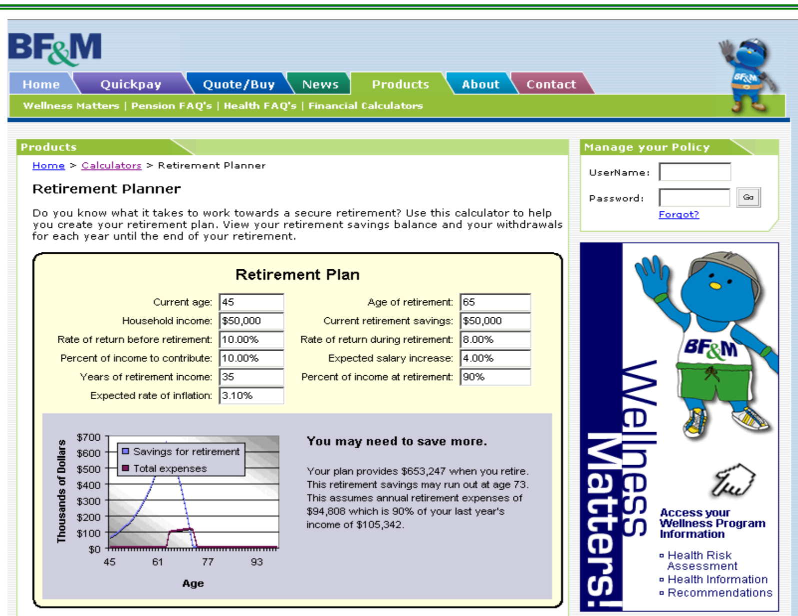
BF&M pension matters

GOLDEN ACCUMULATOR RETIREMENT PLAN **Newsletter 2nd Qtr 2008**

The BF&M Golden Accumulator SEG Plan is invested in a select number of top ranked mutual funds from world recognized fund companies. The funds have been selected for diversification to provide stability. This is achieved by blending a mix of growth and value style investments, from both large and smaller companies. In addition, the funds are strategically weighted for U.S. and international exposure based on their expected economic performance. Over the first six months of this year, all of the funds and risk profiles in the SEG Plan delivered better performance than their respective indexes. This has also been true over the last year for the most part.

The financial markets over the last twelve months have been undergoing a period of unprecedented turmoil. The downward slide that started last summer in the equity markets continued this year. Investment returns in bonds then turned lower in the second quarter of 2008. U.S. stock markets have declined over 10% since the beginning of the year. International stock markets were more severely affected, some down 20%, due to the drag of their strong currency along with soaring commodity and food prices. Whereas bond returns were higher in the first three months of this year, they declined in the last three months. So, over the first half of this year, they contributed only 1-2% in investment return. Currency changes were not a major factor either, as the dollar was little changed by the end of the period despite its slide last year.

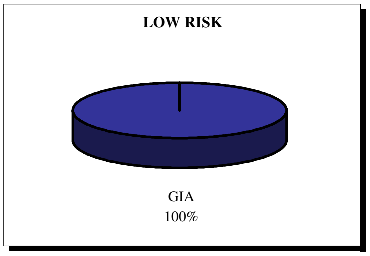
The Guaranteed Interest Accumulator provided a solid underpinning to the various risk profiles. The worst performing fund was the deep value Mutual Beacon Fund. The value indexes were dominated by financial companies whose shares collapsed. The Mutual Beacon is under review for replacement, in order to shift the emphasis to larger US corporations. The Vontobel Fund was also under pressure due to its value emphasis. The growth-orientated Franklin US Opportunities Fund and the MFS Research International Fund did better than the market due to their focused stock selections. This should also help with returns going forward.

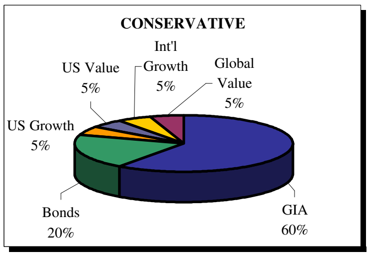


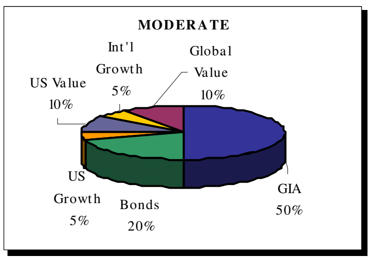
WEB ALERT

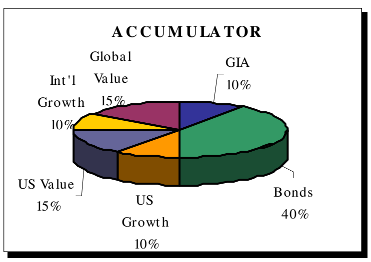
BF&M On-line Financial Calculators make it easy to see how your dollars will pile up. The Calculators are available to anyone who can access the internet. Go to the www.bfm.bm website and click on "Financial Calculators". The link is on the first light blue line on the Home Page.

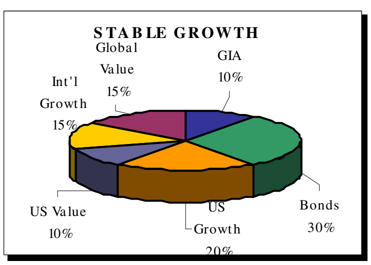
The Retirement Pension Planner calculator helps you determine if you will need to save more though your company pension plan. A 45 year old with $50,000 in their retirement plan would need to contribute $15,000 a year to have an annual inflation adjusted income of $50,000 through the age of 90.

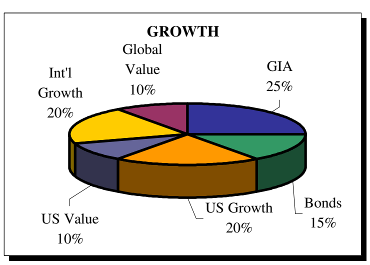


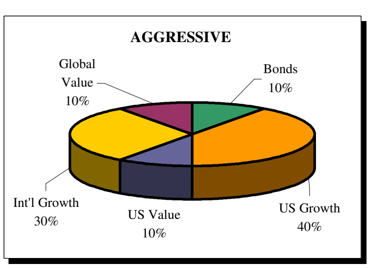












Golden Accumulator Retirement Plan

NORTH ATLANTIC
ASSET MANAGEMENT

Summary Performance - as of June 30th 2008 **SEG PLAN** REVISED 8/25

PERFORMANCE BY PROFILE		Annualized returns for 5 Yrs	3 Yrs	1 Yrs	For the Period of 6 Mos
Guaranteed Interest	Annualized	2.92%	3.72%	3.79%	1.65%
	Benchmark	2.92%	3.72%	3.79%	1.65%
Conservative Risk	Annualized	5.02%	4.38%	0.75%	-1.51%
	Benchmark	4.78%	4.09%	0.59%	-1.58%
Moderate Risk	Annualized	5.71%	4.65%	-0.96%	-3.10%
	Benchmark	5.32%	4.13%	-1.56%	-3.23%
Accumulator	Annualized	7.62%	5.32%	-4.01%	-6.27%
	Benchmark	7.03%	4.50%	-4.77%	-6.48%
Stable Growth	Annualized	9.12%	6.74%	-3.37%	-6.69%
	Benchmark	7.90%	5.31%	-5.73%	-7.35%
Growth Risk	Annualized	9.24%	7.31%	-3.04%	-6.14%
	Benchmark	7.88%	5.54%	-5.99%	-7.14%
Aggressive Risk	Annualized	12.28%	9.54%	-4.75%	-9.15%
	Benchmark	9.97%	6.71%	-10.26%	-10.99%

PAST & CURRENT FUNDS

PERFORMANCE BY FUND		Annualized returns for 5 Yrs	3 Yrs	1 Yrs	For the Period of 6 Mos
Guaranteed Interest	Account	2.92%	3.72%	3.79%	1.65%
NTB GIA	Index	2.92%	3.72%	3.79%	1.65%
MFS Strategic Inc/MS Global Bond	Fund	2.95%	1.12%	0.88%	-0.86%
Composite Index	Index	4.51%	2.95%	5.79%	0.45%
FT Mutual Beacon	Fund	6.40%	2.07%	-21.48%	-16.03%
S&P Value Index	Index	5.77%	0.53%	-22.40%	-17.27%
Vontobel Glb/ MS Glb Eq	Fund	12.73%	10.66%	-5.22%	-12.59%
EAFE/ MS World Indexes	Index	10.53%	7.75%	-13.04%	-12.70%
MFS Res Int'l/Putnam Intl	Fund	15.07%	14.81%	-7.82%	-9.73%
EAFE Index	Index	13.91%	10.11%	-13.04%	-12.70%
TFM US Aggr/MS US Sml Cap	Fund	13.24%	8.80%	0.44%	-8.21%
Russell 3000/ 2000 Grwth Index	Index	8.84%	6.19%	-8.45%	-10.56%

GIA Current Crediting Rate is 3.75%

Past performance is no guarantee of future returns. The value of the shares of the mutual funds held within each portfolio may go up as well as down and any income received may vary. Investments involves risk, disclosed in the fund prospectus, available upon request. Currency fluctuations based on the stocks and bonds owned within a fund also affects returns. Individual performance may vary based on the actual amount and timing of contributions. North Atlantic is licensed to conduct investment business by the BMA under the Investment Business Act of 2003.

Education Corner

Risk and return typically go together hand in hand; the more return, the more risk. Risk profiles are designed so that they have the potential for a level of return that helps compensate for the historic volatility, which is the measure of risk. High risk or volatility is where a fund value goes way-up and way-down. You will note that the aggressive profiles have the highest reported returns over the 5 year period, even after hitting the lowest low this period. The more conservative profiles protect the accumulated assets, but limit the amount of growth over the long-run. That is why the Aggressive Risk Profile is better for younger people. You should migrate toward the Conservative Risk Profile as you move closer to retirement.

For more assistance Contact BF&M financial advisors at 295-5566 x 2006, or call North Atlantic Asset Management Limited at 296-8288.