information

Ekaterina Perminova has not had any disciplinary issues to be reported.

Item 4- Other Business Activities

Ekaterina Perminova is not engaged in any other investment-related business or occupation.

Item 5- Additional Compensation

Ekaterina Perminova does not receive any additional compensation.

Item 6 - Supervision

Ekaterina Perminova is supervised by Dr. Sergey Perminov, President and Chief Investment Officer, he can be contacted at (727) 369 6893.