

**Performa Liquid Assets
Fund Ltd.**

**Financial Statements and
Independent Auditors' Report**

December 31, 2014

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Board of Directors of
Performa Liquid Assets Fund Ltd.

We have audited the accompanying financial statements of Performa Liquid Assets Fund Ltd. (the "Fund"), which comprise the statement of net assets, including the condensed schedule of investments, as at December 31, 2014, and the related statements of operations and changes in net assets for the year then ended, and the related notes to the financial statements.

Management responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in United States of America, this includes the design, implantation, and maintenance of internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2014 and the results of its operations and changes in its net assets for the year then ended in accordance with accounting principles generally accepted in United States of America.

Deloitte Ltd.

March 31, 2015

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PERFORMA LIQUID ASSETS FUND LTD.
STATEMENT OF NET ASSETS
as at December 31, 2014
(Expressed in U.S. dollars)

ASSETS

Investments at fair value (amortized cost: \$117,129,388)	\$ 117,156,694
Cash	11,868,879
Accounts receivable	45,644
Prepaid expenses	20,586
	129,091,803

LIABILITIES

Management fee payable	17,019
Accounts payable and accrued expenses	37,811
	54,830

NET ASSETS	\$ 129,036,973
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Class A Shares issued and outstanding (Note 3)	129,036,973
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Net Asset Value per Class A Shares	\$ 1.00
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Approved on behalf of the Board:

Hugh Barit
Director

Winston Robinson
Director

The accompanying notes form an integral part of these statements

**PERFORMA LIQUID ASSETS FUND LTD.
CONDENSED SCHEDULE OF INVESTMENTS**

as at December 31, 2014

(Expressed in U.S. dollars)

	Fair value	% of Net
Investments in securities, at fair value	\$	Assets
Commercial Paper		
Canada		
Financial	599,984	0.46%
Total – Canada (cost - \$599,960)	599,984	0.46%
United States		
Financial	30,162,499	23.38%
Industrial		
Dover Corp CP 0.10% 01/07/2015	5,999,883	4.65%
Dover Corp CP 0.15% 01/05/2015	499,985	0.39%
Hyundai Capital America CP 0.26% 01/07/2015	1,899,684	1.47%
Hyundai Capital America CP 0.26% 01/07/2015	1,799,922	1.39%
Other	42,960,445	33.29%
Utility		
San Diego Gas & Elec Co CP 0.22% 01/08/2015	4,999,786	3.87%
San Diego Gas & Elec Co CP 0.27% 01/07/2015	1,599,928	1.24%
Other	1,699,292	1.32%
Total – United States (cost - \$91,612,618)	91,621,424	71.00%
Total - Commercial Paper (cost - \$92,212,578)	92,221,408	71.46%
Corporate Debt		
United States		
Asset Backed Securities	10,325,002	8.00%
Mortgage Backed Securities		
Hyundai Auto Receivables Trust 1.63% 02/15/2015	3,604,666	2.79%
Other	11,005,618	8.53%
Total – United States (cost - \$24,916,810)	24,935,286	19.32%
Total - Corporate Debt (cost - \$24,916,810)	24,935,286	19.32%
Total investments in securities, at fair value (cost - \$117,129,388)	117,156,694	90.78%

The accompanying notes form an integral part of these statements

PERFORMA LIQUID ASSETS FUND LTD.
STATEMENT OF OPERATIONS
for the year ended December 31, 2014
(Expressed in U.S. dollars)

INCOME

Interest income	\$	227,253
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EXPENSES

Management fee (Note 4)		75,370
Administration and office fees (Note 4)		69,840
Custodian fees (Note 4)		65,816
Professional fees		21,360
Government fees		10,456
Miscellaneous fees		2,929

Total expenses before fee waiver		245,771
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Management fee waiver (Note 4)		(47,514)
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Net expenses		198,257
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NET INVESTMENT INCOME		28,996
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REALIZED AND UNREALIZED GAIN ON INVESTMENTS

Change in unrealized (depreciation) of investments and derivatives		18,476
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		18,476
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NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$	47,472
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The accompanying notes form an integral part of these statements

PERFORMA LIQUID ASSETS FUND LTD.
STATEMENT OF CHANGES IN NET ASSETS
for the year ended December 31, 2014
(Expressed in U.S. dollars)

INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	
Net investment gain	\$ 28,996
Net change in unrealized appreciation on investments	18,476
NET INVESTMENT INCOME AND INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 47,472
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CAPITAL TRANSACTIONS	
Issuance of Class A Shares	441,675,685
Redemption of Class A Shares	(433,917,537)
Dividends (Note 3)	(47,472)
NET INCREASE IN NET ASSETS RESULTING FROM CAPITAL TRANSACTIONS	7,710,676
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NET INCREASE IN NET ASSETS	7,758,148
NET ASSETS, BEGINNING OF YEAR	121,278,825
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NET ASSETS, END OF YEAR	\$ 129,036,973
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The accompanying notes form an integral part of these statements

PERFORMA LIQUID ASSETS FUND LTD.
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

(Expressed in U.S. dollars)

1. THE FUND

Performa Liquid Assets Fund Ltd. (the “Fund”), was incorporated under the laws of Bermuda on March 21, 1997, as an open-ended limited liability investment company. The Fund is organized into distinct classes of shares. Effective July 1, 2007, the then existing Income Share class was renamed to Class A shares and a Class B share class was created. The Class A shares were the only class of common shares issued and outstanding during the year ended December 31, 2014.

The Company maintains a class Fund (“Class Fund”) in respect of each class. All income and capital gains earned on the assets of each Class Fund shall accrue to such Class Fund and all expenses and liabilities related to a particular Class Fund and any redemptions of the shares related thereto shall be charged to and paid from the Class Fund in question. Thus, the trading results of any one Class Fund should have no effect on the value of any other Class Fund and the holders of any class of share will not have any interest in any assets of the Company other than the Class Fund attributable to the class of shares held by them. Each Class Fund, however, is not a separate legal entity, as such, the assets of each Class Fund may be subject to the general creditors of the Fund.

The objective of the Fund is to achieve income while attempting to limit investment risk by investing in a diversified portfolio of cash and near cash instruments.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of accounting:

The financial statements have been prepared in conformity with accounting principles generally accepted in United States of America (“U.S. GAAP”). The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Effective January 1, 2014, the Fund adopted U.S. GAAP. The adoption of U.S. GAAP had no impact on the net asset value or net assets of the Fund.

b. Investments:

Trading activity is recorded on a trade date basis. Securities that are listed on a national securities exchange are valued at their last sales prices on the date of valuation on the largest national securities exchange on which such securities have traded on such date. If no sales of such securities occurred on the date of valuation, the securities are valued at the “bid” price on the largest national securities exchange on which such securities are traded. The resulting unrealized appreciation and depreciation of securities is reflected in the statement of operations. Realized gains and losses on sales of securities are calculated using the first-in, first-out basis of accounting. For the year ended December 31, 2014 the Fund traded in commercial paper, corporate debt and overnight deposit vehicles.

PERFORMA LIQUID ASSETS FUND LTD.
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

(Expressed in U.S. dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c. Commercial paper:

Commercial paper securities are recorded at amortized cost which approximates fair value due to their short-term nature. Premiums and discounts on commercial paper purchased are amortized using the effective interest rate method and included in interest income in the statement of operations.

d. Cash:

Cash consists of cash balances held with banks. The Fund defines cash in the statement of net assets as funds held in liquid investments with initial maturities of 90 days or less.

e. Investment income:

Interest is recorded on the accrual basis of accounting.

f. New accounting standards:

In August 2014, the FASB issued Accounting Standards Update No. 2014-15, Presentation of Financial Statements (Subtopic 205-40): Going Concern ("ASU 2014-15"). The update provides guidance on management's responsibility in evaluating whether there is substantial doubt about a Fund's ability to continue as a going concern and about the related disclosures. For each reporting period, management will be required to evaluate whether there are conditions or events that raise substantial doubt about a Fund's ability to continue as a going concern within one year from the date the financial statements are issued. ASU 2014-15 is effective for annual reporting periods ending after December 15, 2016. Management has reviewed the requirements of ASU 2014-15 and there will be no impact on the financial statements of the Fund.

g. Use of estimates:

Preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts presented and disclosed in these Consolidated Financial Statements. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may be different from these estimates.

**PERFORMA LIQUID ASSETS FUND LTD.
NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2014

(Expressed in U.S. dollars)

3. **SHARE CAPITAL**

The Fund's total authorized share capital is 12,000 Founder Shares with a par value of \$1.00 each and 2,000,000,000 Participating Shares with a par value of \$0.01 each. The Founder Shares are voting, non-redeemable and are not entitled to any dividends. The Founder shares have been issued to P.R.P. Performa Ltd. (the "Investment Advisor") and are unpaid. The Participating Shares are non-voting, and are redeemable. Any number of classes of Participating Shares can be issued as determined by the Directors of the Fund; each class of Participating Shares is further divided into Income Shares and Accumulation Shares. It is anticipated that Income Shares will receive dividends and that Accumulation Shares will receive no dividends. All dividends paid on the Income Shares are reinvested in purchases of additional Income Shares. Effective July 1, 2007, the Performa Liquid Assets Fund (USD) Income Shares was renamed to Performa Liquid Assets Fund (USD) – Class A and the Performa Liquid Assets Fund (USD) – Class B were created. The Performa Liquid Assets Fund (USD) – Class A is the only class of Participating Shares issued and outstanding at December 31, 2014.

Share transactions for the year ended December 31, 2014, we as follows:

Class	Shares at December 31, 2013	Issued	Redeemed	Shares at December 31, 2014
Class A	121,278,825	441,674,915	(433,916,767)	129,036,973

4. **MANAGEMENT, ADMINISTRATION AND CUSTODIAN FEES**

Under the terms of the Fund's prospectus:

- a. The Investment Advisor, an affiliated company, provides investment management and advisory services to the Fund. The Investment Advisor is responsible for the investment of the Fund's assets. The Investment Advisor earns a Class A advisory fee calculated at a rate of 0.20% per annum on the first \$200 million, 0.18% per annum of the next \$300 million, and 0.15% per annum on the amount over \$500 million based on the daily net asset value of the Fund and paid quarterly in arrears. Effective August 7, 2009, the advisory fee was reduced to 0.05% per annum of the net assets of the Fund.

The Investment Advisor earns a Class B advisory fee calculated at a rate of 0.05% per annum on the daily net asset value of the Fund, paid quarterly in arrears.

During the year, management fees of \$75,370 were earned, of which \$47,514 was waived and \$17,019 remained payable at year end.

The Investment Advisor is related to the Fund by common directorship.

PERFORMA LIQUID ASSETS FUND LTD.
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

(Expressed in U.S. dollars)

4. MANAGEMENT, ADMINISTRATION AND CUSTODIAN FEES (cont'd)

- b. STP Investment Services, Inc. (the "Administrator") began providing services as the Administrator, Share Registrar and Transfer Agent for the Fund. For these services, the Administrator receives an administration fee. For Class A the administration fee is calculated at a rate of 0.06% on the first \$100 million and 0.04% on the excess of \$100 million per annum of the daily net asset value of the Fund and paid quarterly in arrears.

For Class B the administration fee is calculated at a rate of 0.035% on the daily net asset value of the Fund and paid quarterly in arrears.

Under the terms of an investment management processing service agreement between the Investment Advisor and the Administrator, the Investment Advisor has the right to participate in 40% of the Administrator's net taxable income as defined in the investment management processing service agreement. The Investment Advisor has no equity interest in the Administrator.

Out of the administration fee, a fee for accounting services is paid to Comerica Bank by the Administrator, based on the daily net asset value of the Fund and paid quarterly in arrears, at the following rates:

Class A

0.04% per annum of the first US \$100 million

0.02% per annum on the amount over US \$100 million

Class B

0.01% per annum on the total net asset value

- c. Custodian

The custodian, Comerica Bank, is entitled to receive fees (separate from the fees received for accounting services) calculated at the following rates:

Class A

0.05% per annum on the first US\$100 million

0.03% per annum on the next US\$200 million

0.025% per annum on the excess of US\$300 million

Class B

0.015% per annum on the total net asset value of the Fund

PERFORMA LIQUID ASSETS FUND LTD.
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

(Expressed in U.S. dollars)

5. CONCENTRATION OF CREDIT RISK

In the normal course of business, the Fund manages a variety of risks including market risk, credit risk and liquidity risk.

Market risk is the potential for changes in the value of investments due to market changes, including interest and foreign exchange rate movements and fluctuations in security prices. Market risk is directly impacted by the volatility and liquidity in the markets in which the underlying assets are traded. The Fund manages its exposure to market risk related to trading instruments on an aggregate basis combining the effects of cash instruments and fixed income securities.

As at December 31, 2014, the custody of cash and cash equivalents and investments are with Comerica Bank. The Fund has all its individual counterparty concentration with Comerica Bank, which is based in the United States of America.

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (level 3 measurements). The guidance establishes three levels of the fair value hierarchy as follows:

Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access at the measurement date;

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;

Level 3: Inputs that are unobservable.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes observable requires significant judgment by the Trading Advisor. The Trading Advisor considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Trading Advisor's perceived risk of that instrument.

PERFORMA LIQUID ASSETS FUND LTD.
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

(Expressed in U.S. dollars)

6. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

Derivative instruments can be exchange-traded or privately negotiated over-the-counter (“OTC”). Exchange-traded derivatives, such as futures contracts, are typically classified within level 1 or level 2 of the fair value hierarchy depending on whether or not they are deemed to be actively traded.

OTC derivatives, including currency forwards, are valued using third party quotations which are calculated using straight line interpolation of mid forward points as reported by time zone close from the market on which the foreign currency primarily trades. Certain OTC derivatives, such as generic forwards, have inputs which can generally be corroborated by market data and are therefore classified within level 2.

Those OTC derivatives that have less liquidity or for which inputs are unobservable are classified within level 3. While the valuations of these less liquid OTC derivatives may utilize some level 1 and/or level 2 inputs, they also include other unobservable inputs which are considered significant to the fair value determination. At each measurement date, the Trading Advisor updates the level 1 and level 2 inputs to reflect observable inputs, though the resulting gains and losses are reflected within level 3 due to the significance of the unobservable inputs. There were no level 3 financial instruments held during the year or at year end.

The following table presents the financial instruments carried on the statement of assets and liabilities by caption and by level within the valuation hierarchy as of December 31, 2014:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Commercial Paper				
Fixed income securities				
Financial	\$ -	\$ 30,762,483	\$ -	\$ 30,762,483
Industrial	-	53,159,919	-	53,159,919
Utility	-	8,299,006	-	8,299,006
Corporate Debt				
Asset Backed Securities	\$ -	\$ 10,325,002	\$ -	\$ 10,325,002
Mortgage Backed Securities	-	14,610,284	-	14,610,284
	<u>\$ -</u>	<u>\$ 117,156,694</u>	<u>\$ -</u>	<u>\$ 117,156,694</u>

PERFORMA LIQUID ASSETS FUND LTD.
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

(Expressed in U.S. dollars)

7. TAXES

Under current laws, there are no income, profit, capital or capital gains taxes levied in Bermuda, and accordingly, no provision for such taxes has been recorded by the Fund. In the event that such taxes are levied, the Fund has received an undertaking from the Government of Bermuda exempting it from all such taxes until March 31, 2035.

8. FINANCIAL HIGHLIGHTS

Financial highlights of the Fund for the year ended December 31, 2014 are as follows:

Per Class A share operating performance

Net asset value per share at beginning of year	\$	1.00
Net investment income		0.00
Less dividends		0.00
Net realized and unrealized gain on investments		0.00
Net asset value per share at end of year	\$	1.00
 TOTAL RETURN:		 0.00%
 RATIO TO AVERAGE NET ASSETS:		
Expenses before Management fee waiver		0.19%
Management fee waiver		(0.03)
Expenses after Management fee waiver		0.16%
Net investment income before waiver		0.03%
Management fee waiver		(0.03)
Net investment income after waiver		(0.00)%

An individual investor's return may vary from these returns based on the timing of capital transactions.

9. SUBSEQUENT EVENTS

Subsequent events have been evaluated up to the date of the audit report for recognition and disclosure, and determined that there were no material events that would require recognition or disclosure in the Fund's financial statement through that date.