

Market volatility returns as global political issues frighten stock investors and send government bonds higher.



Market Review

The strong rally from March 2009 lows finally took a breather in the first half of 2010. Despite signs global markets were on track for an economic recovery, concerns about everything from valuation levels to unemployment to government debt burden kept stock prices in check.

While the market showed resilience in the first quarter, with global stocks tacking on about 3%, it hit a rough patch in spring, shedding over 12% from March to June. Sovereign debt concerns continued as Europe and Greece in particular came under scrutiny. The now infamous Flash Crash on May 9th further spooked already nervous investors.

The combination of European debt troubles and a possible slow down in China led to poor performance in international stock markets during the first part of the second quarter. The Shanghai Composite lost 22% during the period, leaving it in bear market territory. Major European markets in France and Germany were down 13% and 3% respectively.

These international woes were a precursor for what was to follow in the U.S.. The Dow Jones Industrial Average closed at a new low for the year, finishing 10% lower in the quarter. The S&P 500 posted its worst quarterly performance since the final three months of 2008, falling 12%. Investors began to focus on “macro” issues of fiscal and regulatory oversight and lost faith in positive “micro” issues, such as corporate earnings and an improving job market.

In contrast, emerging markets, as we predicted, were the best performing markets only losing 0.2% in the quarter.

During the first half of the year, major government bond markets rose as investors increased their demand for liquid and relatively safe investments. This was driven by concerns in Europe and concerns that the pace of economic growth could slow. Government bonds gained 4.7% in the quarter while corporate bonds gained 3.3%.

Investment Implications

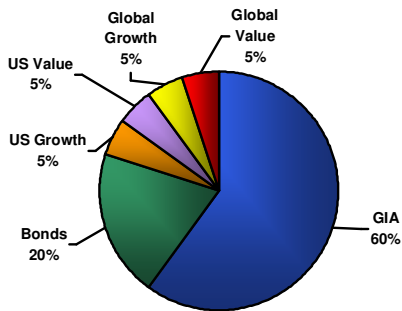
After the sharp decline over the past six months, many analysts suggest the market may be fairly valued and investors looking for long term value can still find pockets of opportunities in stocks.

While we believe this to be true we still adhere to a diversified approach to investing your pension monies. Thus, while stocks appear undervalued along with bonds, you still need a mix of both to cushion the downturns, such as this quarter.

Given the large movements in the prices of financial assets, we encourage investors to reassess their current risk profile with us. Depending on their current strategy, investors could find themselves far below or above the risk return targets for their pension.

For help in understanding your risk profile, call BF&M Investment Services at 296-8288 for assistance. Or try our online quiz and calculators at www.bfm.bm.

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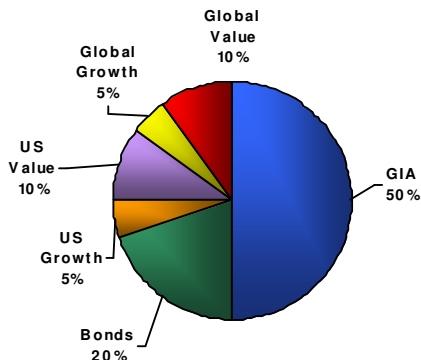
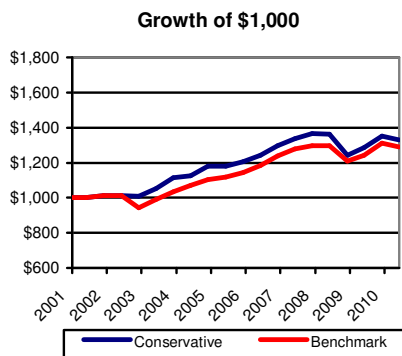
CONSERVATIVE

For the six month period ending June 30th, 2010 this risk profile fell 0.44%, while its comparative index which fell 0.09%.

The bulk of the strategy is in the GIA. The 60% allocation returned 1.18% in the six month period and is currently yielding 2.25% per year.

The PIMCO Total Return Fund continued its strong performance over the past six months, returning 4.73%. 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 negatively impacted by the severe declines in the equity markets. On average stock markets were down over 9% over the six month period.



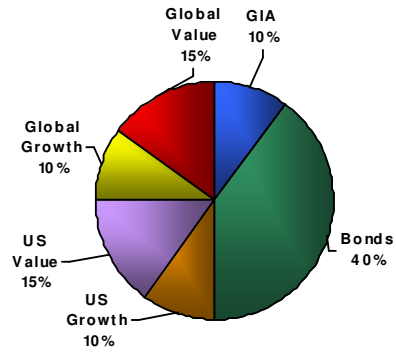
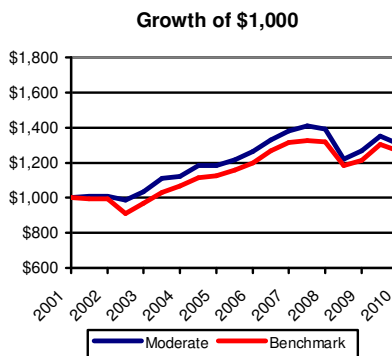
MODERATE

For the six month period ending June 30th, 2010 this risk profile fell 1.63%, while its comparative index which fell 0.97%

The GIA continued to yield 2.25% per annum, providing investors in this profile with a 1.18% return for the period. This fund provided the stability of returns in this profile particularly as equity markets declined.

Equity funds were the main performance detractor as markets took a breather from the strong rally in 2009. Two of our equity funds in the risk profile outperformed their index but it was still not enough to stop negative returns.

The PIMCO Total Return continues to provide diversification while delivering positive performance. The fund provided a six month return of 4.73%.



ACCUMULATOR

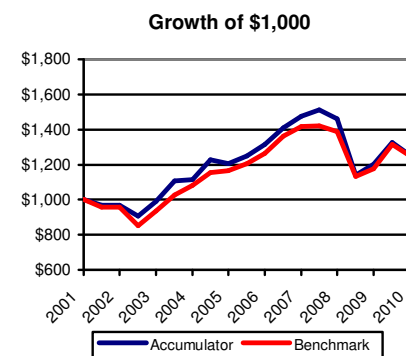
For the six month period ending June 30th, 2010 this risk profile fell 3.30%, while its comparative index which fell 2.30%

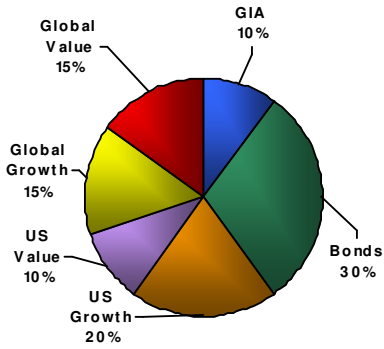
This risk profile is our balanced profile with a 50:50 allocation between fixed income/cash and equities.

The GIA provided a 1.18% return during a time and 2.25% 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 4.73%.

Equity funds were the main detractor of performance, representing 50% of the profile.





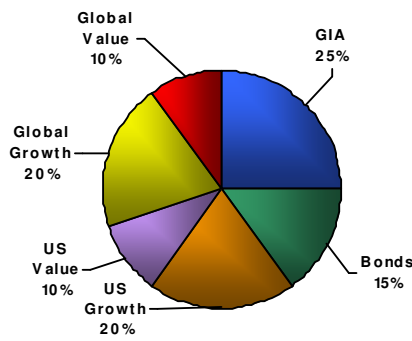
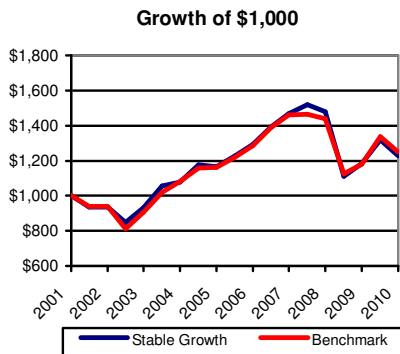
STABLE GROWTH

For the six month period ending June 30th, 2010 this risk profile fell 4.80%, while its comparative index which fell 4.12%

Weak equity markets led this profile to under perform. With equities representing 60% of this risk profile, the decline in the equity markets following a stellar 2009 hurt this profile.

All segments of the stock market suffered and while the two growth funds in the risk profile out performed their indices it was not enough to negate the negative returns.

The GIA and PIMCO Total Return bond fund continued to act as the stabilizers of the profile. The GIA returned 1.18% over the period, while the PIMCO fund generated an impressive 4.73%.

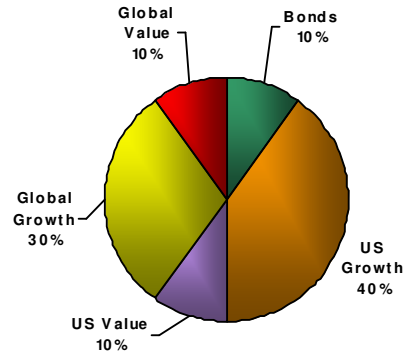
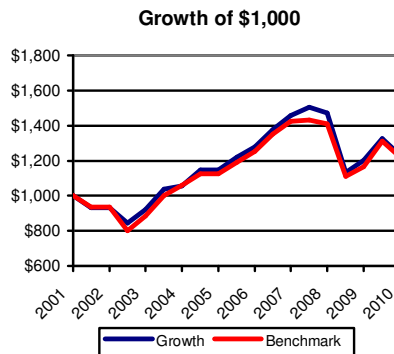


GROWTH

For the six month period ending June 30th, 2010 this risk profile fell 5.31%, while its comparative index which fell 4.51%

With the growth risk profile we have allocated a higher than normal allocation to the GIA. 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 provide excellent growth opportunities.

This helped the risk profile limit the down side this period as the GIA Returned 1.18% while stocks swooned. The PIMCO Total Return bond fund chipped in with a positive return of 4.73%.



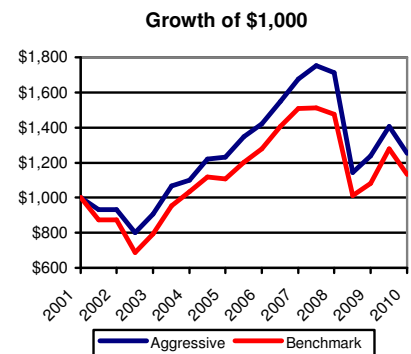
AGGRESSIVE

For the six month period ending June 30th, 2010 this risk profile fell 8.77%, while its comparative index which fell 8.64%

This is the riskiest of all the profiles. So, the performance of this fund will lead when markets recover and fall more when markets decline.

With equity markets declining following a stellar 2009 this risk profile was the hardest hit.

The PIMCO Total Return fund normally provides stability in falling markets and in this period it also contributed to positive performance, posting a 4.73% return.



Golden Accumulator Retirement Plan

Summary Performance - as of June 30th 2010



Investment Services

For the
Period of
6 Mos

MULTIPLE MANAGER PLAN

PERFORMANCE BY PROFILE

		Annualized returns for			
		5 Yrs	3 Yrs	1 Yrs	6 Mos
<u>Guaranteed Interest</u>	Annualized	3.35%	3.14%	2.44%	1.18%
	<i>Benchmark</i>	<i>3.35%</i>	<i>3.14%</i>	<i>2.44%</i>	<i>1.18%</i>
<u>Conservative Risk</u>	Annualized	2.57%	0.28%	5.92%	-0.44%
	<i>Benchmark</i>	<i>3.24%</i>	<i>1.19%</i>	<i>5.75%</i>	<i>-0.09%</i>
<u>Moderate Risk</u>	Annualized	2.11%	-1.29%	6.70%	-1.63%
	<i>Benchmark</i>	<i>2.84%</i>	<i>-0.35%</i>	<i>6.91%</i>	<i>-0.97%</i>
<u>Accumulator</u>	Annualized	0.98%	-4.56%	9.97%	-3.30%
	<i>Benchmark</i>	<i>2.47%</i>	<i>-2.60%</i>	<i>10.05%</i>	<i>-2.30%</i>
<u>Stable Growth</u>	Annualized	1.30%	-5.13%	10.15%	-4.80%
	<i>Benchmark</i>	<i>1.94%</i>	<i>-4.34%</i>	<i>9.63%</i>	<i>-4.12%</i>
<u>Growth Risk</u>	Annualized	1.80%	-4.85%	8.79%	-5.31%
	<i>Benchmark</i>	<i>1.60%</i>	<i>-4.85%</i>	<i>8.84%</i>	<i>-4.51%</i>
<u>Aggressive Risk</u>	Annualized	1.06%	-8.47%	10.90%	-8.77%
	<i>Benchmark</i>	<i>0.06%</i>	<i>-9.76%</i>	<i>9.57%</i>	<i>-8.64%</i>

PAST & CURRENT FUNDS

PERFORMANCE BY FUND

		Annualized returns for			
		5 Yrs	3 Yrs	1 Yrs	6 Mos
Guaranteed Interest	Account	3.35%	3.14%	2.44%	1.18%
<i>GIA</i>	<i>Index</i>	<i>3.35%</i>	<i>3.14%</i>	<i>2.44%</i>	<i>1.18%</i>
PIMCO Total Return/MFS Strategic Inc	Fund	1.29%	1.32%	10.77%	4.73%
<i>Barclays US Agg. Total Return</i>	<i>Index</i>	<i>3.79%</i>	<i>5.31%</i>	<i>9.50%</i>	<i>5.33%</i>
Pioneer Basic Value/FT Mutual Beacon	Fund	-3.71%	-15.14%	10.03%	-8.43%
<i>S&P Value Index</i>	<i>Index</i>	<i>-4.52%</i>	<i>-15.38%</i>	<i>13.54%</i>	<i>-6.39%</i>
Templeton Global/Vontobel Glb	Fund	-0.34%	-11.73%	7.98%	-13.28%
<i>MSCI All World Index/EAFE Index</i>	<i>Index</i>	<i>-1.38%</i>	<i>-13.44%</i>	<i>9.53%</i>	<i>-10.42%</i>
MFS Res Int'l/Putnam Intl	Fund	4.19%	-6.77%	6.39%	-12.99%
<i>EAFE Index</i>	<i>Index</i>	<i>-1.77%</i>	<i>-15.85%</i>	<i>3.13%</i>	<i>-14.72%</i>
TFM US Opportunities/MS US Sml Cap	Fund	5.39%	-5.67%	14.69%	-7.92%
<i>Russell 3000/ 2000 Grwth Index</i>	<i>Index</i>	<i>0.27%</i>	<i>-8.75%</i>	<i>12.17%</i>	<i>-7.96%</i>

GIA Current Crediting Rate is 2.25%

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. BF&M Investment Services is licensed to conduct investment business by the BMA under the Investment Business Act of 2003.