

to follow

Performa High Yield Fund Ltd.

Financial Statements and Independent Auditors' Report

December 31, 2013



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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Board of Directors
of Performa High Yield Fund Ltd.

We have audited the accompanying financial statements of Performa High Yield Fund Ltd. (the "Fund"), which comprise the statement of net assets, including the schedule of investments, as at December 31, 2013, and the related statements of operations and changes in net assets for the year then ended.

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 Bermuda and Canada, and for such internal control as management determines is necessary to enable 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 Bermuda and Canada. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2013 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 Bermuda and Canada.

Deloitte + Touche Ltd.

March 31, 2014

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Deloitte Bermuda is an affiliate of Deloitte Caribbean and Bermuda Limited, a member firm of Deloitte Touche Tohmatsu Limited.

PERFORMA HIGH YIELD FUND LTD.
STATEMENT OF NET ASSETS
as at December 31, 2013
(Expressed in U.S. dollars)

	2013	2012
ASSETS		
Investments at fair value (cost: \$200,566,201 and \$170,373,717)	\$ 204,035,324	\$ 177,304,734
Cash and cash equivalents	19,347,222	15,187,989
Accrued interest receivable	4,112,354	3,459,609
Prepaid expenses	4,352	1,458
	<u>227,499,252</u>	<u>195,953,790</u>
LIABILITIES		
Due to broker	753,233	193,364
Derivative liabilities, at fair value	328,318	31,057
Management fees payable	142,770	123,308
Accounts payable and accrued expenses	60,266	52,998
	<u>1,284,587</u>	<u>400,727</u>
NET ASSETS	<u>\$ 226,214,665</u>	<u>\$ 195,533,063</u>
Accumulation Shares issued and outstanding (Note 3)	<u>19,241,611</u>	<u>17,714,576</u>
Net Asset Value per Accumulation Share	<u>\$ 11.76</u>	<u>\$ 11.04</u>

Approved on behalf of the Board:

Hugh Barit
Director

Winston Robinson
Director

The accompanying notes form an integral part of these statements

**PERFORMA HIGH YIELD FUND LTD.
SCHEDULE OF INVESTMENTS**

as at December 31, 2013
(Expressed in U.S. dollars)

Investments at fair value

Nominal	Fixed Income Securities	Fair Value
1,075,000	Access Midstream Partner 5.875% 04/15/2021	\$ 1,146,219
1,885,000	Activision Blizzard 5.625% 09/15/2021	1,953,331
600,000	Advanced Micro Devices 7.500% 08/15/2022	585,000
1,825,000	Aguila 3 SA 7.875% 01/31/2018	1,934,500
1,130,000	Air Canada 6.750% 10/01/2019	1,183,675
1,985,000	Air Canada 8.750% 04/01/2020	2,099,138
475,000	Alcatel-Lucent USA Inc 6.450% 03/15/2029	421,563
765,000	Alcatel-Lucent USA Inc 6.750% 11/15/2020	792,731
2,005,000	Ally Financial Inc 5.500% 02/15/2017	2,172,919
935,000	Ally Financial Inc 8.000% 11/01/2031	1,118,494
1,055,000	Altice Financing SA 6.500% 01/15/2022	1,062,913
830,000	Altice Financing SA 6.500% 01/15/2022	1,152,276
830,000	Altice Financing SA 9.000% 06/15/2023	1,252,350
655,000	American Airlines 5.600% 07/15/2020	665,644
1,175,000	APX Group Inc 6.375% 12/01/2019	1,186,750
510,000	Assured Guaranty US Holdings 6.400% 12/15/2066	446,259
620,000	Atlas Energy Holdings Operating Company 7.750% 01/15/2021	589,775
1,063,000	Atlas Energy Holdings Operating Company 9.250% 08/15/2021	1,086,918
200,000	Audatex North America Inc 6.000% 06/15/2021	209,000
161,000	Audatex North America Inc 6.125% 11/01/2023	165,025
495,000	Aurora USA Oil & Gas Inc 9.875% 02/15/2017	532,125
1,765,000	Avanti Communications 10.000% 10/01/2019	1,810,164
1,400,000	Block Communications Inc 7.250% 02/01/2020	1,480,500
225,000	BMC Software Finance Inc 8.125% 07/15/2021	231,188
1,260,000	Bombardier Inc 6.125% 01/15/2023	1,253,700
425,000	Brookfield Residential Properties 6.125% 07/01/2022	426,594
2,830,000	Caesars Entertainment Resort Properties 11.000% 10/01/2021	2,900,750
2,500,000	Caesars Entertainment Operating Company Inc 8.500% 02/15/2020	2,406,250
1,450,000	Cemex Finance LLC 9.375% 10/12/2022	1,640,313
600,000	Cemex SAB de CV 7.250% 01/15/2021	620,250
365,000	Century Aluminum Company 7.500% 06/01/2021	352,681
1,010,000	CenturyLink Inc 5.625% 04/01/2020	1,025,324
770,000	Cenveo Corp 11.500% 05/15/2017	759,413
1,725,000	CHC Helicopter SA 9.250% 10/15/2020	1,856,531
1,495,000	Citgo Petroleum Corp 11.500% 07/01/2017	1,637,025
1,065,000	Clear Channel Communications 9.000% 03/01/2021	1,079,644
1,055,000	Clear Channel Outdoor Holdings LLC/Capital Corp 5.125% 02/15/2023	971,919
130,000	Clear Channel Outdoor Holdings LLC/Capital Corp 5.250% 09/30/2022	121,225
815,000	Clear Channel Outdoor Holdings LLC/Capital Corp 5.750% 01/15/2024	763,044
2,300,000	Clear Channel Outdoor Holdings LLC/Capital Corp 7.375% 06/01/2020	2,492,625
555,000	Clear Channel Worldwide 6.500% 11/15/2022	564,019
875,000	Clear Channel Worldwide 6.500% 11/15/2022	894,688
645,000	CNG Holdings Inc 9.375% 05/15/2020	591,788
1,575,000	Convatec Healthcare 10.500% 12/15/2018	1,771,875

**PERFORMA HIGH YIELD FUND LTD.
SCHEDULE OF INVESTMENTS**

as at December 31, 2013

(Expressed in U.S. dollars)

Investments at fair value (cont'd)

Nominal	Fixed Income Securities (cont'd)	Fair Value
405,000	Darling International Inc 5.375% 01/15/2022	\$ 407,531
1,115,000	Denali Borrower/Finance Corp 5.625% 10/15/2020	1,099,669
1,237,000	Diamond Resorts Corp 12.000% 08/15/2018	1,363,793
271,000	DigitalGlobe Inc 5.250% 02/01/2021	263,209
2,465,000	Dish DBS Corp 5.000% 03/15/2023	2,310,938
450,000	Dish DBS Corp 5.125% 05/01/2020	450,563
2,105,000	Dish DBS Corp 5.875% 07/15/2022	2,099,738
1,605,000	Dynegy Inc 5.875% 06/01/2023	1,510,706
700,000	Eletson Holdings 9.625% 01/15/2022	709,625
875,000	Financial Security Assurance Holdings Ltd 6.400% 12/15/2066	692,313
320,000	First Data Corporation 11.750% 08/15/2021	335,200
315,000	First Data Corporation 11.750% 08/15/2021	327,994
2,135,000	First Data Corporation 6.750% 11/01/2020	2,217,731
2,400,000	FMG Resources August 2006 PTY Ltd 8.250% 11/01/2019	2,697,000
661,000	Forum Energy Technologies 6.250% 10/01/2021	689,919
1,275,000	Inmet Mining Corporation 8.750% 06/01/2020	1,381,781
1,535,000	General Motors Company 3.500% 10/02/2018	1,569,538
1,000,000	General Motors Company 6.250% 10/02/2043	1,041,250
335,000	Gibson Brands Inc 8.875% 08/01/2018	351,750
2,250,000	GLP Capital LP / Financing II 4.875% 11/01/2020	2,250,000
600,000	Golden Nugget Escrow Inc 8.500% 12/01/2021	605,250
2,405,000	Halcon Resources Corp 8.875% 05/15/2021	2,423,038
1,230,000	Halcon Resources Corp 9.250% 02/15/2022	1,245,375
540,000	Halcon Resources Corp 9.750% 07/15/2020	560,250
4,173,000	Harland Clarke Holdings 9.750% 08/01/2018	4,506,818
2,190,000	Hawk Acquisition Sub Inc 4.250% 10/15/2020	2,118,825
1,380,000	Hercules Offshore Inc 7.125% 04/01/2017	1,467,975
330,000	Hercules Offshore Inc 7.500% 10/01/2021	347,738
385,000	Hercules Offshore Inc 8.750% 07/15/2021	429,756
580,000	Hornbeck Offshore Services Inc 5.000% 03/01/2021	569,850
2,100,000	Howard Hughes Corp 6.875% 10/01/2021	2,186,625
660,000	Huntington Ingalls Industries Inc 7.125% 03/15/2021	723,525
1,090,000	Icahn Enterprises LP 6.000% 08/01/2020	1,124,063
2,285,000	Icahn Enterprises LP 8.000% 01/15/2018	2,382,113
1,080,000	Ineos Group Holdings SA 6.500% 08/15/2018	1,527,251
2,150,000	International Lease Finance Corp 6.250% 05/15/2019	2,335,438
870,000	J2 Global Communications 8.000% 08/01/2020	938,513
550,000	Jaguar Land Rover Automotive 8.250% 03/15/2020	1,033,914
750,000	JC Penney Corporation Inc 5.650% 06/01/2020	592,500
860,000	JC Penney Corporation Inc 6.375% 10/15/2036	639,625
1,085,000	Jefferies Finance LLC 7.375% 04/01/2020	1,124,331
490,000	Kinetics Concepts Inc 10.500% 11/01/2018	562,888
600,000	Landry's Holdings II Inc 10.250% 01/01/2018	636,000
375,000	Landry's Inc 9.375% 05/01/2020	408,281

**PERFORMA HIGH YIELD FUND LTD.
SCHEDULE OF INVESTMENTS**

as at December 31, 2013
(Expressed in U.S. dollars)

Investments at fair value (cont'd)

Nominal	Fixed Income Securities (cont'd)	Fair Value
1,050,000	Lender Processing Services 5.750% 04/15/2023	\$ 1,082,813
2,795,000	Level 3 Financing Inc 6.125% 01/15/2021	2,819,456
982,000	Libbey Glass Inc 6.875% 05/15/2020	1,060,560
2,075,000	Linn Energy LLC/Finance Corp 8.625% 04/15/2020	2,243,594
275,000	Markwest Energy Partners LP 5.500% 02/15/2023	275,000
750,000	Masco Corp 5.950% 03/15/2022	795,000
420,000	MBIA Inc 5.700% 12/01/2034	346,500
695,000	MBIA Inc 6.625% 10/01/2028	644,613
2,280,000	MEG Energy Corp 7.000% 03/31/2024	2,305,650
1,005,000	Mohegan Tribal Gaming 9.750% 09/01/2021	1,080,375
480,000	Mood Media Corp 9.250% 10/15/2020	420,600
580,000	Nationstar Mortgage LLC/Capital Corp 6.500% 06/01/2022	543,750
585,000	Nationstar Mortgage LLC/Capital Corp 6.500% 07/01/2021	556,481
478,000	Natural Resource Partners LP 9.125% 10/01/2018	489,950
1,130,000	NCR Corp 5.875% 12/15/2021	1,149,775
1,295,000	Neiman Marcus Group Ltd 8.750% 10/15/2021	1,350,038
825,000	Nielsen Company (Luxembourg) SARL/The 5.500% 10/01/2021	835,313
870,000	NII Capital Corp 7.625% 04/01/2021	357,788
1,160,000	NII International Telecom SCA 7.875% 08/15/2019	872,900
955,000	NII International Telecom SCA 11.375% 08/15/2019	797,425
2,556,000	Niska Gas Storage US LLC 8.875% 03/15/2018	2,658,240
1,150,000	Nortel Networks Limited 10.750% 07/15/2016	1,345,500
2,590,000	NRG Energy Inc 7.875% 05/15/2021	2,874,900
415,000	Nufarm Australia Limited 6.375% 10/15/2019	422,781
1,850,000	Nuverra Environmental Solutions 9.875% 04/15/2018	1,808,375
560,000	Oasis Petroleum Inc 6.875% 01/15/2023	599,200
600,000	Offshore Drilling Holding SA 8.375% 09/20/2020	639,000
1,450,000	Oil States International Inc 6.500% 06/01/2019	1,540,625
200,000	Pacnet Ltd 9.000% 12/12/2018	204,250
1,090,000	Peabody Energy Corp 6.250% 11/15/2021	1,099,538
485,000	Petroquest Energy Inc 10.000% 09/01/2017	503,188
1,285,000	Physio-Control International 9.875% 01/15/2019	1,435,988
535,000	Pinnacle Operating Corp 9.000% 11/15/2020	563,756
975,000	Post Holdings Inc 6.750% 12/01/2021	1,007,906
2,600,000	Post Holdings Inc 7.375% 02/15/2022	2,778,750
1,540,000	Prospect Medical Holding 8.375% 05/01/2019	1,655,500
1,260,000	Quapaw Downstream Development 10.500% 07/01/2019	1,272,600
320,000	Resolute Forest Products 5.875% 05/15/2023	292,400
705,000	Rex Energy Corp 8.875% 12/01/2020	767,569
1,100,000	Reynolds Group Issuer Inc 7.875% 08/15/2019	1,215,500
635,000	RR Donnelley & Sons Co 6.500% 11/15/2023	639,763
410,000	Rue21 Inc 9.000% 10/15/2021	297,763
2,965,000	Sabine Pass Liquefaction 5.625% 02/01/2021	2,901,994
1,395,000	Sandridge Energy Inc 7.500% 03/15/2021	1,459,519

**PERFORMA HIGH YIELD FUND LTD.
SCHEDULE OF INVESTMENTS**

as at December 31, 2013

(Expressed in U.S. dollars)

Investments at fair value (cont'd)

Nominal	Fixed Income Securities (cont'd)	Fair Value
1,895,000	Satelites Mexicanos 9.500% 05/15/2017	\$ 2,032,388
1,010,000	SBA Telecommunications 5.750% 07/15/2020	1,049,138
1,530,000	Schaeffler Holding Finance BV 6.875% 08/15/2018	2,255,842
1,500,000	Sealed Air Corp 8.125% 09/15/2019	1,685,625
2,145,000	Sears Holding Corp 6.625% 10/15/2018	1,943,906
650,000	SLM Corp 4.875% 06/17/2019	648,375
1,865,000	Softbank Corp 4.500% 04/15/2020	1,816,044
1,925,000	Sprint Capital Corp 6.900% 05/01/2019	2,105,469
850,000	Sprint Corp 7.125% 06/15/2024	862,750
1,240,000	Sprint Corp 7.875% 09/15/2023	1,329,900
1,980,000	Sprint Nextel Corp 7.000% 08/15/2020	2,145,825
890,000	T-Mobile USA Inc 6.125% 01/15/2022	904,463
1,755,000	T-Mobile USA Inc 6.542% 04/28/2020	1,862,494
1,840,000	T-Mobile USA Inc 6.731% 04/28/2022	1,920,500
910,000	T-Mobile USA Inc 6.836% 04/28/2023	946,400
550,000	Tenet Healthcare Corp 6.000% 10/01/2020	573,375
630,000	Tervita Corp 10.875% 02/15/2018	635,513
1,080,000	TMS International Corp 7.625% 10/15/2021	1,144,800
475,000	Topaz Marine SA 8.625% 11/01/2018	476,781
460,000	Townsquare Radio LLC/INC 9.000% 04/01/2019	496,225
2,080,000	Trilogy International Partners LLC 10.250% 08/15/2016	2,080,000
1,660,000	TVN Finance Corp III AB 7.375% 12/15/2020	2,464,670
1,075,000	TW Telecom Holdings Inc 5.375% 10/01/2022	1,057,531
435,000	Ultra Petroleum Corp 5.750% 12/15/2018	443,700
2,218,000	United Refining 10.500% 02/28/2018	2,495,250
1,150,000	Univision Communications 5.125% 05/15/2023	1,148,563
950,000	Univision Communications 6.750% 09/15/2022	1,041,438
1,650,000	UPC Holding BV 6.375% 09/15/2022	2,317,521
325,000	US Concrete Inc 8.500% 12/01/2018	331,094
430,000	USG Corp 5.875% 11/01/2021	446,125
4,286,000	Valeant Pharmaceuticals 6.750% 08/15/2021	4,548,518
750,000	Virgin Media Finance PLC 7.000% 04/15/2023	1,293,428
3,296,250	Wind Acquisition Holding 12.250% 07/15/2017	3,477,544
355,000	Wise Metals Group LLC 8.750% 12/15/2018	373,638
	Total investments at fair value	\$ 204,035,324

PERFORMA HIGH YIELD FUND LTD.
SCHEDULE OF INVESTMENTS
as at December 31, 2013
(Expressed in U.S. dollars)

Derivatives liabilities, at fair value

Notional	Forward Currency Contracts	Fair Value
3,203,862	USD/EUR due February 10, 2014	\$ (239,690)
870,474	USD/GBP due February 10, 2014	(88,628)
	Total derivatives liabilities, at fair value	\$ (328,318)

The accompanying notes form an integral part of these statements

PERFORMA HIGH YIELD FUND LTD.
SCHEDULE OF INVESTMENTS
as at December 31, 2012
(Expressed in U.S. dollars)

Investments at fair value

Nominal	Fixed Income Securities	Fair Value
860,000	313 Group Inc 6.375% 12/01/2019	\$ 852,475
745,000	313 Group Inc 8.750% 12/01/2020	729,169
475,000	Access Midstream Partners LP 4.875% 05/15/2023	483,906
1,225,000	Aguila 3 SA 7.875% 01/31/2018	1,298,500
2,900,000	Air Canada 9.250% 08/01/2015	3,030,500
455,000	Aircastle Ltd 6.750% 04/15/2017	485,713
1,465,000	Aircastle Ltd 7.625% 04/15/2020	1,638,969
455,000	Aleris International Inc 7.875% 11/01/2020	455,000
2,135,000	Ally Financial Inc 5.500% 02/15/2017	2,284,450
1,620,000	Ally Financial Inc 8.000% 11/01/2031	2,055,375
980,000	Amerigas Finance LLC 7.000% 05/20/2022	1,084,125
280,000	Antero Resources Finance Corp 6.000% 12/01/2020	282,450
890,000	A-S Co-Issuer Subsidiary Inc 7.875% 12/15/2020	888,888
510,000	Assured Guaranty US Holdings Inc 6.400% 12/15/2066	437,653
1,035,000	BE Aerospace Inc 5.250% 04/01/2022	1,093,219
1,760,000	Biomet Inc 6.500% 08/01/2020	1,874,400
1,400,000	Block Communications Inc 7.250% 02/01/2020	1,491,000
700,000	Bombardier Inc 7.750% 03/15/2020	790,125
550,000	Boyd Gaming Corp 9.000% 07/01/2020	542,438
425,000	Bristow Group Inc 6.250% 10/15/2022	454,219
250,000	Brookfield Residential Properties Inc 6.500% 12/15/2020	255,938
935,000	Caesars Entertainment Operating Co Inc 8.5% 02/15/2020	929,156
855,000	Calpine Corp 7.250% 10/15/2017	912,713
630,000	CCO Holdings LLC 5.125% 02/15/2023	631,575
2,300,000	CCO Holdings LLC 7.375% 06/01/2020	2,547,250
575,000	Cemex Finance LLC 9.375% 10/12/2022	643,281
825,000	Conveo Corp 11.500% 05/15/2017	701,250
1,105,000	Cequel Communications Holdings LLC 6.375% 09/15/2020	1,147,819
605,000	Cequel Communications Holdings LLC 8.625% 11/15/2017	645,838
1,400,000	CGG Veritas 6.500% 06/01/2021	1,503,250
850,000	CHC Helicopter SA 9.250% 10/15/2020	893,563
355,000	Chesapeake Energy Corp 6.625% 08/15/2020	378,963
1,955,000	CHS/Community Health Systems Inc 5.125% 08/15/2018	2,038,088
800,000	Cinemark USA Inc 5.125% 12/15/2022	809,000
1,495,000	Citgo Petroleum Corp 11.500% 07/01/2017	1,726,725
305,000	Claire's Stores Inc 9.000% 03/15/2019	325,969
250,000	Clean Harbors Inc 5.125% 06/01/2021	259,375
495,000	Clean Harbors Inc 5.250% 08/01/2020	516,038
2,055,000	Clear Channel Worldwide Holdings Inc 6.500% 11/15/2022	2,138,175
410,000	Clear Channel Worldwide Holdings Inc 7.625% 03/15/2020	415,125
645,000	CNG Holdings Inc 9.375% 05/15/2020	654,675

**PERFORMA HIGH YIELD FUND LTD.
SCHEDULE OF INVESTMENTS**

as at December 31, 2012
(Expressed in U.S. dollars)

Investments (cont'd)

Nominal	Fixed Income Securities (cont'd)	Fair Value
1,115,000	Compass Investors Inc 7.750% 01/15/2021	\$ 1,101,063
1,950,000	ConvaTec Healthcare SA 10.500% 12/15/2018	2,140,125
1,630,000	DaVita HealthCare Partners Inc 5.750% 08/15/2022	1,715,575
310,000	Dematic SA 7.750% 12/15/2020	310,001
2,520,000	Diamond Resorts Corp 12.000% 08/15/2018	2,718,450
1,720,000	DISH DBS Corp 5.875% 07/15/2022	1,849,000
350,000	Dufry Finance SCA 5.500% 10/15/2020	363,125
550,000	Eagle Rock Energy Partners LP 8.375% 06/01/2019	562,375
565,000	Endeavour International Corp 12.000% 03/01/2018	593,250
1,195,000	Energy Future Holdings Corp 10.000% 01/15/2020	1,335,413
1,315,000	Entravision Communications Corp 8.750% 08/01/2017	1,426,775
530,000	Felcor Lodging LP 5.625% 03/01/2023	530,000
1,580,000	First Data Corp 6.750% 11/01/2020	1,595,800
2,440,000	FMG Resources August 2006 Pty Ltd 8.250% 11/01/2019	2,604,700
450,000	FTI Consulting Inc 6.000% 11/15/2022	468,000
380,000	General Cable Corp 5.750% 10/01/2022	393,300
320,000	GrafTech International Ltd 6.375% 11/15/2020	332,400
835,000	Halcon Resources Corp 8.875% 05/15/2021	881,969
3,350,000	Harland Clarke Holdings Corp 9.750% 08/01/2018	3,257,875
385,000	HCA Holdings Inc 6.250% 02/15/2021	397,031
1,020,000	HCA Inc 4.750% 05/01/2023	1,036,575
1,610,000	HCA Inc 5.875% 03/15/2022	1,750,875
1,380,000	Hercules Offshore Inc 7.125% 04/01/2017	1,449,000
345,000	HudBay Minerals Inc 9.500% 10/01/2020	365,269
940,000	Huntington Ingalls Industries Inc 7.125% 03/15/2021	1,022,250
2,285,000	Icahn Enterprises LP 8.000% 01/15/2018	2,450,663
2,305,000	Ineos Finance Plc 7.500% 05/01/2020	2,411,606
1,425,000	Inmet Mining Corp 7.500% 06/01/2021	1,482,000
1,640,000	Inmet Mining Corp 8.750% 06/01/2020	1,783,500
2,590,000	Integra Telecom Holdings Inc 10.750% 04/15/2016	2,716,263
1,300,000	Intelsat Jackson Holdings SA 7.250% 10/15/2020	1,405,625
3,530,000	International Lease Finance Corp 6.250% 05/15/2019	3,785,910
870,000	J2 Global Communications 8.000% 08/01/2020	901,538
550,000	Jaguar Land Rover Automotive Plc 8.250% 03/15/2020	991,250
855,000	Kinetics Concepts Inc 10.500% 11/01/2018	897,750
1,055,000	Landry's Holdings II Inc 10.250% 01/01/2018	1,048,406
600,000	Lender Process Services Inc 5.750% 04/15/2023	623,250
3,375,000	Level 3 Financing Inc 10.000% 02/01/2018	3,763,125
1,620,000	Libbey Glass Inc 6.875% 05/15/2020	1,747,575
2,075,000	Linn Energy LLC 8.625% 04/15/2020	2,261,750
275,000	Live Nation Entertainment Inc 7.000% 09/01/2020	287,031
750,000	Masco Corp 5.950% 03/15/2022	832,500
1,225,000	Mediacom Broadband LLC 6.375% 04/01/2023	1,246,438

PERFORMA HIGH YIELD FUND LTD.
SCHEDULE OF INVESTMENTS
as at December 31, 2012
(Expressed in U.S. dollars)

Investments (cont'd)

Nominal	Fixed Income Securities (cont'd)	Fair Value
660,000	MEG Energy Corp 6.375% 01/30/2023	\$ 690,525
350,000	MGM Resorts International 6.750% 10/01/2020	357,438
1,525,000	MGM Resorts International 7.625% 01/15/2017	1,631,750
3	Midwest Generation LLC 8.560% 01/02/2016	3
495,000	MMI International Ltd 8.000% 03/01/2017	522,225
500,000	Mood Media Corp 9.250% 10/15/2020	526,250
395,000	Nationstar Mortgage LLC 7.875% 10/01/2020	417,713
355,000	Nationstar Mortgage LLC 9.625% 05/01/2019	401,150
1,005,000	NCR Corp 4.625% 02/15/2021	1,005,000
485,000	NCR Corp 5.000% 07/15/2022	492,881
870,000	NII Capital Corp 7.625% 04/01/2021	659,025
1,556,000	Niska Gas Storage US LLC 8.875% 03/15/2018	1,598,790
2,430,000	Nortel Networks Ltd 10.750% 07/15/2016	2,782,350
1,815,000	NRG Energy Inc 7.875% 05/15/2021	2,010,113
350,000	Nufarm Australia Ltd 6.375% 10/15/2019	368,375
560,000	Oasis Petroleum Inc 6.875% 01/15/2023	597,100
969,000	Offshore Group Investment Ltd 11.500% 08/01/2015	1,059,844
835,000	Offshore Group Investment Ltd 7.500% 11/01/2019	842,306
520,000	Oil States International Inc 5.125% 01/15/2023	525,200
1,450,000	Oil States International Inc 6.500% 06/01/2019	1,542,438
1,663,000	Physio-Control International Inc 9.875% 01/15/2019	1,820,985
1,730,000	Plains Exploration & Production Co 6.125% 06/15/2019	1,879,213
2,585,000	Plains Exploration & Production Co 6.875% 02/15/2023	2,953,363
2,160,000	Post Holdings Inc 7.375% 02/15/2022	2,370,600
1,340,000	Prospect Medical Holdings Inc 8.375% 05/01/2019	1,413,700
245,000	PVH Corp 4.500% 12/15/2022	247,450
1,260,000	Quapaw Downstream Developments 10.500% 07/01/2019	1,363,950
1,100,000	Reynolds Group Issuer Inc 7.875% 08/15/2019	1,225,125
315,000	Rough Rider Escrow Inc 9.875% 04/15/2018	325,238
475,000	Sabine Pass LNG LP 6.500% 11/01/2020	484,500
378,000	Sable International Finance Ltd 8.750% 02/01/2020	429,975
2,490,000	SandRidge Energy Inc 7.500% 03/15/2021	2,661,188
2,345,000	Satelites Mexicanos SA de CV 9.500% 05/15/2017	2,462,250
1,010,000	SBA Telecommunications Inc 5.750% 07/15/2020	1,073,125
1,000,000	Schaeffler Finance BV 7.750% 02/15/2017	1,466,720
580,000	Scientific Games International Inc 6.250% 09/01/2020	593,050
425,000	Seadrill Ltd 5.625% 09/15/2017	422,344
1,500,000	Sealed Air Corp 8.125% 09/15/2019	1,687,500
705,000	Sears Holdings Corp 6.625% 10/15/2018	645,956
1,355,000	Servicemaster Co 8.000% 02/15/2020	1,415,975
1,150,000	Silver II Borrower 7.750% 12/15/2020	1,189,669
440,000	Sirius XM Radio Inc 5.250% 08/15/2022	443,300
670,000	Speedy Cash Intermediate Holdings Corp 10.750% 05/15/2018	713,550

PERFORMA HIGH YIELD FUND LTD.
SCHEDULE OF INVESTMENTS
as at December 31, 2012
(Expressed in U.S. dollars)

Investments (cont'd)

Nominal	Fixed Income Securities (cont'd)	Fair Value
1,925,000	Sprint Capital Corp 6.900% 05/01/2019	\$ 2,098,250
870,000	Sprint Nextel Corp 7.000% 03/01/2020	1,004,850
1,980,000	Sprint Nextel Corp 7.000% 08/15/2020	2,163,150
725,000	Tenet Healthcare Corp 6.250% 11/01/2018	798,406
260,000	Toys R Us Inc 10.375% 08/15/2017	271,700
305,000	Toys R Us Inc 7.375% 10/15/2018	277,550
2,080,000	Trilogy International Partners LLC 10.250% 08/15/2016	1,830,400
1,450,000	TW Telecom Holdings Inc 5.375% 10/01/2022	1,520,688
3,415,000	United Refining Co 10.500% 02/28/2018	3,713,813
2,560,000	Univision Communications Inc 6.750% 09/15/2022	2,643,200
850,000	UPC Holding BV 6.375% 09/15/2022	1,138,850
950,000	UPCB Finance V Ltd 7.250% 11/15/2021	1,041,438
1,955,000	United Rentals North America Inc 7.625% 04/15/2022	2,184,713
315,000	ViaSat Inc 6.875% 06/15/2020	329,569
505,000	Videotron Ltd 5.000% 07/15/2022	528,988
825,000	Viking Cruises Ltd 8.500% 10/15/2022	888,938
925,000	WaveDivision Escrow LLC 8.125% 09/01/2020	957,375
950,000	West Corp 7.875% 01/15/2019	985,625
925,000	Wolverine World Wide 6.125% 10/15/2020	971,250
1,325,000	Zayo Group LLC 8.125% 01/01/2020	1,474,063
	Total investments at fair value	<u>\$ 177,304,734</u>

Derivatives liabilities, at fair value

Notional	Forward Currency Contracts	
2,576,641	USD/EUR due March 7, 2013	\$ (20,884)
989,323	USD/GBP due March 7, 2013	(10,173)
	Total derivatives liabilities, at fair value	<u>\$ (31,057)</u>

The accompanying notes form an integral part of these statements

PERFORMA HIGH YIELD FUND LTD.
STATEMENT OF OPERATIONS
for the year ended December 31, 2013
(Expressed in U.S. dollars)

	2013	2012
INCOME		
Interest income	\$ 13,878,077	\$ 8,473,524
Dividend and other income	84,407	143,143
	13,962,484	8,616,667
EXPENSES		
Management fees (Note 4)	1,608,428	1,024,452
Administration fees (Note 4)	257,349	163,912
Custodian fees (Note 4)	59,017	33,944
Professional fees	50,382	41,622
Miscellaneous fees	8,765	1,995
	1,983,941	1,265,925
NET INVESTMENT INCOME	11,978,543	7,350,742
REALIZED AND UNREALIZED GAIN ON INVESTMENTS		
Net realized gain on investments and derivatives (Note 6)	5,261,879	2,800,616
Net realized loss on foreign currency transactions	(241,960)	(166,884)
Change in unrealized (depreciation) appreciation of investments and derivatives	(3,759,155)	6,899,960
	1,260,764	9,533,692
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 13,239,307	\$ 16,884,434

The accompanying notes form an integral part of these statements

PERFORMA HIGH YIELD FUND LTD.
STATEMENT OF CHANGES IN NET ASSETS
for the year ended December 31, 2013
(Expressed in U.S. dollars)

	2013	2012
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 13,239,307	\$ 16,884,434
CAPITAL TRANSACTIONS		
Issuance of 3,392,328 and 19,161,568 Accumulation Shares	38,656,800	193,619,319
Redemption of 1,865,293 and 1,446,992 Accumulation Shares	(21,234,505)	(14,950,690)
NET INCREASE IN NET ASSETS RESULTING FROM CAPITAL TRANSACTIONS	17,422,295	178,668,629
NET INCREASE IN NET ASSETS	30,661,602	195,553,063
NET ASSETS, BEGINNING OF YEAR	195,553,063	-
NET ASSETS, END OF YEAR	\$ 226,214,665	\$ 195,553,063

The accompanying notes form an integral part of these statements

PERFORMA HIGH YIELD FUND LTD.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013
(Expressed in U.S. dollars)

1. THE FUND

Performa High Yield Fund Ltd. (the "Fund") was incorporated under the laws of Bermuda on July 29, 2002. On October 1, 2005 the Fund, at the time known as MVI Investment Fund Ltd., redeemed all its issued shares and ceased trading. The Fund remained dormant until its re-launch on February 2, 2012, at which time the Fund changed its name from MVI Investment Fund Ltd. to Performa High Yield Fund Ltd.

The objective of the Fund is to achieve an above average rate of total return while attempting to limit investment risk by investing in a diversified portfolio of fixed income securities, investing primarily in high yield debt instruments of U.S. and non-U.S. issuers. An instrument is considered "High-Yield" if it is rated below investment grade by nationally recognized statistical rating organizations (NRSRO) such as S&P, Moody's or Fitch.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of accounting:

The financial statements have been prepared in conformity with accounting principles generally accepted in Bermuda and Canada. 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.

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.

c. Cash and cash equivalents:

As at December 31, 2013, cash and cash equivalents includes an investment of \$18,845,414 and \$15,187,989 respectively, in a money market fund which is managed by P.R.P. Performa Limited (the "Investment Advisor").

PERFORMA HIGH YIELD FUND LTD.
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013
(Expressed in U.S. dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

d. Investment income:

Interest is recorded on the accrual basis of accounting, except for securities in default for which interest is recognized on the cash basis.

e. New accounting standards:

Effective January 1, 2014, the Fund adopted accounting principles generally accepted in the United States of America ("US GAAP"). The adoption of US GAAP will have no impact on the net asset value or net assets of the Fund.

3. SHARE CAPITAL

The authorized share capital of the Fund is divided into two classes of shares: 100 Ordinary Shares of a par value of \$0.01 and 100,000,000 redeemable Participating Shares with a par value of \$0.0001 each.

The Ordinary Shares are voting, non-redeemable and are not entitled to any dividends. The holder of the Ordinary Shares shall only be entitled to an amount equal to the par value of the Ordinary Shares in the event of a winding up or dissolution of the Fund. The Participating Shares are non-voting, and are redeemable.

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 an advisory fee equal to 0.75% per annum, calculated daily and paid quarterly in arrears.

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

The Investment Advisor has appointed Seix Investment Advisors LLC as the Fund's Sub Investment Advisor. The Sub Investment Advisor is paid a portion of the advisory fee.

PERFORMA HIGH YIELD FUND LTD.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013
(Expressed in U.S. dollars)

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

- b. STP Investment Services, Inc. (the "Administrator") provides services as the Administrator, Share Registrar and Transfer Agent for the Fund. For these services, the Administrator receives an administration fee. The administration fee is calculated at a rate of 0.12% per annum, on the daily net asset value of the Fund and is paid quarterly in arrears.

Under the terms of an investment management processing service agreement between the Investment Advisor and STP, the Investment Advisor has the right to participate in 40% of STP's net taxable income as defined in the investment management processing service agreement.

The Investment Advisor has no equity interest in STP.

c. Custodian

The custodian, Comerica Bank, is entitled to receive fees calculated at the following rates:

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

The custodian fee is calculated daily and paid quarterly in arrears.

5. CONCENTRATION OF CREDIT RISK

As at December 31, 2013 the custody of cash and investments are with Comerica Bank. The Fund had all its individual counterparty concentration with Comerica Bank, which is based in the United States of America.

PERFORMA HIGH YIELD FUND LTD.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013
(Expressed in U.S. dollars)

6. NET REALIZED GAIN ON INVESTMENTS AND DERIVATIVES

The net realized gain on investments was as follows:

	2013	2012
Proceeds on sale of investments	\$ 275,744,732	\$ 164,261,199
Less cost of investments sold:		
Investments owned at beginning of year	170,373,717	-
Investments purchased during the year	300,675,337	331,834,300
Investments owned at end of year	(200,566,201)	(170,373,717)
Cost of investments sold during year	270,482,853	161,460,583
Net realized gain on investments	\$ 5,261,879	\$ 2,800,616

7. FINANCIAL HIGHLIGHTS

Financial highlights of the Fund for the years ended December 31, 2013 and December 31, 2012 are as follows:

	2013	2012
Per share operating performance		
Net asset value per share at beginning of year	\$ 11.04	\$ 10.00
Net investment income	0.63	0.49
Net realized and unrealized gain on investments	0.09	0.55
Net increase in net assets resulting from operations	0.72	1.04
Net asset value per share at end of year	\$ 11.76	\$ 11.04
TOTAL RETURN:	6.49%	10.39%
RATIO TO AVERAGE NET ASSETS:		
Expenses	0.92%	0.89%
Net investment income	5.54%	5.18%

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

PERFORMA HIGH YIELD FUND LTD.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013
(Expressed in U.S. dollars)

8. 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.

