

*The year ends with a remarkable recovery, as stocks post one of the largest yearly increases in history.*



**Global markets came back from the brink of disaster**

in 2009, thanks to unprecedented rescue efforts by governments around the world. After stumbling over 30% by mid-March most global markets finished the year with double digit gains.

Investors were armed with cash that was put aside during the turmoil. They moved out of money markets into corporate bonds, high yield bonds and equities. The best performing markets in 2009 were the emerging markets which gained over 40%.

In the U.S., the Dow Jones Industrial Average and the S&P 500 finished the year up 19% and 24% respectively. Continued stimulus from the U.S. supported not only stocks but bonds too. Investors gained confidence that the worst was over. Record fund flows moved into corporate bonds, lifting prices and depressing interest rates.

In Europe, various country stock indices posted large returns as well. Stocks from previously

troubled banks were the main drivers of returns in the region.

In the final few months of the year investors focused on the financial health of several countries including Greece, Spain and the U.K. The concern was those economies may fold under the weight of heavy debt loads and increasing budget deficits.

Bond markets were mixed. US government bonds values declined by a record amount. Corporate bonds gained as investors sought a better interest rate. High yield and emerging market bond returns soared.

The dollar weakened against most currencies last year, as investors looked abroad. This helped earnings of large international companies.

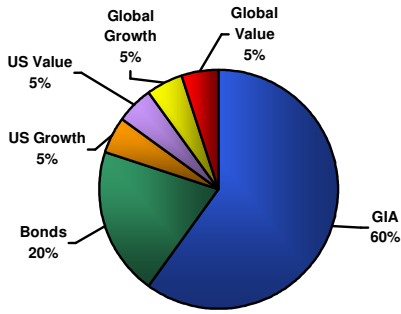
After last year's trauma politicians, regulators and finance executives vowed to reform the system to guard against another disaster. There has been little change so far. Investors returned to risky assets as risk avoidance was shed in exchange for returns.

**Going into the new decade,** the global economy is showing some signs of momentum, with most economists predicting a slow recovery.

Our view is that the easy money has been made, from ramping up risk again in 2009. Now investors are better off investing in solid companies with earnings and good dividend payments. These are more likely to do well even if the global economic recovery loses steam. The main focus should be on capital preservation and income rather than chasing uncertain returns in risky markets.

The range of likely outcomes for investments next year is more varied than usual. Equities could rise or have modest set-backs. Bonds could be impacted by inflation changes. So, there is a need to maintain a defensive posture to protect against downside risks.

**We are pleased to announce that North Atlantic Asset Management Ltd will be renamed BF&M Investment Services Ltd to better reflect our ties with BF&M. Call us at 296-8288 or e-mail: [investments@bfm.bm](mailto:investments@bfm.bm)**



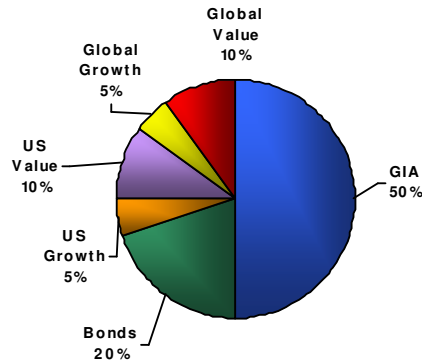
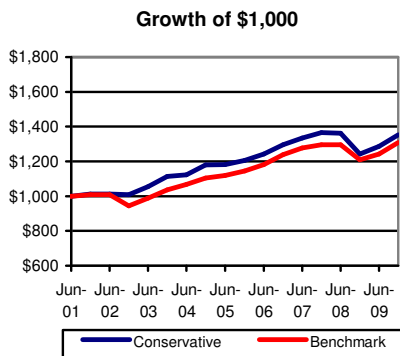
### CONSERVATIVE

For the six month period ending December 31st, 2009 this risk profile rose by 6.38%, beating its index which rose 5.70%.

The bulk of the strategy is in the GIA. The 60% allocation returned 1.24% in the six month period and is currently yielding 2.5% per year. With yields likely to rise in the later half of the year it is possible the yield on the GIA could begin to rise.

The Pimco Total Return Fund continued its strong performance over the past six months. It beat its index by 1.82% providing a return of 5.77%. The fund represents 20% of the profile and was once again the main driver of the profile's performance.

With 20% invested in equities through value, growth, US, and global funds the profile was able to capitalize on the strong rebound in the equity markets. All four funds used were up over 20% for the six month period.



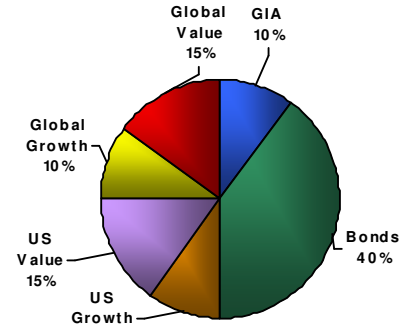
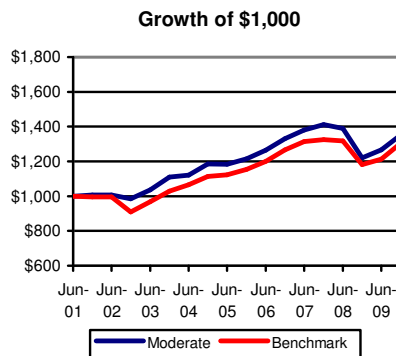
### MODERATE

For the six month period ending December 31st, 2009 this risk profile rose by 8.45%, beating its index which rose 7.70%.

The GIA continued to yield 2.5% per annum, providing investors in this profile with a 1.24% return for the period. This fund provided the stability of returns in this profile.

Equity funds were the main performance driver in this profile following the stellar returns in equity markets during the last six months of the year. Three of our equity funds in the risk profile outperformed their index by close to two percent, and provided returns in excess of 20%. The Pioneer fund was close to the benchmark due to its conservative strategy which we fully support.

The PIMCO Total Return continues to provide diversification while delivering positive performance. The fund provided a six month return of 5.77%.



### ACCUMULATOR

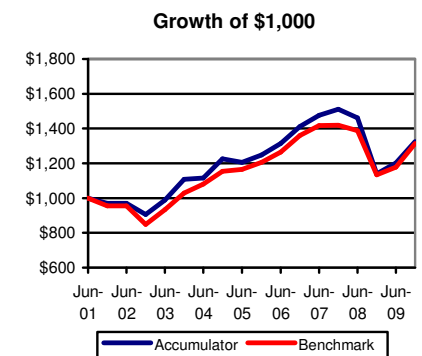
For the six month period ending December 31st, 2009 this risk profile rose by 13.72%, beating its index which rose 12.25%.

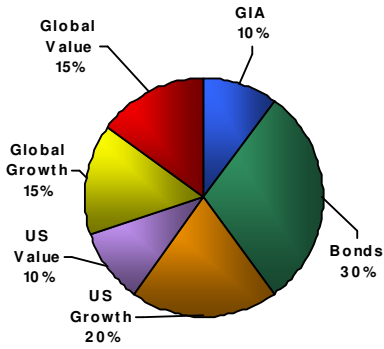
This risk profile is our balance profile with a 50:50 allocation between fixed income/cash and equities.

The GIA provided a 1.24% return during a time and 2.5% per annum, when deposit accounts yielded zero.

The PIMCO Total Return fund provides fixed income exposure and benefits from the flexibility to move between various fixed income classes such as government bonds, corporate bonds and mortgages. The fund returned 5.77%.

Equity funds are the main driver of performance, representing 50% of the profile. All of our funds saw 20% plus returns, as they captured a large part of the excellent rally in the global markets in 2<sup>nd</sup> half of 2009.





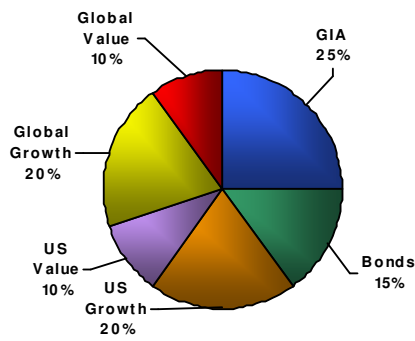
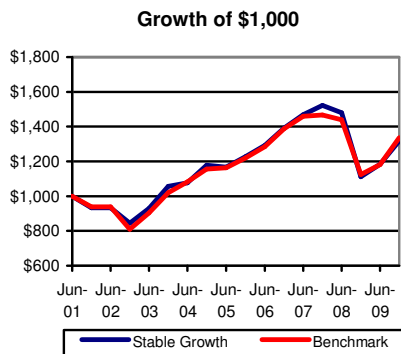
### STABLE GROWTH

For the six month period ending December 31st, 2009 this risk profile rose by 15.70%, beating its index which rose 13.95%.

A strong performance in the equity markets led this profile higher. With equities representing 60% of this risk profile, the continued recovery of equity markets in the second half of the year contributed the most to this risk profile's out performance.

Growth stocks always lead the way in a rising market and our two growth funds the Templeton Global and Templeton U.S. Opportunities funds both produced returns in excess of 24% for the period. The value funds proved to be resilient as well providing over 20% returns each for the six month period.

The GIA and PIMCO Total Return bond fund continued to act as the stabilizers of the profile. The GIA returned 1.24% which is 2.5% per annum, while the PIMCO fund generated an impressive 5.77%.



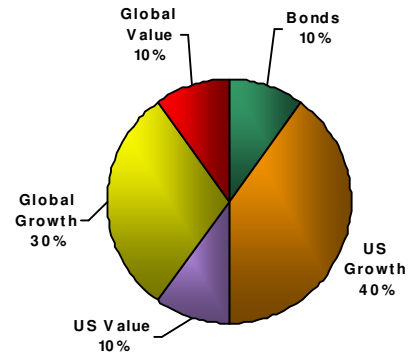
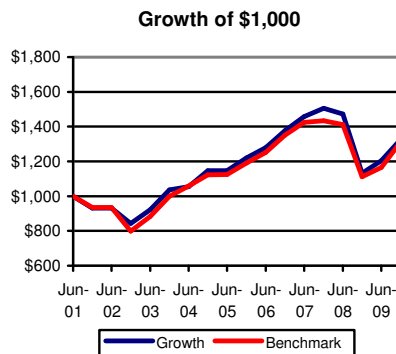
### GROWTH

For the six month period ending December 31st, 2009 this risk profile rose by 14.85%, beating its index which rose 13.36%.

With the growth risk profile we have a higher than normal allocation to the GIA. However the GIA provides consistent returns and reduces swings seen in equity investments. From this base we can add the performance of the equity and fixed income markets to build a resilient profile which provides excellent growth opportunities.

This was highlighted this period when the profile outperformed its blended index by 1.5%. The equity funds were the main drivers with all providing returns over 20%. The growth style performed best with both growth funds rising over 24%. The value funds also shrugged off their conservative nature to both return in excess of 20%.

Finally the PIMCO Total Return bond fund chipped in with a positive return of 5.77%



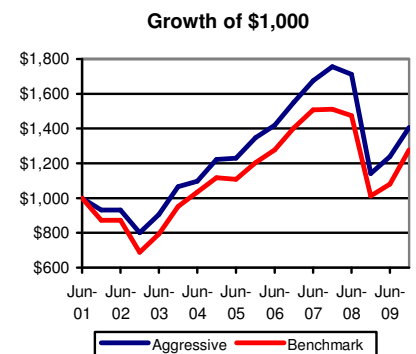
### AGGRESSIVE

For the six month period ending December 31st, 2009 this risk profile rose by 21.55%, beating its index which rose 19.34%.

This is the riskiest of all the profiles. So, the performance of this fund will lead when markets recover. Over 2009, four of the five funds used in the profile outperformed their indices and all funds returned positive returns.

We continued to maintain the balance between growth and value in the profile. The growth funds performed particularly well as you expect in a recovering market. They both produced returns in excess of 24% for the period. The value funds proved to be resilient as well providing over 20% returns each for the six month period.

The PIMCO Total Return fund normally provides stability in falling markets and in this period it also contributed to positive performance, posting a 5.77% return.



# Golden Accumulator Retirement Plan

Summary Performance - as of December 31st 2009

## SEG PLAN

<u>PERFORMANCE BY PROFILE</u>		Annualized returns for			For the
		<u>5 Yrs</u>	<u>3 Yrs</u>	<u>1 Yrs</u>	Period of
<u>Guaranteed Interest</u>	<b>Annualized</b>	<b>3.29%</b>	<b>3.45%</b>	<b>2.62%</b>	<b>1.24%</b>
	<i>Benchmark</i>	3.29%	3.45%	2.62%	1.24%
<u>Conservative Risk</u>	<b>Annualized</b>	<b>2.76%</b>	<b>1.44%</b>	<b>10.08%</b>	<b>6.38%</b>
	<i>Benchmark</i>	3.46%	1.89%	8.22%	5.70%
<u>Moderate Risk</u>	<b>Annualized</b>	<b>2.62%</b>	<b>0.45%</b>	<b>12.49%</b>	<b>8.45%</b>
	<i>Benchmark</i>	3.22%	0.93%	10.30%	7.70%
<u>Accumulator</u>	<b>Annualized</b>	<b>1.59%</b>	<b>-2.05%</b>	<b>20.01%</b>	<b>13.72%</b>
	<i>Benchmark</i>	2.61%	-1.19%	15.73%	12.25%
<u>Stable Growth</u>	<b>Annualized</b>	<b>2.27%</b>	<b>-1.82%</b>	<b>23.38%</b>	<b>15.70%</b>
	<i>Benchmark</i>	2.92%	-1.27%	18.73%	13.95%
<u>Growth Risk</u>	<b>Annualized</b>	<b>2.98%</b>	<b>-1.24%</b>	<b>21.90%</b>	<b>14.85%</b>
	<i>Benchmark</i>	3.12%	-0.97%	17.98%	13.36%
<u>Aggressive Risk</u>	<b>Annualized</b>	<b>2.86%</b>	<b>-3.20%</b>	<b>32.05%</b>	<b>21.55%</b>
	<i>Benchmark</i>	2.74%	-3.07%	26.16%	19.31%

## PAST & CURRENT FUNDS

<u>PERFORMANCE BY FUND</u>		Annualized returns for			For the
		<u>5 Yrs</u>	<u>3 Yrs</u>	<u>1 Yrs</u>	Period of
<u>Guaranteed Interest</u>	<b>Account</b>	<b>3.29%</b>	<b>3.45%</b>	<b>2.62%</b>	<b>1.24%</b>
	<i>NTB GIA Index</i>	3.29%	3.45%	2.62%	1.24%
<u>PIMCO Total Return/MFS Strategic Inc</u>	<b>Fund</b>	<b>-0.67%</b>	<b>-0.12%</b>	<b>11.34%</b>	<b>5.77%</b>
	<i>Barclays US Agg. Total Return Index</i>	1.95%	3.38%	7.08%	3.95%
<u>Pioneer Basic Value/FT Mutual Beacon</u>	<b>Fund</b>	<b>-1.80%</b>	<b>-10.48%</b>	<b>23.53%</b>	<b>20.16%</b>
	<i>S&amp;P Value Index</i>	-3.44%	-11.76%	17.44%	21.29%
<u>Templeton Global/Vontobel Glb</u>	<b>Fund</b>	<b>2.20%</b>	<b>-4.88%</b>	<b>30.71%</b>	<b>24.52%</b>
	<i>MSCI All World Index/EAFE Index</i>	0.46%	-7.58%	31.52%	22.27%
<u>MFS Res Int'l/Putnam Intl</u>	<b>Fund</b>	<b>3.98%</b>	<b>-6.25%</b>	<b>29.69%</b>	<b>22.27%</b>
	<i>EAFE Index</i>	0.85%	-8.66%	27.75%	20.93%
<u>TFM US Opportunities/MS US Sml Cap</u>	<b>Fund</b>	<b>6.05%</b>	<b>-0.32%</b>	<b>41.65%</b>	<b>24.55%</b>
	<i>Russell 3000/2000 Grwth Index</i>	0.81%	-3.44%	34.68%	21.87%

### **GIA Current Crediting Rate is 2.50%**

*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 involve 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.*

### **Regain your Footing for Retirement**

There has been a strong spring-back for most funds and risk profiles during the first half of this year. This has covered a lot of lost ground. It may take a few more years to restore all of the declines over the last year. Estimate your retirement balance using the BF&M Online Financial Calculators as a guide. They are listed on the menu bar at [www.bfm.bm](http://www.bfm.bm). The Retirement Income Planner option will estimate a possible monthly income, based on your existing balance, annual contributions, age, and estimated rates of return. This will give you an idea whether you could benefit from additional voluntary contributions.

**For more assistance contact BF&M client service at 295-5566 x 2001, or North Atlantic Asset Management Limited at 296-8288. E-mail [investments@bfm.bm](mailto:investments@bfm.bm) to receive monthly investment reports.**