

BF&M pension matters

GOLDEN ACCUMULATOR RETIREMENT PLAN

Newsletter 2nd Qtr 2008

The BF&M Golden Accumulator SMA Plan is comprised of four separately managed accounts (SMA), plus a Diversified mix of accounts. The accounts are privately managed with a conservative investment approach, which emphasizes larger established companies and government bonds. The name was changed from McLean Budden Funds or MBF to the SMA Plan, as a new investment manager was added in March. Fortis Investment Management is now managing the International Equity account on a true global basis.

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 the ongoing volatility.

Over the first six months of this year, all of the accounts and risk profiles in the SMA Plan delivered better performance than their respective indexes. This has also been true over the last year for the most part. The Global Bond account was a major contributor to returns over the last year. The Money Market account and GIA also increased in value over the first six months of 2008. The equity accounts have not fair so well since July of 2007. So far this year, the American Equity account was the major negative for returns. This resulted in positive returns for the Conservative Profile, with negative returns for the Moderate and Aggressive Profiles. However, the Profiles with a greater proportion of equities continue to show higher results over the 3-5 year time-horizon.

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.

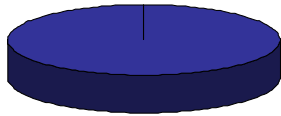
The screenshot shows the BF&M website's Retirement Planner tool. It includes a navigation menu with links for Home, Quickpay, Quote/Buy, News, Products, About, and Contact. Below the menu, there are links for Wellness Matters, Pension FAQ's, Health FAQ's, and Financial Calculators. The main content area is titled "Retirement Planner" and contains a form with the following input fields:

Current age:	45	Age of retirement:	65
Household income:	\$50,000	Current retirement savings:	\$50,000
Rate of return before retirement:	10.00%	Rate of return during retirement:	8.00%
Percent of income to contribute:	10.00%	Expected salary increase:	4.00%
Years of retirement income:	35	Percent of income at retirement:	90%
Expected rate of inflation:	3.10%		

Below the form is a line graph titled "Retirement Plan" showing "Thousands of dollars" on the y-axis (ranging from \$0 to \$700) and "Age" on the x-axis (ranging from 45 to 93). The graph plots "Savings for retirement" (blue line) and "Total expenses" (red line). The savings line starts at \$0 at age 45 and rises to approximately \$653,247 at age 73. The total expenses line starts at \$0 at age 45 and rises to approximately \$94,808 at age 73. A text box next to the graph states: "You may need to save more. Your plan provides \$653,247 when you retire. This retirement savings may run out at age 73. This assumes annual retirement expenses of \$94,808 which is 90% of your last year's income of \$105,342." To the right of the graph is a "Manage your Policy" section with fields for "UserName:" and "Password:" and a "Forgot?" link. At the bottom right, there is a "Wellness Matters!" logo and a link to "Access your Wellness Program Information" with sub-links for Health Risk Assessment, Health Information, and Recommendations.

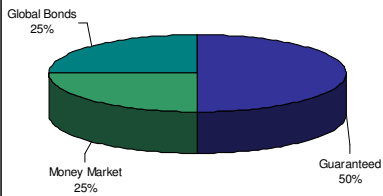
CURRENT GIA CREDITING RATE 3.75%

GUARANTEED RETURN



GIA
100%

FIXED INCOME

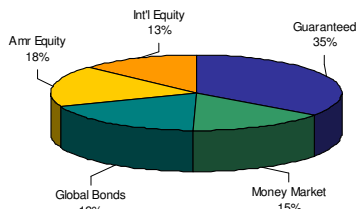


Global Bonds
25%

Money Market
25%

Guaranteed
50%

CONSERVATIVE



Int'l Equity
13%

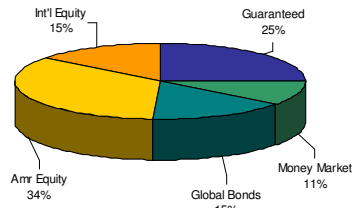
Amr Equity
18%

Global Bonds
19%

Money Market
15%

Guaranteed
35%

MODERATE



Int'l Equity
15%

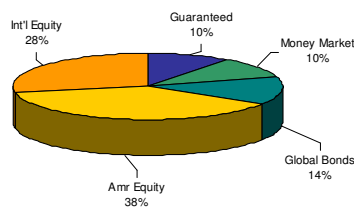
Amr Equity
34%

Global Bonds
15%

Money Market
11%

Guaranteed
25%

AGGRESSIVE



Int'l Equity
28%

Amr Equity
38%

Global Bonds
14%

Money Market
10%

Guaranteed
10%

Golden Accumulator Retirement Plan

Summary Performance - as of June 30th, 2008



Separately Managed Accounts (SMA)

REVISED-8/25

PERFORMANCE BY PROFILE

		Annualized returns for			
		5 YEARS	3 YEARS	1 YEAR	For the Period of 6 Mos
Guaranteed	Profile Returns	2.92%	3.72%	3.79%	1.65%
	NTB GIA	2.92%	3.72%	3.79%	1.65%
Fixed Income	Profile Returns	3.31%	4.08%	5.17%	1.67%
	Weighted Index	3.21%	4.08%	5.28%	1.64%
Conservative	Profile Returns	4.89%	5.45%	0.84%	-1.55%
	Weighted Index	5.77%	5.38%	0.21%	-2.30%
Moderate	Profile Returns	5.62%	5.99%	-1.61%	-3.63%
	Weighted Index	6.69%	5.60%	-2.90%	-4.67%
Aggressive	Profile Returns	7.69%	7.03%	-3.96%	-5.23%
	Weighted Index	8.78%	6.89%	-5.56%	-6.84%

PERFORMANCE BY FUND

		Annualized returns for			
		5 YEARS	3 YEARS	1 YEAR	For the Period of 6 Mos
Money Market	Fund	3.25%	4.43%	3.85%	1.43%
	ML 91 Day T-Bill Index	3.18%	4.27%	3.63%	1.20%
Global Bonds	Fund	4.14%	4.43%	9.26%	1.96%
	Citigroup Treasury/Gov Bond Index	3.82%	4.61%	9.92%	2.07%
Diversified	Fund	8.75%	7.35%	-1.67%	-4.00%
	Weighted Index	8.43%	7.49%	-1.65%	-5.20%
American Equity	Fund	9.32%	6.62%	-8.87%	-10.31%
	S&P 500 Ttl Rtrn Index	7.58%	4.41%	-13.12%	-11.91%
International Equity	Fund	13.60%	10.87%	-9.53%	-6.91%
	EAFE Ttl Ret Lrg Cap Index	17.16%	13.34%	-10.15%	-10.58%

Past performance is no guarantee of future returns. The value of the securities held within each fund may go up as well as down and any income received may vary. Investments involves risk, disclosed in the Statement of Investment Policies and Procedures, available upon request. Currency fluctuations within a fund also affect 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. 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 information contact BF&M retirement advisors at 295-5566 x2006 or its investment subsidiary, North Atlantic Asset Management at 296-8288.