

BF&M pension matters

Markets of every kind pushed higher in 2010, marking the second year of recovery from the financial crisis.



Market Review

Global stock markets dodged a series of worries and misfortunes to achieve post crisis and all-time highs. As was the case in 2009, investors can thank continued efforts by governments and central banks around the world. When major stock or bond markets faltered and the alarm bells rang, policy makers responded aggressively with policies that directly or indirectly drove prices higher across a wide variety of asset classes.

In the U.S. the year can be viewed as one of economic resurgence as various economic numbers continued to impress. The S&P 500 was 15% higher, although almost half of the year's gains were seen in the month of December.

The ability to withstand misfortune was especially true in European stock markets, many of which managed to rise despite several flare-ups of sovereign-debt crises, which threatened the common currency and European Union resolve. Still, the broad Stoxx Europe 600 added 9% to finish the year at a two-year high. Germany surged 16% to levels not seen

since early 2008. The U.K.'s FTSE 100 rose 9%, near a two-year high.

In Asia strong economic recovery and increased attention from global investors drove smaller markets such as India, Indonesia and Thailand, to not only gains but also to record highs. Only Asia's two biggest economies, China and Japan, finished in the red. The Shanghai Composite fell 14% and the Nikkei Stock Average shed 3%.

Even though the fourth quarter saw the greatest losses in government bonds in decades, they still managed to surprise investors and post positive gains for the year. Corporate bonds followed suit leaving the Barclays Global Aggregate bond index up 6.5% for the year.

Investment Implications

Whether the positive run in stocks can continue in 2011 will depend on a steadying U.S. recovery, sustained economic growth in emerging markets and the absence of any major political shocks.

It is also possible that global investors will have to cope without a key tail wind driving the market

rally for much of 2010, namely the help of the liquidity provided by the U.S. Federal Reserve. The economic benefits of easy money are likely to be more muted, putting an even greater strain on the need for a steadying global recovery. That all adds up to what could be a fragile year for global stock markets.

However our time horizon is much longer and we still believe investors are underweight equities and overweight bonds... basically they are still too conservative. Bonds offer little reward and a lot of risk in this environment. Meanwhile, the finances of the U.S. and other global governments are deteriorating before our eyes. We now strongly recommend an increased weighting to stocks for the next five year period.

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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Golden Accumulator Retirement Plan

Summary Performance - as of December 31st 2010

MULTIPLE MANAGER PLAN

PERFORMANCE BY PROFILE

Guaranteed Interest

	Annualized	5 Yrs	3 Yrs	1 Yrs	3 Mos
Annualized	3.32%	2.74%	2.03%	0.31%	
Benchmark	3.32%	2.74%	2.03%	0.31%	

Conservative Risk

Annualized	3.31%	1.39%	5.22%	1.65%	
Benchmark	4.24%	2.40%	5.40%	1.81%	

Moderate Risk

Annualized	3.11%	0.45%	5.87%	2.35%	
Benchmark	4.24%	1.79%	6.68%	2.74%	

Accumulator

Annualized	2.71%	-1.47%	8.88%	3.70%	
Benchmark	4.87%	1.02%	9.95%	4.25%	

Stable Growth

Annualized	3.31%	-1.52%	10.26%	5.02%	
Benchmark	4.62%	0.18%	10.50%	5.37%	

Growth Risk

Annualized	3.60%	-1.14%	9.69%	5.45%	
Benchmark	4.09%	-0.34%	9.52%	5.50%	

Aggressive Risk

Annualized	3.74%	-3.04%	13.66%	8.73%	
Benchmark	3.50%	-2.84%	12.37%	8.52%	

PAST & CURRENT FUNDS

PERFORMANCE BY FUND *

Guaranteed Interest

	Annualized	5 Yrs	3 Yrs	1 Yrs	3 Mos
Account	3.32%	2.74%	2.03%	0.31%	
Index	3.32%	2.74%	2.03%	0.31%	

Global Bond Fund - PIMCO Total Return

Fund	2.19%	1.56%	7.08%	-1.45%	
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Barclays US Agg. Total Return

Index	6.57%	5.48%	6.56%	-1.29%	
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U.S. Value Fund - Pioneer Basic Value

Fund	-1.36%	-7.74%	9.05%	9.32%	
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S&P Value Index

Index	-1.84%	-8.12%	12.41%	9.86%	
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Global Value Fund - Templeton Global

Fund	1.80%	-8.46%	5.71%	5.22%	
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MSCI All World Index/EAFE Index

Index	3.04%	-4.95%	12.67%	8.73%	
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Global Growth Fund - MFS Res Int'l

Fund	2.73%	-6.73%	10.18%	8.51%	
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EAFE Index

Index	2.46%	-7.02%	7.75%	6.61%	
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U.S. Growth Fund - Franklin U.S. Opportunities

Fund	5.77%	0.18%	20.68%	12.16%	
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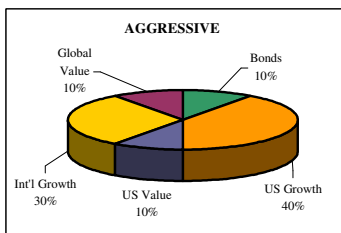
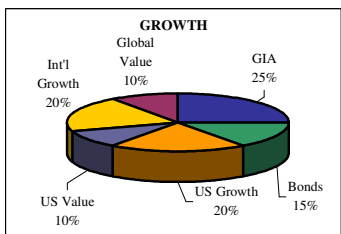
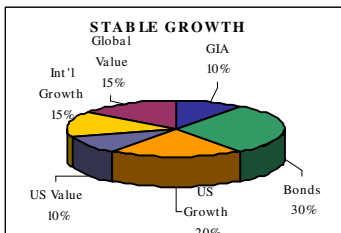
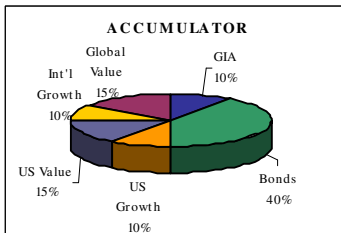
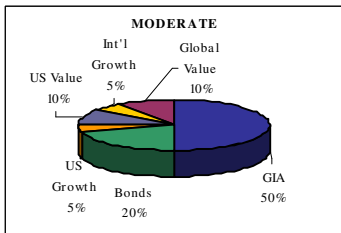
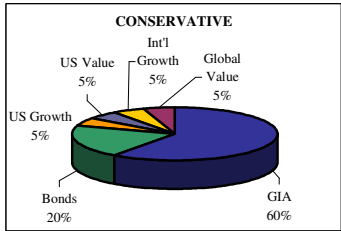
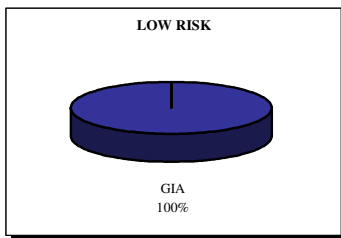
Russell 3000/ 2000 Grwth Index

Index	3.31%	-1.79%	15.89%	11.86%	
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GIA Current Crediting Rate is 1.10%

* Both fund and index performance represents the combined historical returns for that asset class and not the historical returns for the current fund or index being used in that asset class

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 EMA under the Investment Business Act of 2003.



Move to Investor Class Shares and New Benchmarks

On December 1st BF&M moved to new "Investor Class" shares from regular "Retail Class A" shares for all funds except the global bond fund. Investor class shares are normally restricted to qualified investors and are subject to a minimal investment level.

The primary benefits of moving to the new share class are that the fees are less due to the fact the fund manager does not pay a commission to the mutual fund dealer. As a result of not receiving a commission BF&M will be charging a minimal fee for the performance monitoring and analysis of the pension plan. However the total fee is still on average 0.5% lower than using the previous Retail Class A shares. Fees are available upon request.

The end result is a lower cost platform, greater transparency of fees and better long term returns for the end investor.

Secondly on January 1st, 2011 BF&M will change their underlying benchmarks for the mutual funds in your platform. In order to be more consistent in calculating returns going forward we will use industry wide benchmarks for each asset class. These benchmarks will remain the same regardless of any future change in the underlying mutual fund. Previous returns will be used for past performance and future periods will use the new indices.