

## Should I stay or should I go?

### Market Review

This year can best be described as unpredictable. The pandemic has changed the economy, business, work, school, and our lives in ways we never envisioned just nine months ago. Despite the market's gains since March, stock indexes are essentially back to where they started the year. The S&P 500 Index was up 8.5% for the quarter and YTD positive 4.1%.

September, historically, is a tough month for stocks, but this September was particularly volatile. While stocks provided investors with a thrill ride, the bond market has proven to be a ballast for portfolios. The U.S. Treasury 10-year note and the 30-year U.S. Treasury bond rose 3 and 5 basis points respectively to yield 0.69% and 1.46% at quarter end.

The International Monetary Fund is set to update its global outlook citing recent incoming data suggests the outlook may be somewhat less dire than they projected in June.

The Federal Reserve announced it would redefine its inflation target and approved a shift in how it sets interest rates; signaling they will hold short-term interest rates near zero, likely for several years; perhaps to 2023, quite possibly longer. The European Central Bank, amidst controversy, made the decision to restart its bond-buying program along with choosing to cut its deposit rate further into negative territory.

The greenback spent the third quarter in rally mode, with the U.S. Dollar Index at 99.378, against a basket of currencies, hitting its highest level since April 2017. A strong dollar can be a headwind for large-cap multinationals.

### Investment Perspectives

Concerns still remain that coronavirus infections could tick up in the colder months, setting off broader 'lockdown' measures in the U.S. and around the globe.

The outcome of the November elections is likely to have an impact on fiscal policy and the economic outlook for 2021. US Federal government support will remain critical to the economic outlook, however, many are citing with such massive monetary stimulus, it could raise inflationary pressure to a greater degree than the Fed intends.

Although it's always tempting to try to trade around corrections in the markets. It's important to take a long-term balanced approach to your portfolio. Remember that for most of us, market timing often does the opposite of what it is intended to do. That is, rather than boost returns, it can erode away your retirement portfolio's long-term performance.

Portfolio diversification remains as important as ever. Stocks have recovered so much ground since March, (with higher valuations), making it important to properly rebalance, set your risk tolerance appropriate so you can remain invested for the long haul or re-position your retirement portfolio to preserve long-term gains, if your timeline until retirement is near.

**If you have any questions or concerns over your portfolio, please contact us at +1 441 298 0358 or via email at [customercare@bfm.bm](mailto:customercare@bfm.bm).**

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Target Date Performance by Profile	Annualized Returns at September 30, 2020				
	10 years	5 years	3 years	1 year	YTD
<b>GlidePath Retirement</b>	<b>3.74</b>	<b>5.37</b>	<b>5.43</b>	<b>7.55</b>	<b>5.43</b>
Index	3.93	5.32	5.45	6.67	4.74
<b>GlidePath 2020</b>	<b>4.79</b>	<b>6.35</b>	<b>5.54</b>	<b>7.81</b>	<b>4.72</b>
Index	4.98	6.49	5.59	6.82	4.01
<b>GlidePath 2030</b>	<b>6.01</b>	<b>8.12</b>	<b>6.58</b>	<b>10.53</b>	<b>4.13</b>
Index	6.41	8.08	6.07	8.61	3.58
<b>GlidePath 2040</b>	<b>6.37</b>	<b>8.66</b>	<b>6.61</b>	<b>10.47</b>	<b>2.77</b>
Index	7.23	9.18	6.82	9.68	2.54
<b>GlidePath 2050</b>	<b>6.48</b>	<b>8.74</b>	<b>6.34</b>	<b>9.65</b>	<b>1.09</b>
Index	7.64	9.46	6.81	9.50	1.49
<b>GlidePath 2060</b>				<b>10.23</b>	<b>1.51</b>
Index				9.47	1.38

Risk-Based Performance by Profile	Annualized Returns at September 30, 2020				
	10 years	5 years	3 years	1 year	YTD
<b>Guaranteed Interest</b>	<b>0.92</b>	<b>0.97</b>	<b>1.11</b>	<b>0.54</b>	<b>0.33</b>
Index	0.92	0.97	1.11	0.54	0.33
<b>Conservative Risk</b>	<b>3.34</b>	<b>3.70</b>	<b>3.54</b>	<b>4.47</b>	<b>2.56</b>
Index	2.79	3.10	2.92	3.76	1.89
<b>Moderate Risk</b>	<b>3.91</b>	<b>4.03</b>	<b>3.60</b>	<b>4.08</b>	<b>1.31</b>
Index	3.24	3.63	2.90	3.79	0.84
<b>Accumulator</b>	<b>6.27</b>	<b>6.74</b>	<b>5.64</b>	<b>7.40</b>	<b>2.88</b>
Index	4.81	5.25	4.04	5.61	1.40
<b>Stable Growth</b>	<b>7.42</b>	<b>8.18</b>	<b>7.49</b>	<b>11.00</b>	<b>5.39</b>
Index	5.84	6.68	5.63	8.79	3.37
<b>Growth Risk</b>	<b>8.51</b>	<b>10.64</b>	<b>10.89</b>	<b>19.38</b>	<b>11.67</b>
Index	6.31	7.78	6.82	11.79	4.82
<b>Aggressive Risk</b>	<b>11.38</b>	<b>13.67</b>	<b>14.47</b>	<b>26.80</b>	<b>17.28</b>
Index	9.01	10.79	10.07	18.07	9.00

Data obtained from Morningstar Direct. Risk profile performance is based on historical blend of actual managers. Individual fund performance reflects only the manager currently used for that asset class. Past performance is no guarantee of future performance. The price of the shares of each Profile and the income received from each Profile may go down as well as up, and investors may not get back the full amount that they invested. Investment in any of the Profiles involves risks. Currency fluctuations will affect the value of overseas investments. Information has been provided by BF&M Investment Services Limited, which is licensed to conduct Investment Business by the Bermuda Monetary Authority under the Investment Business Act.



Performance by Fund	Annualized Returns at September 30, 2020				
	10 years	5 years	3 years	1 year	YTD
<b>Guaranteed Interest Account (GIA5)</b>	<b>0.92</b>	<b>0.97</b>	<b>1.11</b>	<b>0.54</b>	<b>0.33</b>
<b>Enhanced Cash – Payden USD Liquidity (MMKT)</b>	<b>0.98</b>	<b>1.85</b>	<b>2.28</b>	<b>2.22</b>	<b>1.63</b>
Bank of America ML US Treasury Bill 3 Month TR USD	0.64	1.20	1.69	1.10	0.64
<b>Short Duration - Vanguard Global Short Term Bond Index (BFMSDF)</b>	<b>N/A</b>	<b>2.52</b>	<b>3.11</b>	<b>3.18</b>	<b>2.89</b>
BofAML US Treasuries 1-3 Year TR USD	1.28	1.80	2.64	3.58	3.05
<b>Global Bond - Lazard Global Bond Core Plus (BFMGBF1)</b>	<b>2.05</b>	<b>3.70</b>	<b>3.98</b>	<b>6.78</b>	<b>6.03</b>
Barclays Global Aggregate TR USD	2.36	3.92	4.10	6.24	5.72
<b>US Bond - PIMCO Total Return (BF1)</b>	<b>3.71</b>	<b>4.82</b>	<b>5.19</b>	<b>7.95</b>	<b>7.88</b>
Barclays US Aggregate Bond TR USD	3.64	4.18	5.24	6.98	6.79
<b>Inflation Strategy - PIMCO Inflation Strategy (INFLTN)</b>	<b>0.75</b>	<b>1.86</b>	<b>0.46</b>	<b>-4.88</b>	<b>-5.82</b>
PIMCO Inflation Strategy Benchmark USD	1.34	1.65	-0.08	-7.72	-8.04
<b>Global TIPS - Standard Life Global Inflation Linked Bond</b>	<b>4.41</b>	<b>5.44</b>	<b>5.97</b>	<b>5.32</b>	<b>8.29</b>
Barclays Gbl. Inflation Linked TIPS TR USD	3.57	4.61	5.79	10.08	9.22
<b>High Yield Bond – Alliance Bernstein Global High Yield (HYLDBD)</b>	<b>4.67</b>	<b>4.54</b>	<b>1.06</b>	<b>-2.17</b>	<b>-5.24</b>
Barclays Global High Yield TR USD	5.93	6.08	2.69	2.90	-0.58
<b>Emerging Mkt Bond - MFS Meridian EM Debt (EMKBD)</b>	<b>4.80</b>	<b>5.71</b>	<b>3.36</b>	<b>3.74</b>	<b>1.07</b>
JPM EMBI Plus TR USD	4.82	5.47	2.50	4.76	1.34
<b>Global Value Stock - Causeway Global Value (GVF)</b>	<b>6.37</b>	<b>3.01</b>	<b>-2.86</b>	<b>-12.60</b>	<b>-21.38</b>
MSCI ACWI NR USD	8.55	10.30	7.12	10.44	1.37
<b>Global Growth Stock - Artisan Global Opportunities (IGF)</b>	<b>15.55</b>	<b>17.99</b>	<b>17.70</b>	<b>38.49</b>	<b>26.83</b>
MSCI ACWI NR USD	8.55	10.30	7.12	10.44	1.37
<b>US Growth Stock - Franklin US Opportunities (USGF)</b>	<b>15.21</b>	<b>17.85</b>	<b>21.70</b>	<b>41.08</b>	<b>29.56</b>
MSCI US Large Cap Growth PR USD	16.38	19.61	22.34	41.98	27.91
<b>US Value Stock - MFS Meridian US Value (USVF)</b>	<b>9.71</b>	<b>8.06</b>	<b>3.35</b>	<b>-2.22</b>	<b>-8.43</b>
MSCI US Large Cap Value PR USD	6.90	5.38	0.22	-7.08	-13.12
<b>US Stock Index - Vanguard US 500 Stock Index (INDUSE)</b>	<b>12.87</b>	<b>13.37</b>	<b>11.52</b>	<b>14.40</b>	<b>5.06</b>
S&P 500 NR USD	13.04	13.46	11.62	14.49	5.13
<b>Global Stock Index - Vanguard Global Stock Index (INDGEQ)</b>	<b>9.18</b>	<b>10.33</b>	<b>7.61</b>	<b>10.36</b>	<b>1.65</b>
MSCI World Free NR USD	9.37	10.48	7.74	10.41	1.70
<b>Global Small Cap Stock - Vanguard Gbl. Small Cap Index (GSMCEQ)</b>	<b>8.49</b>	<b>7.74</b>	<b>2.11</b>	<b>2.56</b>	<b>-6.46</b>
MSCI World Small Cap NR USD	8.74	7.96	2.31	2.77	-6.37
<b>Emerging Market Stock - Schroder Global EM Opp. (EMKEQ)</b>	<b>3.16</b>	<b>10.88</b>	<b>4.24</b>	<b>9.82</b>	<b>-2.27</b>
MSCI EM PR USD	0.06	6.44	0.01	8.09	-2.93

The Current Guaranteed Interest Crediting Rate is 0.10%

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