

BF&M pension matters

GOLDEN ACCUMULATOR RETIREMENT PLAN

Newsletter 3rd Qtr 2008

The BF&M Golden Accumulator SMA Plan is constructed from four separately managed accounts (SMAs), along with a Diversified Fund from a mix of those accounts. The investments are managed under a conservative investment approach, emphasizing larger established companies and government bonds. They are strategically weighted for U.S. and international exposure based on current economic cycles. During the 3rd quarter, from July to September, the economy was less important in driving market values. The financial crisis in the U.S. drove the markets lower.

The downward movement accelerated as the U.S. Congress considered the adoption of the Troubled Asset Relief Program (TARP). The cycle did not end until the Central Bankers from the leading countries around the globe announced they will guarantee investor deposits and provide backing for banks. By that time, significant damage was done to both the global stock and bond markets. European Equity markets posted a 20%+ drop during the quarter. The U.S. equity markets had started their decline earlier in the year then lost another 10-15%. Year-to-date, equities fell 30-50%. Trillions in paper losses happened before the markets solidified. Although the markets will bounce back, further investment increases will be tempered by a slowing economy.

The BF&M Guaranteed Interest Accumulator (GIA), the Money Market and the Global Bond funds were in positive territory for the quarter. While the both the American Equity and International Equity are down for the quarter and over the last year. This has resulted in a down quarter for the Conservative, Moderate, and Aggressive Profile, as they are more closely aligned with the equity markets. The Fixed Income and Guaranteed Profiles provided asset preservation along with a modest return. The broad-based decline over the last month has made it tough going for most investors. The stock and bond markets have started to improve as a result of all of the government support and we are looking toward better numbers by year end.

Products

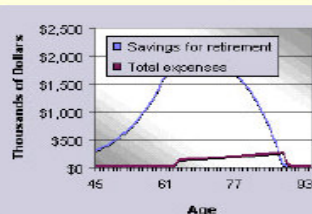
[Home](#) > [Calculators](#) > Retirement Planner

Retirement Planner

Do you know what it takes to work towards a secure retirement? Use this calculator to help you create your retirement plan. View your retirement savings balance and your withdrawals for each year until the end of your retirement.

Retirement Plan

Current age:	45	Age of retirement:	65
Household income:	\$75,000	Current retirement savings:	\$250,000
Rate of return before retirement:	10.00%	Rate of return during retirement:	6.00%
Percent of income to contribute:	10.00%	Expected salary increase:	4.00%
Years of retirement income:	30	Percent of income at retirement:	75%
Expected rate of inflation:	3.10%		



You may need to save more.

Your plan provides \$2,050,155 when you retire. This retirement savings may run out at age 90. This assumes annual retirement expenses of \$118,510 which is 75% of your last year's income of \$158,014.

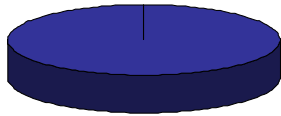
WEB ALERT

Check the BF&M On-line Financial Calculators to see if you are still on-track for your retirement. Long-term investors will have time to recoup from the recent setback, by buying while prices are low. People closer to retirement should be in Moderate or Conservative Profiles to protect their account balances.

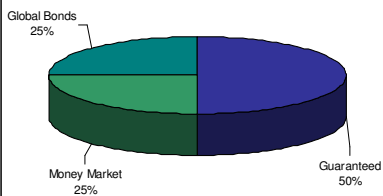
The Calculators are available to anyone who can access the internet. Go to the www.bfm.bm website and click on "Financial Calculators". The link is on the first light blue line on the Home Page.

CURRENT GIA CREDITING RATE 3.75%

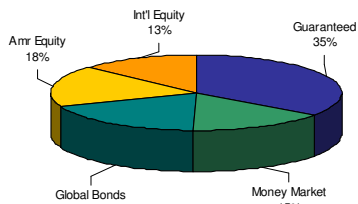
GUARANTEED RETURN



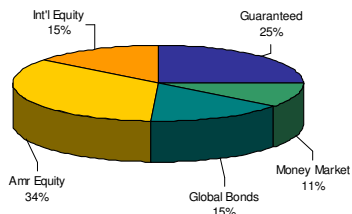
FIXED INCOME



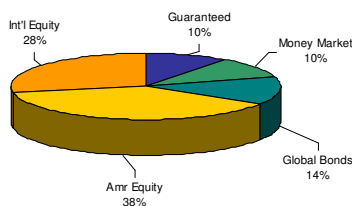
CONSERVATIVE



MODERATE



AGGRESSIVE



Golden Accumulator Retirement Plan

Summary Performance - as of Sept. 30th, 2008



Separately Managed Accounts (SMA)

PERFORMANCE BY PROFILE

		Annualized returns for			For the
		5 YEARS	3 YEARS	1 YEAR	Period of
					3 Mos
Guaranteed	Profile Returns	3.03%	3.86%	3.62%	0.92%
	<i>NTB GIA</i>	3.03%	3.86%	3.62%	0.92%
Fixed Income	Profile Returns	3.02%	4.27%	4.15%	0.80%
	<i>Weighted Index</i>	3.28%	4.13%	4.58%	1.13%
Conservative	Profile Returns	3.60%	3.25%	-4.70%	-4.05%
	<i>Weighted Index</i>	4.54%	3.20%	-4.62%	-3.38%
Moderate	Profile Returns	3.96%	2.91%	-9.24%	-6.12%
	<i>Weighted Index</i>	4.96%	2.57%	-9.45%	-5.27%
Aggressive	Profile Returns	4.82%	2.11%	-14.63%	-9.78%
	<i>Weighted Index</i>	5.98%	2.07%	-14.99%	-8.50%

PERFORMANCE BY FUND

		Annualized returns for			For the
		5 YEARS	3 YEARS	1 YEAR	Period of
					3 Mos
Money Market	Fund	3.33%	4.38%	3.30%	0.64%
	<i>ML 91 Day T-Bill Index</i>	3.26%	4.20%	2.90%	0.63%
Global Bonds	Fund	2.69%	4.98%	6.06%	0.72%
	<i>Citigroup Treasury/Gov Bond Index</i>	3.82%	4.61%	8.18%	2.06%
Diversified	Fund	6.01%	2.67%	-13.40%	-7.89%
	<i>Weighted Index</i>	6.22%	3.33%	-12.42%	-8.03%
American Equity	Fund	6.49%	2.53%	-20.23%	-10.06%
	<i>S&P 500 Ttl Rtm Index</i>	5.17%	0.22%	-21.98%	-8.37%
International Equity	Fund	6.59%	-1.48%	-30.03%	-22.79%
	<i>EAFE Ttl Ret Lrg Cap Index</i>	10.16%	1.58%	-30.13%	-20.50%

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.

Bear Markets Claw-Back

There have been several bear markets during our lifetime. Bear markets are when the stock market declines by 20% or more. When these sharp declines have occurred in the past, many times like now, it felt like the sky was falling.

The average drop was 30%. We are down 30+% in US and 45% in Europe/Far East over the last 12 months. The post-bear market bounces have been anywhere between 25-40% within the 12 months after the market turns.

For more assistance Contact BF&M client service representatives at 295-5566 x 2001, or call North Atlantic Asset Management Limited at 296-8288.