

**CONFIDENTIAL MEMORANDUM  
("PROSPECTUS")**

*Relating to an offering of up to 2,000,000,000 shares of various classes par value  
Of U.S. \$0.01 each of*

**PERFORMA LIQUID ASSETS FUND LTD.**

*(An Exempted Company Incorporated with Limited Liability under the Laws of Bermuda as a Mutual Fund)*

**Listing Sponsored by:**

Walkers Listing Services (Bermuda) Limited  
Park Place, 55 Par-la-Ville Road  
Hamilton HM 11, Bermuda

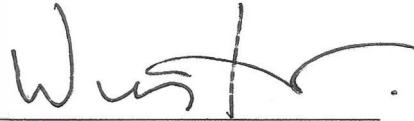
September 2019

**Investment Advisors:**

P.R.P. Performa Ltd.  
The Continental Building  
25 Church Street, 2nd Floor  
Hamilton, HM 12 Bermuda

Performa Limited (US), LLC  
960 Morrison Drive, Suite 200  
Charleston, SC 29403 USA

The Board of Directors accepts  
Responsibility for the contents of  
this document signed for and on  
behalf of the Board of Directors



By:  
Title: Director

**THE BERMUDA STOCK EXCHANGE (THE "BSX") TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON ANY PART OF THE CONTENTS OF THIS DOCUMENT.**

**THIS PROSPECTUS INCLUDES PARTICULARS GIVEN IN COMPLIANCE WITH THE LISTING REGULATIONS OF THE BSX (THE "BSX LISTING REGULATIONS"). THE BOARD OF DIRECTORS OF THE COMPANY (THE "DIRECTORS") COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS PROSPECTUS AND ANY SUPPLEMENT AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF THERE ARE NO OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN MISLEADING.**

## NOTICES

Performa Liquid Assets Fund Ltd. (the “**Company**,” formerly known as MRM Liquid Assets Fund Ltd.) is an open-ended mutual fund company incorporated on March 21, 1997 under the laws of Bermuda.

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

The Company has an authorized capital of U.S.\$20,012,000 divided into 2,000,000,000 non-voting redeemable participating shares (the “**Common Shares**” or the “**Shares**”) of par value U.S. \$0.01 each and 12,000 ordinary, voting, non-participating, non- redeemable shares (the “**Founder Shares**”) of par value \$1.00 each. The Company is offering its Shares initially at US\$1.00 per Share, and thereafter at a price based on net asset value (“**Net Asset Value**”) per Share of each Class (as herein defined).

The Shares may be divided into such number of classes (each a “**Class**”) as the Directors may determine.

Where the Directors create a new Class of Shares, a class fund (“**Class Fund**”) will be established and maintained by the Company in connection with each such Class of Shares created for issue and each Class Fund will have separate accounting records. Within each Class Fund all assets attributable to the holders of the relevant Class of Shares shall be held. Within each Class Fund, each Class of Shares may be further divided into income shares (“**Income Shares**”) and accumulation shares (“**Accumulation Shares**”). In the event that such division occurs, it is anticipated that dividends will be paid daily on Income Shares and that no dividends will be paid on Accumulation Shares.

If you are in any doubt about the contents of this Prospectus and/or any Supplement, you should consult your stockbroker, bank manager, lawyer, accountant or other professional advisor. The distribution of this Prospectus and/or any Supplement and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession these documents comes are required by the Company to inform themselves about and to observe such restrictions. This Prospectus and/or any Supplement do not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

The Shares are offered on the basis of the information and representations contained in this Prospectus and/or any Supplement and any further information given or representations made by any person may not be relied upon as having been authorized by the Company or its Directors. Neither the delivery of this Prospectus and/or any Supplement nor the allotment or issue of Shares shall under any circumstances create any implication that there has been no change in the affairs of the Company since the date hereof.

The Shares will be offered and sold for investment only to Qualified Investors pursuant to Qualified Investor Rules of the BSX. Investors will be required to complete and sign a form of suitability declaration before being allowed to invest in the Shares. A copy of the form of suitability declaration is attached as appendix to the relevant Supplement.

The Shares are not offered to the general public of either Bermuda or the Cayman Islands.

Permission under The Exchange Control Act, 1972 of Bermuda (and regulations made thereunder) has been received from the Bermuda Monetary Authority (the “**Authority**”) for the issue and free transferability of up to 2,000,000,000 Shares and 12,000 Founder Shares.

The Company has been classified as an Institutional Fund and is subject to regulation and supervision under the Investment Funds Act 2006 of Bermuda (the “**Investment Funds Act**”). As such, the Company may not be supervised to the same degree as other funds which are authorized and regulated by the Authority. Therefore, the Company should be viewed as an investment suitable only for participants who can fully evaluate and bear the risks involved. Further, it must be distinctly understood that the authorization received from the Authority does not constitute a guarantee by the Authority as to the performance of the Company or its creditworthiness. Furthermore, in authorizing the Company, the Authority shall not be liable for the performance of the Company or default of its

operators or service providers, nor the correctness of any opinions or statements expressed in this Prospectus and/or any Supplement.

In addition, a copy of this Prospectus, any Supplements and all previous amendments or updates to such documents have been delivered to the Registrar of Companies in Bermuda (the “**Registry**”) for filing pursuant to the Companies Act 1981 of Bermuda as amended. In accepting this Prospectus and the Supplements for filing, the Registry accepts no responsibility for the financial soundness of any proposal or for the correctness of any of the statements made or opinions expressed with regard to them.

The Directors have to date issued two Classes of Shares, Class A Shares and Class B Shares. The Class A Shares were listed on the BSX on October 21, 1997 and the Class B Shares were listed on the BSX during July 2007. 1,000,000,000 Shares have been allocated to each Class A Shares and Class B Shares by the Directors and are offered on a continuous basis.

The Directors will decide whether future Classes of Shares offered by the Company will also be listed prior to their issue. It is not anticipated, at this time, that the Shares will be listed on any other stock exchange.

The Shares have not been registered under any United States (“**US**”) securities laws and, except in a transaction which does not violate US securities laws, may not be directly or indirectly offered or sold in the US, or any of its territories or possessions or areas subject to its jurisdiction, or to or for the benefit of a US Person (as defined in this Prospectus).

The Company is not a recognized collective investment scheme under any United Kingdom financial services laws and, as such, Shares may not be offered or sold in the United Kingdom by means of this Prospectus and/or any Supplement except in accordance with all applicable provisions of the relevant United Kingdom financial services laws and all applicable orders, rules and regulations relating thereto.

The Directors of the Company, whose names appear in the directory below, accept responsibility for the information contained in this Prospectus and/or any Supplement. To the best of the knowledge and belief of the Directors of the Company (who have taken all reasonable care to ensure that such is the case), these documents do not contain any untrue or misleading statement, or omit anything which would make any statement untrue or misleading.

All references to “**dollars**”, “**cents**” and the signs “**U.S. \$**,” “**US\$**,” and “**\$**” in this Prospectus and/or any Supplement are, except where the context otherwise requires, to the currency of the United States of America.

This Prospectus and each relevant Supplement together with the latest audited (or unaudited) financial statements of the Company form the Prospectus of the Company. All terms defined in this Prospectus shall have the same meaning in the relevant accompanying Supplement unless otherwise defined therein. Any term not defined herein shall have the meaning assigned to it in the Bye-Laws of the Company (the “**Bye-Laws**”).

## SUMMARY OF TERMS

**The following is a summary of certain information set forth more fully elsewhere in the Prospectus. This summary should be read in conjunction with such detailed information.**

### **THE COMPANY:**

The Company is an exempted open-ended mutual fund company incorporated in Bermuda on March 21, 1997 with limited liability and limited duration under the provisions of the Companies Act 1981 (Bermuda) as amended. The Company is classified as an Institutional Fund under the Investment Funds Act 2006 of Bermuda (the “**Investment Funds Act**”). The Company has an authorized capital of \$20,012,000 divided into 2,000,000,000 non-voting redeemable participating shares (the “**Common Shares**” or the “**Shares**”) of par value \$0.01 each and 12,000 ordinary voting non-participating non-redeemable shares (the “**Founder Shares**”) of par value \$1.00 each.

### **CLASSES OF SHARES:**

The Company is offering multiple Classes of Shares to investors, details of which

are set out in this Prospectus and in the attached relevant Supplement, which form part of this Prospectus.

### **Class Fund**

Where the Directors create a new Class of Shares, a class fund (the “**Class Fund**”) will be established and maintained by the Company in connection with each such Class of Shares created for issue and allotment. Within each Class Fund all assets attributable to the holders of the relevant Class of Shares shall be held. Within each Class Fund, each Class of Shares may be further divided into Income Shares and Accumulation Shares. In the event that such division occurs, it is anticipated that dividends will be paid daily on Income Shares and that no dividends will be paid on Accumulation Shares.

The proceeds from the allotment and issue of each Class of Shares shall be applied in the books of the Company to the Class Fund established for the relevant Class of Shares and the assets, liabilities, income and expenditure attributable thereto will be applied to such Class Fund subject as provided herein, to the Bye-Laws and to applicable law.

The assets held in each Class Fund will be applied solely in respect of Shares of the Class to which such Class Funds appertain.

**Investors should note that each Class Fund created is not a separate legal entity. As such, the assets of each Class Fund may be subject to the general creditors of the Fund.**

Subject to the Bye-Laws and applicable law, dividends as and when declared by the Directors shall be paid to the holders of Shares of a particular Class out of the relevant Class Fund.

On redemption of Shares of a particular Class, redemption monies will be paid to the holder redeeming such Shares out of the relevant Class Fund.

The Directors shall have discretion to determine the basis upon which any liability shall be allocated between Class Funds and shall have power at any time and from time to time to vary such basis.

Each Class of Shares offered will have the same rights, will be invested in accordance with the investment objective of the Company and will share non-operating expenses pro rata. Each Class of Shares will differ only in terms of operating expenses (“**Operating Expenses**”) which are defined as investment advisory, custodian and administrative and sub-administrative fees incurred in respect of each Class Fund. The Operating Expenses payable in respect of each Class Fund are set out in the relevant Supplement.

P.R.P. Performa Ltd. and Performa Limited (US), LLC, its affiliates and subsidiaries (the “**Investment Advisors**”) will manage each Class Fund. The proceeds from the allotment and issue of each Class of Shares by way of the relevant Class Fund will be invested in such investment vehicles or securities, as the Investment Advisor considers appropriate to achieve the investment objective of the Fund.

**INVESTMENT OBJECTIVE:** The overall investment objective of the Company is to achieve income while attempting to limit investment risk by investing in a diversified portfolio of cash and near cash instruments.

**INVESTMENT STRATEGY:** The investment strategy of the Company is to invest principally in cash and near cash instruments in order to achieve the overall investment objective. Each Class Fund is managed by the Investment Advisors, which invest in securities or

investment vehicles that it considers appropriate to achieve the investment objective of the Class Fund.

**LETTER OF CREDIT FACILITY:**

The Company's Shares are accepted by certain banks ("**LOC Banks**") as eligible collateral to support letters of credit which these entities are in the business of issuing on behalf of insurance companies as required by insurance regulators in the US. As of the date of this Prospectus, LOC Banks have informed the Company that they would generally value the Shares for collateral purposes at 90-100% of the Net Asset Value per Share of each Class at the time of issuance of any letter of credit. The issuance of letters of credit by LOC Banks is subject to credit approval of each applicant by such LOC Banks in their respective sole discretion, and they reserve the right to issue or refuse to issue letters of credit on behalf of any applicant, whether or not the applicant has invested in the Shares. The value described above is taken on a case-by-case basis and, as such, may vary with each approval.

No LOC Bank endorses the Company or the Shares and neither is participating in the offering.

Comerica, an LOC Bank, acts as the Custodian to the Company by virtue of a Custodian Agreement (see under "**Custodian**" and "**Material Contracts**").

**OFFERING OF SHARES:**

The initial offering period of each Share Class is set out in the relevant Supplement for that Share Class. During such period, Shares of each Class were offered at a purchase price of \$1.00 per Share.

Applications for Shares may be made on any Dealing Day, or if such a day is not a business day then the preceding business day. A Dealing Day means a day on which Common Shares may be subscribed or redeemed being any Business Day or such other times as the Directors may determine (a "**Dealing Day**"). A Business Day is a day when the banks in Bermuda or New York are open for business and/or such other day as the Directors may from time to time determine (a "**Business Day**").

Shares of each Class are currently being offered for sale on any Dealing Day, or if such a day is not a Business Day then the preceding business day.

Shares of each Class are being offered at a purchase price based on the Net Asset Value per Share of the relevant Class as at the close of business in Bermuda on the Business Day on which the completed application is received (a "**Valuation Day**"), provided that the completed application form is received before 1 p.m. (Atlantic Standard Time) and the subscription amount in cleared funds is received before 1 p.m. (Atlantic Standard Time). If these two conditions do not occur by the times stated, the application will be treated as applications for the subscription of Shares of the relevant Class for the next Business Day.

**QUALIFIED INVESTOR:**

An investor in the Company who has truthfully completed an investor suitability declaration, in the form prescribed by the BSX, from time to time or in such other form as that exchange may approve, and either:

- (a) makes an investment in the Shares of not less than US\$100,000 (unless waived by the Directors); or
- (b) otherwise meets one of the suitability tests set out in the declaration.

**MINIMUM:  
SUBSCRIPTION:**

The minimum investment per investor is set out in the relevant Supplement, unless waived by the Directors of the Company.

**REDEMPTION:**

Generally, Shares of each Class may be redeemed on any Business Day, provided that the written request for redemption is received by the Administrator before

1p.m. (Atlantic Standard Time) on that Business Day or at such other times as the Directors may determine. Shares of the relevant Class will be redeemed on any Business Day at a price per Share based on the Net Asset Value per Share of the relevant Class as at the close of business in Bermuda on the same Business Day.

In the event that requests for redemption are received after 1 p.m. (Atlantic Standard Time) the redemption request will be dealt with by the Company on the next Business Day. Payment of the redemption price will normally be made within one (1) Business Day following the redemption of the Shares of the relevant Class.

**SUBSCRIPTION  
PROCEDURE:**

Persons interested in subscribing for Shares of the relevant Class should complete the application form attached to this Prospectus (Appendix 1) and return the same to the Administrator at the address listed thereon. Payment for Shares should be made by wire transfer.

**CONVERSIONS:**

Shares of any Class can be converted to Shares of any other Class on any Dealing Day, if the Administrator receives a written request for conversion before 1p.m. (Atlantic Standard Time) on that Dealing Day and if on conversion any minimum subscription level for the relevant Class is adhered to. The price at which Shares are so converted is based on the Net Asset Value per Share of the Class of Shares then held and the Net Asset Value per Share of the Class into which the holder is converting at the close of business in Bermuda on the appropriate Dealing Day. The Company may, at its discretion, convert Shares to another Class.

**NET ASSET VALUE:**

The Net Asset Value per Share of each Class will be determined in accordance with the Company's Bye- Laws. The Net Asset Value of each Class is generally equivalent to the assets attributable to the Shares of each Class less the liabilities attributable to the Shares of that Class on any Business Day. The Net Asset Value per Share of each Class is determined by dividing the Net Asset Value of that Class by the number of outstanding Shares of the relevant Class. The Net Asset Value of each Class may be both published on the Investment Advisor's website: [www.performaltd.com](http://www.performaltd.com) and communicated to the BSX on a weekly basis.

**INVESTMENT ADVISORY  
& OTHER FEES:**

The Company will pay the Investment Advisors an investment advisory fee payable monthly in arrears. The Company will also pay custodians, administrators and other service providers in a similar manner. The details of the investment advisory and other service provider fees payable in respect of each Class of Shares are set out in the relevant attached Supplements.

**REPORTS:**

Shareholders in the Company will be sent quarterly unaudited reports and audited financial statements for the period ending on the final Valuation Day in each calendar year, such Valuation Day being determined in accordance with the provisions of the Company's Bye-Laws. The first audited financials of the Fund were dated December 30, 1997.

**RISK CONSIDERATIONS:**

The specialized investment program of the Company involves significant risks (see "**Risk Considerations**").

## DIRECTORY

### DIRECTORS:

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|  |  |  |   |
|--|--|--|---|
| <b>Hugh Barit</b><br>The Continental Bldg.<br>25 Church Street<br>Hamilton, HM 12<br>Bermuda | <b>David T. Kilborn,</b><br>CFA®<br>960 Morrison Drive<br>Suite 200<br>Charleston, SC 29403<br>USA | <b>Gary M. LeBlanc, CPA</b><br>The Continental Bldg.<br>25 Church Street<br>Hamilton, HM 12<br>Bermuda | <b>Winston C. Robinson</b><br>2651 Gadsen Walk<br>Duluth, GA 30097<br>USA |
|--|--|--|---|

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### SECRETARY AND REGISTERED OFFICE:

**Walkers Corporate  
(Bermuda) Limited**  
Park Place  
55 Par-la-Ville Road  
Hamilton HM 11  
Bermuda  
Tel: (441) 242-1500

### INVESTMENT ADVISORS:

**P.R.P. Performa Ltd.**  
The Continental Bldg.  
25 Church St., 2<sup>nd</sup> Fl.  
Hamilton HM 12  
Bermuda  
Tel: (441) 295-6754  
www.performaltd.com

### CUSTODIAN, BANK & SUB-ADMINISTRATOR

**Comerica Bank**  
One Detroit Center  
500 Woodward Ave.  
Detroit, MI 48226 USA  
Tel: (313) 222-4000  
Fax: (313) 222-7041

**Performa Limited (US), LLC**  
960 Morrison Drive, Suite 200  
Charleston, SC 29403 USA  
Tel: (843) 297-4130  
www.performaltd.com

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### ADMINISTRATOR, REGISTRAR & TRANSFER AGENT:

**STP Investments  
Services LLC**  
486 Thomas Jones Way  
Suite 250  
Exton, PA 19341 USA  
Tel: (610) 363-5684  
Fax: (610) 636-5781

**LEGAL ADVISORS:**  
Taylors in association  
with WALKERS  
Park Place  
55 Par-la-Ville Road  
Hamilton HM 11  
Bermuda  
Tel: (441) 242-1500

**AUDITORS:**  
Deloitte & Touche  
Ltd. The Corner  
House  
Church & Parliament  
St. Hamilton HM 12  
Bermuda  
Tel: (441) 292-1500

### BSX APPOINTED REPRESENTATIVE:

**Kathy Nicholl**  
Chief Compliance Officer  
960 Morrison Drive  
Suite 200  
Charleston, SC 29403 USA  
Tel: (843) 297-4130

## THE COMPANY

Performa Liquid Assets Fund Ltd. (the “**Company**,” formerly known as the MRM Liquid Assets Fund Ltd.) is a Company incorporated in Bermuda on March 21, 1997 with limited liability and limited duration under the provisions of the Companies Act 1981 (Bermuda) as amended (the “**Companies Act**”). The Fund’s registered office is located at Continental Building, 25 Church Street, Hamilton HM 12, Bermuda. The Company has the object of carrying on the business of a mutual fund. As such, it has the power to issue and redeem its Shares at a price based on Net Asset Value, as determined in accordance with the Company’s Bye-Laws (the “**Bye-Laws**”) and otherwise set out herein. P.R.P. Performa Ltd. and Performa Limited (US), LLC, its affiliates and subsidiaries are the Company’s investment advisors (the “**Investment Advisors**”).

The Company has an authorized capital of \$20,012,000 divided into 2,000,000,000 non-voting redeemable participating shares of par value U.S. \$0.01 each (the “**Common Shares**” or the “**Shares**”) and 12,000 ordinary voting non-participating, non-redeemable shares of par value U.S. \$1.00 each (the “**Founder Shares**”) of \$1.00 each.

The Bye-Laws of the Company enable the Directors of the Company (the “**Directors**”) to create different Classes of Shares. Where the Directors create a new Class of Shares, a class fund will be established and maintained by the Company in connection with each such Class of Shares created for issue (each, a “**Class Fund**”) and each Class Fund will have separate accounting records. Within each Class Fund all assets attributable to the holders of the relevant Class of Shares shall be held.

Within each Class Fund, each Class of Shares may be further divided into Income Shares and Accumulation Shares. The proceeds from the allotment and issue of each Class of Shares shall be applied in the books of the Company to the Class Fund established for the relevant Class of Shares and the assets, liabilities, income and expenditure attributable thereto will be applied to such Class Fund subject as provided herein, to the Bye-Laws and to applicable law.

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. The holders of a Class of Shares will not have any interest in any assets of any other Class of Shares other than those attributable to the class of Shares held by them.

The Directors of the Company anticipate that distributions will be paid daily on the Income Shares so as to maintain the Net Asset Value per Share at a constant figure of US\$1.00 and that distributions will not be declared or paid on Accumulation Shares.

The assets of each Class Fund may be subject to the general creditors of the Company.

In order to provide for the minimum share capital required under Bermuda law, the Founder Shares were issued to the Investment Advisors.

The Company has been established to permit sophisticated private and institutional investors to participate in internationally diversified investment portfolios managed by the Investment Advisor.

## INVESTMENT OBJECTIVE AND STRATEGY

The overall investment objective of the Company is to achieve income while attempting to limit investment risk by investing in a diversified portfolio of cash and near cash instruments. The Investment Advisors manage the individual Share Classes by investing in securities or investment vehicles that it considers appropriate to achieve the overall investment objective of the Company.



## **LETTER OF CREDIT SERVICES**

A number of financial institutions including Comerica Bank, the Company's custodian ("LOC Banks"), have informed the Company that they are willing to accept the Shares as collateral to support letters of credit which the Banks are in the business of issuing on behalf of insurance companies as required by insurance regulators in the United States. The LOC Banks have informed the Company that they will generally value the Shares for collateral purposes at the time of issuance of any letter of credit. The issuance of letters of credit by the LOC Banks are subject to credit approval of each applicant by the LOC Banks in their sole discretion and the LOC Banks reserve the right to issue or refuse to issue letters of credit on behalf of any applicant whether or not the applicant has invested in the shares. The value described above is taken on a case by case basis and, as such, varies with each approval.

## **RISK CONSIDERATIONS**

This offering is intended only for those investors who have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of an investment in Shares of the Company and are able to bear the risk of their entire investment in the Company.

There can be no assurance that the Company will achieve its investment objectives. Investment in the Company involves a degree of risk higher than cash and could result in losses, even though the investment objective of the Company is to invest in cash equivalent securities have over all portfolio interest rate risk less than six (6) months.

The following does not purport to be a comprehensive summary of all of the risks associated with an investment in the Company. Rather, the following are only certain risks to which the Company is subject and that the Investment Advisors wish to encourage prospective investors to discuss in detail with their professional advisers.

### **Investment and Trading Risks in General**

All securities investments risk the loss of capital. Investment in the various securities and other instruments contemplated by the Company involves significant economic risks. Although the Company's investment program is expected to provide some protection from the risk of loss inherent in the ownership of such investments, there can be no assurance that these strategies will completely protect against this risk or that the Company's overall investment objective will be obtained.

### **Possible Effect of Redemptions**

Shareholders may redeem their Shares in accordance with the Bye-Laws of the Company. Substantial redemptions could require the Company to liquidate investments more rapidly than otherwise desirable in order to raise the necessary cash to fund the redemptions and to achieve a market position appropriately reflecting a smaller equity base. In the case that this could adversely affect the value of the shares, the Directors of the Company can require an in-kind redemption; thereby delivering a prorated quantity of all investments held in the Company in lieu of cash.

An affiliate of the Investment Advisors may from time to time own a substantial portion of the issued Shares of the Company. If the affiliate were to redeem its Shares in the Company, either voluntarily or through the actions of a secured creditor of the affiliate, it may request an in-kind redemption.

### **Cross Class Liability**

The Company has several Classes of Shares and further Classes may be created in the future. Each separate Class of Shares will be maintained with separate accounting records in separate Class Funds. However, each Class Fund is not a separate legal entity. Thus, all of the assets of the Company may be available to meet all of the liabilities of the Company, regardless of the separate Class Funds to which such assets or liabilities are attributable. In practice, cross class liability will usually only arise where any Class Fund becomes insolvent or exhausts its assets

and is unable to meet all of its liabilities. In this case, all of the assets of the Company attributable to the other Class Funds may be applied to cover the liabilities of the insolvent Class Fund.

**THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE COMPLETE OR FULLY EXPLAIN THE RISKS INVOLVED IN AN INVESTMENT IN THE COMPANY.**

### **INVESTMENT ADVISORS**

P.R.P. Performa Ltd. (“**PRP**”), licensed to conduct investment business by the Authority as of this date hereof, was established on November 26, 1992. Performa Limited (US), LLC (“**PUSA**”), a registered investment advisor with the United States Securities and Exchange Commission (the “**SEC**”), was established on April 7, 2010 as Ansonborough Capital Management, LLC and changed its name on July 1, 2012. Registration and licensing with the SEC and the Authority does not confer those entities’ approval of the Investment Advisors or the Company.

The Investment Advisors, as affiliates, provide portfolio management services for captive insurance and reinsurance companies. PRP, as a Bermuda domiciled investment management firm, provides its services to those clients domiciled offshore. PUSA focuses on those clients within the United States. The Investment Advisors and their subsidiaries manage core fixed income, core equity and other investment strategies internally and work with sub advisors to manage other sectors and strategies for their clients’ portfolio exposures. Hugh Barit, David Kilborn and Gary M. LeBlanc are Directors of both the Company and PRP. David Kilborn is also the Managing Member and Chair of the Board of Managers of PUSA. Winston Robinson is an independent Director of both the Company and PRP.

The Investment Advisors have entered into separate investment management agreements with the Company whereby they provide certain management and investment advisory services to the Company (the “**Investment Management Agreements**”). Either party may terminate the Investment Management Agreements forthwith in writing. The fees in respect of any part of the un-expired three-month period will be charged pro rata.

The Company will pay the Investment Advisors an investment advisory fee payable in arrears on the last business day of each calendar month. The details of the investment advisory fees payable in respect of each class of Shares are set out in the relevant Supplement.

The Investment Advisors have not been convicted of any regulatory, civil or criminal offences nor have been the subject of any regulatory disciplinary actions over the past five years.

### **DIRECTORS**

The following are the Directors of the Company:

#### ***Hugh Barit***

In December 1992, Mr. Barit founded P.R.P. Performa Ltd. in Bermuda and is currently its Chairman and Chief Executive Officer. Mr. Barit graduated from Hobart College, Geneva, New York with a Bachelor of Arts degree in Economics. On January 1, 1984, he joined IBM as a Marketing Representative, responsible for marketing the company’s products to multi-national insurance companies. He joined Performa Securities Limited, an investment management firm located in Bermuda, in June 1988 as Marketing Director, responsible for the management of the company’s captive insurance clients.

#### ***David T. Kilborn, CFA***<sup>®</sup>

Mr. Kilborn has been the Chief Investment Officer of the Investment Advisor since he joined the Investment Advisor in August 2011 and is responsible for the company’s overall investment policy. Prior to joining the Investment Advisor, Mr. Kilborn served as Chief Investment Officer of Dwight Asset Management where he was responsible for over \$75 billion in fixed income client assets. As Chair of Dwight’s Fixed Income Strategy Group, he led the decision making process for macro sector allocation and strategy duration. He also held previous positions

with Manufacturers Hanover Trust in New York City in the Emerging Markets Group and traded emerging market and non-dollar securities at several other institutions. Mr. Kilborn graduated from Trinity College, Hartford, CT with a Bachelor's degree in Economics and holds the Chartered Financial Analyst (CFA<sup>®</sup>) designation from the CFA Institute.

***Gary M. LeBlanc, CPA***

Mr. LeBlanc joined the Investment Advisor as the Chief Compliance Officer in April 2002 and is now the current Chief Operating Officer. Mr. LeBlanc graduated from Pepperdine University with a Bachelor of Science in Accounting. In September 1997 he joined Deloitte & Touche LLP as an audit senior in the Business Advisory & Assurance Services group, specializing in audits of financial service companies. In November 2000, he joined Deloitte & Touche Tohmatsu International, located in Bermuda, specializing in audits of investment companies, off-shore hedge funds and captive insurance management.

***Winston C. Robinson***

Mr. Robinson, the Company's independent Director, was the Chief Financial Officer of the Investment Advisor until his retirement in 2015. Mr. Robinson graduated from North Carolina Central University, Durham North Carolina with a Bachelor of Business degree in Accounting and is a Certified Public Accountant. Previously, Mr. Robinson was the Managing Director for Appleby Corporate Services (Bermuda) Ltd. He has extensive financial, captive insurance management, accounting and telecommunications experience having worked at Price Waterhouse, Hanna Insurance Management and The Bermuda Telephone Company Limited.

The Directors have agreed to serve for no remuneration. The Directors may be paid, inter-alia, for traveling, hotel and other expenses properly incurred by them in attending meetings of the Directors or in connection with the business of the Company. Any Director who devotes special attention to the business of the Company may be paid remuneration as the Directors may determine. There are no provisions in the Bye-Laws of the Company requiring a Director to retire by reason of any age limit or share qualification for Directors.

**POTENTIAL CONFLICTS OF INTEREST**

The Investment Advisors and Sub-Investment Advisors may act as manager or advisor to other mutual funds or clients and may also invest for its own accounts. As such, the Investment Advisor and Sub-Investment Advisors on behalf of its other clients could compete for the same trades or investments as the Company may otherwise make. When such an occasion arises, investment opportunities are allocated based on what the Investment Advisor and Sub-Investment Advisors deems to be equitable. However, in some cases these allocation procedures may adversely affect the price paid or received by the Company or the size of the position obtained or disposed of by the Company.

Directors of the Company may also be directors of the Investment Advisor and Sub-Investment Advisors, the Company's legal advisors, or directors of companies in which the Company's assets are or may be invested. As such, the Directors may have a conflict between their obligation to act in the best interests of the Company and their interest in generating revenues or other benefits for other entities with persons with which they are affiliated.

A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director, or may act in a professional capacity to the Company on such terms as the Directors may determine. No Director shall be disqualified by his office from contracting with the Company in any capacity, nor shall any such contract or arrangement entered into by the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Director holding that office if he shall declare the nature of his interest.

A Director, notwithstanding his interest, may be counted in the quorum present at any meeting at which he or any other Director is appointed to hold any such office or place of profit under the Company or at which the terms of any such appointment are arranged, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of terms thereof.

The Directors may from time to time purchase shares in Funds offered by the Company. Some of the Directors of the Company are also directors of the Investment Advisor, Sub-Investment Advisors and therefore have a material interest in the Investment Management Agreement, any sub-advisory agreement and/or the Administration Agreement respectively. There are no existing or proposed service contracts between any of the Directors and the Company.

In the event a conflict of interest arises, the Directors will endeavor to ensure that the conflict is resolved fairly.

## **INDEMNITIES**

The Bye-Laws of the Company provide that any Director or Officer of the Company shall be indemnified and held harmless out of the assets of the Company against all liabilities, loss, damage or expense (including but not limited to liabilities under contract, tort and statute or an applicable foreign law or regulation and all reasonable legal and other costs and expenses properly payable) incurred or suffered by him by or by reason of any act done, conceived in or omitted in the conduct of the Company's business or in the discharge of his duties and the indemnity contained in the Bye-Laws shall extend to any Director or Officer acting in any office or trust in the reasonable belief that he has been appointed or elected to such office or trust notwithstanding any defect in such appointment or election provided always that the indemnity contained in the Bye-Law shall not extend through his own fraud or dishonesty.

The Bye-Laws of the Company further provide that each Director or Officer of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay, all costs, losses, and expenses which any Director or Officer may incur or become liable for by reason of any contract entered into, or act or thing done by him as such Director or Officer, or in any way in the discharge of his duties in which judgment is given in his favor, or in which he is acquitted, or in connection with an application under the Companies Act in which relief from liability is granted to him by the court. If a Director or Officer is entitled to claim an indemnity pursuant to the Bye-Laws in respect of amounts paid or discharged by him, the relevant indemnity shall take effect as an obligation of the Company to reimburse the person making such payment or affecting such discharge.

Expenses incurred in defending any civil or criminal action or proceeding for which indemnification is required pursuant to the Bye-Laws shall be paid by the Company in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of the Director or Officer to repay such amount if any allegation of fraud or dishonesty is proved against the Director or Officer.

The Company has agreed to indemnify each of the Investment Advisor and Sub-Investment Advisors, the Administrator and the Custodian from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from the fraud, willful misconduct or gross negligence on the part of the Investment Advisor, Sub-Investment Advisors, Administrator, Custodian, or any agent appointed by them) which may be imposed on, incurred by or asserted against the Investment and Sub-Investment Advisors, Administrator or Custodian, or the case may be, in performing their respective obligations or duties under the Investment Management Agreement, Master Fund Administration and Transfer Agency Services Agreement or Custodian Agreement.

## **OFFERING OF SHARES**

Shares may be subscribed for at a price denominated in US dollars and calculated by reference to the Net Asset Value per Share of the relevant Class on the Valuation Day (as detailed in the Bye-Laws) immediately preceding the relevant Dealing Day. The Share price is available from the Administrator on request.

Applications for Shares may be made on any Dealing Day, or if such a day is not a business day then the preceding Business Day. A Dealing Day means a day on which Common Shares may be subscribed or redeemed being any Business Day or such other times as the Directors may determine. A Business Day is a day when the banks in Bermuda or New York are open for business and/or such other day as the Directors may from time to time determine.

Application for Shares of the relevant Class should be made by completing and signing the Application Form, which appears in Appendix 1 hereto. The Application Form should be sent to the Class Fund c/o the Administrator's Office in Bermuda by fax with the original to follow. Subscription monies should be sent by wire transfer to the Company's bank account at Comerica (please see the Application Form for details). In order for a subscription to be valid, the following must occur:

1. The Administrator must receive applications for the issue of Shares by 1 p.m. (Atlantic Standard Time) on the particular Valuation Day.
2. The Bank must confirm receipt of subscription monies by 1 p.m. (Atlantic Standard Time) on the particular Valuation Day.
3. Subscriptions that do not meet both conditions will move to the next Valuation Day.

When first applying for Shares, applicants must purchase the minimum number of Shares set out in the relevant Supplement, unless waived by the Directors of the Company. Applicants subscribing for Shares in the Company are advised that the Shares are issued subject to the provisions of the Company's Memorandum of Association and Bye-Laws. Please contact the Administrator or the Investment Advisor for the most current Application Form.

### **REDEMPTION OF SHARES**

Generally, Shares of any Class may be redeemed on any Business Day, provided that a completed written redemption request is received by the Administrator before 1p.m. (Atlantic Standard Time) on that Business Day or at such other times as the Directors may determine. Shares will be redeemed at a price per Share equal to the Net Asset Value per Share of the relevant Class as at the close of business in Bermuda on the same Business Day. In the event that requests for redemption are received after 1 p.m. (Atlantic Standard Time) the redemption request will be dealt with on the next Business Day. Payment of the redemption price will normally be made by telegraphic transfer, sent at the risk of the shareholder, to the shareholder's designated bank account within one (1) Business Day following the redemption of the Shares.

If a partial redemption would result in the shareholder holding a number of Shares having an aggregate Net Asset Value of the minimum set out in the relevant Supplement or less, then the Company has the right to refuse to honor such request for partial redemption.

Shares will be maintained in book stock form unless the shareholder requests a certificate. Shareholders holding share certificates wishing to redeem their Shares must complete the form on the reverse of the share certificate and send the same to the Administrator. The Investment Advisors may elect to purchase Shares offered for redemption at a price equal to the redemption price rather than requiring the Company to redeem them. The Company may satisfy any request for redemption of Shares by the transfer to the redeeming shareholder of assets of the Company. Once submitted, a redemption request is irrevocable unless otherwise agreed by the Directors.

Under certain circumstances stated herein, an in-kind redemption may be the fairest way of handling the needs of the redeeming party without impairing the value of the remaining shareholders. An in-kind redemption will result in the delivery of a prorated amount of each investment in the Company in lieu of cash. The prorating process will preserve the minimum trading quantities of the individual investments.

### **CONVERSION OF SHARES**

Subject to the provisions of the Bye-Laws, the Company will, on receipt by it of a written request for conversion and provided that on conversion any minimum subscription level for the relevant Class is adhered to, convert all or a portion of the Shares of one Class held by a shareholder into Shares of a different Class.

The conversion of Shares will be made on any Dealing Day provided that a written conversion request has been received by the Administrator by 1 p.m. (Atlantic Standard Time). For such purposes, any written conversion request received after 1p.m. (Atlantic Standard Time) on a day will be treated as having been received on the next

Business Day. Where a certificate has been issued in respect of the Shares to be converted, the shareholder must lodge with the Company such certificate prior to conversion.

## TRANSFER OF SHARES

Shareholders are entitled to transfer their Shares by an instrument in writing in the usual and common form. A shareholder is not entitled to transfer Shares if as a result of such transfer either he or the person to whom the Shares are to be transferred will hold Shares having a Net Asset Value of less than the minimum set out in the relevant Supplement, unless waived by the Directors. Shareholders are not authorized to transfer Shares to any person who would not be entitled to subscribe for Shares (see “**Offering of Shares**” and “**Compulsory Redemptions**”).

The transfer of Shares will be made on any Business Day provided a written transfer request has been received by the Administrator by 1 p.m. (Atlantic Standard Time). For such purposes, any written transfer request received after 1 p.m. (Atlantic Standard Time) on a day will be treated as having been received on the next Business Day. Where a certificate has been issued in respect of the Shares to be transferred, the shareholder must lodge with the Company such certificate prior to transfer.

## DETERMINATION OF NET ASSET VALUE

The Bye-Laws provide that the subscription price and redemption price of each Share will be determined by reference to the Net Asset Value per Share of that particular Class. The Bye-Laws of the Company provide that the Net Asset Value per Share of each Class will be determined as at the close of business in Bermuda on each Business Day preceding a Dealing Day and/or such other Business Day as the Directors may from time to time designate (the “**Valuation Day**”) and will be calculated by reference to the value of the net assets of the relevant Class.

The value of the net assets of each Class will be determined in accordance with, inter alia, the following provisions:

- a) all calculations of the value of investments quoted, listed, traded or dealt in on any exchange shall be made by reference to the last quoted price (or, in the absence of any trades, at the mean between the last offer price and the last bid price) on the principal exchange for such investments as at the close of business on the day for which such calculation is to be made; all calculations of all other securities shall be made by reference to the mean between the last offer and the last bid prices quoted on the principal exchange of the security, provided always that:
  - i. if the Directors at their discretion consider that the prices ruling on an exchange other than the principal exchange provide in all the circumstances a fairer criterion of value in relation to any such investment, they may adopt such prices; and
  - ii. the Directors may, at their absolute discretion, permit some other method of valuation to be used if they consider that such valuation better reflects the value;
- b) if a Class invests in a collective investment vehicle the value of such investment shall be determined by reference to the most recent reported valuation of the collective investment vehicle by its administrator or investment manager as the case may be.
- c) if no price quotations are available as above provided, the value of an asset shall be determined from time to time in such manner as the Directors shall determine; and
- d) any value (whether of a security or cash) otherwise than in US dollars shall be converted into US dollars at the rate (whether official or otherwise) which the Directors shall in their absolute discretion deem appropriate to the circumstances having regard, inter alia, to any premium or discount which they consider may be relevant and to costs of exchange.

The Bye-Laws of the Company provide that any written statement as to the Net Asset Value per Share of any Class and/or the subscription price and/or redemption price per Share of any Class given in good faith by or on behalf of the Directors is binding on all parties.

## COMPULSORY REDEMPTIONS

The Directors of the Company may compel a shareholder to redeem some or all of its Shares for any purpose, including for the purpose of ensuring that no Shares are acquired or held by any United States person or by any person in breach of the law or requirements of any country or governmental authority, or any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other persons, connected or not (each, a “**Non-qualified Person**”), or any other circumstances appearing to the Directors to be relevant) which in the opinion of the Directors might result in the Company incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company might not otherwise have incurred or suffered.

If it comes to the notice of the Directors that any Shares are held by any such Non-qualified Person, the Directors may give notice to such person requiring the redemption or transfer of such Shares in accordance with the provisions of the Bye-Laws of the Company. If a person becomes aware that he is holding or owning Shares in breach of any such restriction he is required either to deliver to the Company a written request for redemption of the Shares or to transfer the same to a person who is not such a Non-qualified Person.

Pursuant to the Bye-Laws of the Company, whenever the capital of the Company is divided into different classes, the Directors of the Company have the power to redeem on not less than thirty (30) days’ notice all but not less than all of the Shares of any class in issue.

## BORROWING RESTRICTIONS

The Directors may exercise the Company's powers to borrow and to charge its assets, but they are required to restrict any such borrowing so as to ensure that the aggregate amount for the time being remaining undischarged of all monies borrowed by the Company does not exceed an amount equal to five percent (5%) of the net assets of each Class Fund. The Directors do not anticipate the Company engaging in significant borrowing and the Directors’ power to borrow may not be varied.

## INVESTMENT RESTRICTIONS

In carrying out its obligations under this Prospectus, the Investment Advisor shall have regard to and comply with both the investment guidelines contained in the relevant Supplement, as such may be amended from time to time, and the terms of the Investment Advisory

## THE SHARES

### Shares

The capital of the Company is divided into 12,000 ordinary, voting non-participating non-redeemable shares of a par value of \$1.00 each (the “Founder Shares”) and 2,000,000,000 non-voting redeemable participating shares of a par value of \$0.01 each (the “Common Shares” or the “Shares”) which may be divided in such number of Classes as the Directors may determine.

- (a) The holders of the Founder Shares shall:
  - i) be entitled to receive notice of and attend and vote at general meetings of the Company and one vote per Founder Share;
  - ii) not be entitled to any dividends or other distribution;
  - iii) in the event of a winding up or dissolution of the Company, whether voluntary or involuntary or for the reorganization or otherwise or upon distribution of capital, be entitled to the amount of capital paid up on their Founder Shares after the payment in full of the capital paid up on the Shares to the holders thereof but to no other or further amount;

- iv) not be entitled to redemption or repurchase of such Founder Shares, whether at the option of the Company or the holder.
- (b) The holders of the Shares shall:
  - i) save to the extent provided by the Companies Act and the Bye-Laws, not be entitled to receive notice of, nor to attend or vote at general meetings of the Company;
  - ii) be entitled to any dividends as the Directors may declare (at this time, the Directors do not anticipate declaring dividends);
  - iii) in the event of a winding up or dissolution of the Company, whether voluntary or involuntary or for the reorganization or otherwise or upon any distribution of capital, be entitled to the amount of capital paid up on their Shares in priority to the holder of the Founder Shares after the payment in full of the capital paid up on the Shares to the holders thereof to share pro rata in the surplus assets of the relevant Fund
  - iv) be entitled and subject to redemption or repurchase of such Shares as provided in the Bye-Laws.

### **Share Certificates**

Shares will be issued in book stock form, unless share certificates are specifically requested. If specifically requested, share certificates will be in registered form and will be dispatched by the Company as soon as practicable after the Shares have been issued.

Share certificates are only issued in the names of companies, partnerships or individuals. In the case of a shareholder acting in a special capacity (such as a trustee), certificates may, at the request of a shareholder, record the capacity in which the shareholder is acting. Shares purchased for those less than 21 years of age must be registered in the name of the parent or guardian, but may be designated with the minor's initials for the purposes of identification. The Company will take no cognizance of any trust applicable to the Shares represented by such certificates.

### **Variation of Class Rights**

Any rights attached to a class of Shares of the Company may be varied (unless otherwise provided by the terms of issue of the Shares of that class) with the sanction of a resolution passed by a majority of three-fourths of the holders of such Shares at a separate general meeting. The rights attached to any class of Shares (unless otherwise expressly provided by the conditions of issue of such Shares) are deemed not to be varied by the creation, allotment or issue of Shares ranking *pari passu* therewith.

### **SUSPENSION OF DEALINGS**

The Directors may suspend the determination of the Net Asset Value per Share of any class for the whole or any part of a period:

- (a) during which any exchange or over-the-counter market on which any significant portion of the investments of a Class Fund are listed, quoted, traded or dealt in is closed (other than customary weekend and holiday closing) or trading on any such exchange or market is restricted or suspended;
- (b) when circumstances exist as a result of which in the opinion of the Investment Advisor it is not reasonably practicable for the Company to dispose of investments comprised in a Class Fund or as a result of which any such disposal would be materially prejudicial to shareholders;
- (c) when a breakdown occurs in any of the means normally employed in ascertaining the value of investments or when for any other reason the value of any of the investments or other assets of a Class Fund cannot reasonably or fairly be ascertained; or



- (d) during which the Company, in the opinion of the Investment Advisors, is unable to repatriate funds required for the purpose of making payments due on redemption of the Shares of the relevant Class Fund or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemptions of the Shares of the relevant Class Fund cannot in the opinion of the Investment Advisor be effected at normal rates of exchange.

When the determination of the Net Asset Value of the Shares of any class has been suspended, Shares of that class may not be issued, converted or redeemed, except for an in-kind redemption as described in the Redemption of Shares section above.

### **CUSTODIANS, BANKS & FUTURES BROKER/COLLETERAL CUSTODIAN**

Comerica Bank (“**Comerica**” or “**Sub-Administrator**”) provides banking, main securities custodial and sub-administrative services to the Company. Comerica is a commercial bank that has been serving customer financial needs since 1849. It provides a variety of services to retail and corporate customers including consumer loans and deposits, trust, commercial lending, cash management, and automobile and equipment leasing. Headquartered in Texas with assets over \$60 billion, Comerica is one of the 25 largest commercial banks in the United States. Comerica also has offices in Arizona, California, Florida and Michigan.

Comerica is firmly committed to the custody and administration business. It has over 90 years’ experience in the securities business and is a direct participant of the Depository Trust Corporation (DTC) and the Federal Reserve Book Entry System. Comerica maintains a correspondent relationship to hold securities in New York. Comerica also provides global custody services through another correspondent relationship. Through this relationship, Comerica offers global custody service around the world through sub-custodian banks and such international organizations as Euroclear, Cedel and The First Chicago Clearing Corporation. The commitment to this business is also reflected in the quality of the bank's staff and systems. The custody officers who handle a client's daily transaction processing have an average of 10 years’ experience in the business. Moreover, the bank's new state-of-the-art trust custody system provides timely and accurate information on the status of a client's portfolio.

### **ADMINISTRATOR/SUB-ADMINISTRATOR**

STP Investment Services LLC (the “**Administrator**” or “**STP**”) has been appointed as administrator and Comerica has been appointed the Sub-Administrator of the Company in accordance with the terms of a master fund administration and transfer agency services agreement (the “**Fund Administration Services Agreement**”). The Administrator shall perform all general administrative tasks for the Company, including the preparation of valuations, keeping of financial records, acting as registrar and transfer agent and providing company secretarial functions. The Administrator has delegated certain of its functions to the Sub-Administrator.

Under the Fund Administration Services Agreement, the Company will indemnify the Administrator and to the fullest extent permitted by law, against any and all judgments, fines, amounts paid in settlement and reasonable expenses, including legal fees and disbursements, incurred by the Administrator, except where such actions suits or proceedings are the result of fraud, willful misconduct or gross negligence of the Administrator.

STP is a financial and technology service provider specializing in operational, technical, and consulting services for investment managers. By embracing "straight through processing", STP allows investment managers to get back to their core competencies. Our cost effective operations outsourcing and administration service is customized to each clients' unique requirements and is second to none in terms of quality and high touch client service, which is all driven by a client-focused culture and a unique balance of vendor products and proprietary custom built STP applications.

STP core services include (but not limited to) Investment Accounting & Fund Administration, Reconciliation & Trade Settlement, Reporting & Data Management, Compliance & Risk Management, and Consulting services to asset managers.

### **EXPENSES**

## Operating Expenses

The Company will pay investment advisory, custodian and administration fees (“**Operating Expenses**”) payable monthly and in arrears, as applicable. The details of these Operating Expenses in respect of each class of Shares are set out in the relevant attached Supplement.

## Other Fees and Expenses

The Company bears all brokers, interest on borrowing and fees in respect thereof, fund registration fee, the fee and expenses of the auditors of and legal advisors to the Company, corporate secretary fees, share registrar and transfer agent fees and the cost of printing and distributing periodic, annual reports and statements.

## TAX

**The following comments are based on advice received by the Directors regarding current law and practice in Bermuda. Investors should appreciate that their taxation consequences for investors may be otherwise than as stated below. Investors should consult their professional advisors on the possible tax consequences of their subscribing for, purchasing, holding, selling or redeeming Shares under the laws of their countries of citizenship, residence, ordinary residence or domicile.**

### Bermuda

At the date of this Prospectus, there is no Bermuda income, corporation, or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company or its shareholders, other than shareholders ordinarily resident in Bermuda. The Company is not subject to stamp duty on the issue, transfer or redemption of its Shares.

The Company has received from the Minister of Finance of Bermuda, under the Exempted Undertakings Tax Protection Act, 1966 an assurance that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital assets, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not until March 31, 2035 be applicable to the Company or to any of its operations, or to the shares, debentures or other obligations of the Company except in so far as such tax applies to persons ordinarily resident in Bermuda and holding such shares, debentures or other obligations of the Company or any land leased or let to the Company.

The Company is liable for a de Minimis annual registration fee calculated by reference to the current assessable share capital of the Company, payable to the Government of Bermuda. Furthermore as an authorized investment fund, the Company is liable to pay an additional, de Minimis annual fee under Bermuda’s Investment Funds Act.

### Compliance with automatic exchange of information legislation

US Foreign Account Tax Compliance Act. Sections 1471 through 1474 of the US Internal Revenue Code (referred to as FATCA) will impose a withholding tax of 30 per cent on certain US-sourced gross amounts paid to certain “**Foreign Financial Institutions**”, including the Company, unless various information reporting requirements are satisfied. Amounts subject to withholding under these rules generally include gross US-source dividend and interest income, gross proceeds from the sale of property that produces dividend or interest income from sources within the US and certain other payments made by “**Participating Foreign Financial Institutions**” to “recalcitrant account holders” (so called “**foreign pass thru payments**”).

The Bermuda Government has entered into a Model 2 intergovernmental agreement with the United States (the “**US IGA**”) and implemented domestic legislation to facilitate compliance with FATCA. To comply with its obligations under applicable legislation, the Company will be required to report FATCA information to the United States Internal Revenue Service (“**IRS**”). To avoid withholding under FATCA, the Company may request additional information from any Shareholder and its beneficial owners (that may be disclosed to the IRS) to identify whether Shares are held directly or indirectly by “**Specified US Persons**” (as defined in the US IGA). If the Company is not able to comply with reporting requirements under the US IGA (whether due to a failure of one or more

Shareholders to provide adequate information or otherwise), the 30 per cent withholding tax under FATCA could apply to the Company.

UK requirements regarding tax reporting. The Bermuda Government has also signed an intergovernmental agreement with the United Kingdom (the “**UK IGA**”) in a broadly similar form to the US IGA. The UK IGA and the Bermuda implementing legislation impose similar requirements to the US IGA, so that the Company will be required to identify Shares held directly or indirectly by “**Specified United Kingdom Persons**” (as defined in the UK IGA) and report information on such Specified United Kingdom Persons directly to HM Revenue & Customs (“**HMRC**”), the United Kingdom tax authority.

OECD Common Reporting Standard requirements regarding tax reporting. The OECD has adopted a “**Common Reporting Standard**” (CRS), which is intended to become an international standard for financial account reporting. The Bermuda Government is a signatory to the multi-lateral competent authority agreement (“**MCAA**”) that will be adopted by all jurisdictions committing to the CRS (each a “**Participating Jurisdiction**”). Participating Jurisdictions that have committed to adopt the CRS and the MCAA will become Reportable Jurisdictions when they implement local legislation and it is expected that the first exchanges of information under this regime will begin in 2017. Under the Bermuda implementing legislation (the “**CRS Legislation**”) the Company will be required to make an annual filing in respect of Shareholders who are resident in a Reportable Jurisdiction or whose “**Controlling Persons**” are resident in a Reportable Jurisdiction and who are not covered by one of the limited exemptions in the CRS Legislation. The MCAA and reporting obligations under the CRS Legislation are very similar to the UK IGA and will eventually replace the UK IGA.

A list of Participating and Reportable Jurisdictions will be published by the Bermuda Ministry of Finance.

*Implications for Shareholders.* In order to comply with the US IGA, the UK IGA, the MCAA and the relevant domestic legislation (collectively “**AEOI Legislation**”), the Company may be required to disclose certain confidential information provided by Shareholders to the IRS, HMRC or the Ministry of Finance (as the case may be). In addition, the Company may at any time require a Shareholder to provide additional information and/or documentation which the Company may be required to disclose to the IRS, HMRC or the Ministry of Finance.

If a Shareholder does not provide the requested information and/or documentation, whether or not that actually leads to compliance failures by the Company, or a risk of the Company being subject to any withholding tax or other liability or being required to withhold amounts from distributions to be made to any Shareholder, the Company may take any action and/or pursue any remedy at its disposal. Such action or remedy may include the compulsory redemption of some or all of the Shares held by the Shareholder concerned or the conversion of such Shares into Shares of another Class.

To the extent the Company incurs any costs or suffers any withholding as a result of a Shareholder’s failure, or is required by law to apply a withholding against the Shareholder, it may set off such amount against any payment otherwise due from the Company to the Shareholder or may allocate such amount to the Shares held by such Shareholder. No Shareholder affected by any such action or remedy shall have any claim against the Company for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Company in order to comply with the AEOI Legislation.

Shareholders are encouraged to consult their own advisors regarding the possible application of the AEOI Legislation and the potential impact of the same, on any their investment in the Company.

## **FINANCIAL REPORT**

The Directors of the Company confirm that as of the date of this Prospectus, the Company has commenced business; dividends have not been declared as outlined in the financial statements for the year ending on the date specified in the Supplement of each Class- Fund for laying before a general meeting of the Company.

## **MATERIAL CONTRACTS**

The following contracts (not being contracts in the ordinary course of business) have been entered into by the Company and are, or may be, material:

- (a) the Investment Advisory Agreement between the Company and the Investment Advisors dated July 2016 pursuant to which the Investment Advisors have been appointed to provide investment advice to the Company;
- (b) the Custodian Agreement between the Company and the Custodian dated September 2003 pursuant to which the Custodian has been appointed custodian of the assets of the Company; and
- (c) The Fund Administration Services Agreement between the Company, the Administrator dated January 2012 pursuant to which the Administrator has been appointed administrator (including providing secretarial and registrar services) of the Company.

## **MISCELLANEOUS**

### **Dividends**

The Directors of the Company anticipate that distributions will be paid daily on the Income Shares so as to enable the Net Asset Value per Share to remain at a constant figure of US\$1.00.

Dividend announcements and payments shall be made by the relevant Class Company to each shareholder of record on the relevant record date.

Unless notice is given to the Company to the contrary, distributions payable to holders of Income Shares will be reinvested at the next

Business Day and applied towards the purchase of new Shares of the same Class.

Dividends unclaimed after six years from the date of declaration will lapse and revert to the relevant Class Fund.

### **Bermuda Disclosure**

The Company has been classified as non-resident of Bermuda for exchange control purposes by the Authority whose permission for the issue of Shares has been obtained. The issue, redemption and transfer of Shares to, by and between persons regarded as non-resident in Bermuda for exchange control purposes may be effected without specific consent under the Exchange Control Act 1972 of Bermuda and regulations made thereunder. Issues and transfers involving any person regarded as resident in Bermuda for exchange control purposes require specific prior authorization under the Exchange Control Act 1972. The Company, by virtue of being non-resident of Bermuda for exchange control purposes, is free to acquire, hold and sell any foreign currency and securities without restriction.

The minimum amount which in the opinion of the Directors must be raised by the initial offer of Shares in order to provide for the matters referred to in section 28 of the Companies Act, 1981 of Bermuda is nil.

### **Anti-Money Laundering, Countering Terrorist Financing Measures & “Customer Due Diligence” Documentation Provisions**

As part of the Directors’, Investment Advisor’s, Administrator’s and the Company’s responsibility for protection against money laundering and/or anti-terrorist financing, “**Customer Due Diligence**” documentation is required for all potential applicants. Please contact the Administrator or Investment Advisor for a list of these requirements.

True copies of the original documents required under the application rules and regulations must be certified by the applicant’s Company Secretary or acceptable equivalent applicant.

The Company, the Directors, the Investment Advisors and the Administrator intend to comply with all applicable anti-money laundering and/or anti-terrorist financing regulations. The Company may be required to obtain certain assurances as may be necessary or advisable from Shareholders subscribing for Shares, disclose information

pertaining to the Company's Shareholders to governmental, regulatory or other authorities or financial intermediaries, engage in due diligence or take other related actions in the future. Each Shareholder may be required to provide such information as may be necessary or advisable for the Company, in the judgment of the Investment Advisor and/or Administrator, to comply with applicable anti-money laundering and/or anti-terrorist financing requirements. By executing the Company's subscription materials, each Shareholder consents, and by owning Shares of the Company is deemed to have consented, to disclosure by the Company and its agents to relevant third parties of information as may be necessary or advisable in order for the Company to comply with applicable anti-money laundering and/or anti-terrorist financing requirements.

The Investment Advisors and/or Administrators reserves the right to request such information as it deems necessary or appropriate to verify the identity of a Shareholder or otherwise comply with anti-money laundering, anti-terrorist financing or similar regulations. In the event of delay or failure by an investor to produce any such information, the Investment Advisor and/or Administrator may not accept the investor's subscription materials and capital contributions relating thereto or may refuse to process a redemption request until proper information has been provided. In addition, the Company may require a Shareholder to redeem from the Company if the

Shareholder does not honor requests for further information. The Investment Advisor, the Board of Directors, the Company and the Administrator shall be held harmless and indemnified against any loss arising as a result of failure to process a subscription or redemption request if such requested information has not been provided by the Shareholder.

In addition, the Company may, in its sole discretion, undertake appropriate action to ensure compliance with applicable laws or regulations related to anti-money laundering, anti-terrorist financing and similar activities, including but not limited to freezing, segregating or redeeming a Shareholder's Shares in the Company.

If a person who is resident in Bermuda (including the Administrator) has a suspicion that a payment to the Company (by way of subscription or otherwise) contains the proceeds of criminal conduct, that person is required to report such suspicion pursuant to the Bermuda Proceeds of Crime Act, 1997 and Anti-Terrorism (Financial and Other Measures) Act 2004.

## **CONSTITUTION OF THE COMPANY**

The Memorandum of Association and the Bye-Laws of the Company comprise its constitution.

The Memorandum of Association provides in clause six various objects of the Company including the carrying on of the businesses described in this Prospectus.

The Bye-Laws of the Company include provisions to the following effect:

### **Share Rights**

The Company has an authorized share capital of US\$20,012,000 divided into 2,000,000,000 non-voting redeemable participating shares (the "Common Shares" or the "Shares") of par value US\$0.01 each and 12,000 ordinary, voting, non-participating, non-redeemable shares (the "Founder Shares") of par value US\$1.00 each. The Board may from time to time at its absolute discretion, create, constitute and issue such further class or classes or series within a class, which classes of Shares may be further divided into classes of Income Shares and Accumulation Shares. There are no pre-emption rights with respect to any class of shares of the Company.

### **Alteration of Capital**

The Company may from time to time by resolution of the holders of Founder Shares:

- a) increase its capital by such sum divided into shares of such amounts as the resolution shall prescribe;
- b) alter the share capital of the Company;

- c) Reduce its share capital to such sum not less than the minimum share capital prescribed by the Memorandum of Association as the resolution shall determine.

The Company was incorporated with an original share capital of \$10,012,000 divided into 1,000,000,000 common shares of \$0.01 par value each and 12,000 founder shares of \$1.00 each. The share capital was increased by resolution of the sole member dated May 22, 2007 to \$20,012,000 divided into 2,000,000,000 common shares of \$0.01 par value each and 12,000 founder shares of \$1.00 each.

### **Classes of Shares**

The Directors are required to establish a Class Fund relating to the assets of each class of and may from time to time establish new classes of Shares issued or allotted. The following provisions shall apply to such Class Funds:

- a) the proceeds from the allotment and issue of each Class of Shares shall be applied in the books of the Company to the Class Fund established for that Class of Shares, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Class Fund subject to the provisions of the Bye-Laws;
- b) where any asset is derived from another asset (whether cash or otherwise), such derivative asset shall be applied in the books of the Company to the same Class Fund as the asset from which it was derived and on each revaluation of an investment the increase or diminution in value shall be applied to the relevant Fund;
- c) in the case of any asset of the Company (or amount treated as a notional asset) which the Directors do not consider is attributable to a particular Class Fund or Class Funds, the Directors shall have discretion to determine the basis upon which any such asset shall be allocated between Class Funds and the Directors shall have power at any time and from time to time to vary such basis;
- d) the Directors shall have discretion to determine the basis upon which any liability which, in the opinion of the Directors, does not relate to any particular Class Fund shall be allocated between Class Funds (including conditions as to subsequent re-allocation thereof if circumstances so permit) and shall have power at any time and from time to time to vary such basis;
- e) the Directors may transfer any assets (or amounts treated as notional assets) to and from Class Funds if, as a result of a creditor proceeding against certain of the assets of the Company or otherwise, a liability would be borne in a different manner from that in which it would have been borne under paragraph (d) above, or in any similar circumstances.

### **Calculation of Net Asset Value**

The Bye-Laws provide that the Net Asset Value per Share of any class will be determined as at the close of business in Bermuda on each Valuation Day and will be calculated by reference to the value of the net assets of the relevant Class Fund. The value of the net assets of a Class Fund will be determined in accordance with the provisions set out under “**Determination of Net Asset Value**”.

### **Subscription and Redemption Prices**

The Bye-Laws provide that the subscription price and redemption price of each Share will be based on the Net Asset Value per Share of the appropriate class. The Bye-Laws provide that any certificate as to the net asset value per Share and/or the subscription price and/or redemption price per Share given in good faith by or on behalf of the Directors is binding on all parties.

### **Suspension of Valuations and Dealings**

The Directors may suspend the determination of the Net Asset Value per Share of any class for the whole or any part of a period during which any exchange or over-the-counter market on which any significant portion of the investments of a Class Fund are listed, quoted, traded or dealt in is closed (other than customary weekend and holiday closing) or trading on any such exchange or market is restricted; when circumstances exist as a result of

which, in the opinion of the Investment Advisors, it is not reasonably practicable for the Company to dispose of investments comprised in a Class Fund or as a result of which any such disposal would be materially prejudicial to shareholders; when a breakdown occurs in any of the means normally employed in ascertaining the value of investments or when for any other reason the value of any of the investments or other assets of a Class Fund cannot reasonably or fairly be ascertained; or during which the Company is unable to repatriate funds required for the purpose of making payments due on redemption of the Shares of the relevant class or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemptions of the Shares of the relevant class cannot in the opinion of the Investment Advisor be effected at normal rates of exchange. In the case that this could adversely affect the value of the shares, the Directors of the Company can require an in-kind redemption; thereby delivering a prorated quantity of all investments held in a Class Fund in lieu of cash.

### **Variation of Class Rights**

All or any of the special rights for the time being attached to any class of share for the time being issued (of which there are none at present save as referred to herein) may (unless otherwise provided by the terms of issue of the shares of that class) from time to time be altered or abrogated with the sanction of a resolution passed by a majority of three-fourths (3/4) at a separate general meeting of the holders of such shares on the register at the date on which notice of such separate general meeting was given.

The rights attached to any class of Shares shall (unless otherwise expressly provided by the conditions of issue of such shares) not be deemed to be varied by the creation, allotment or issue of further shares ranking equally therewith.

### **Voting Rights**

Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held, at any general meeting on a show of hands every holder of Founder Shares who (being an individual) is present in person or (being a corporation) is present by duly authorized representative shall have one vote. On a poll every such holder present as aforesaid or by proxy shall have one vote for every share held.

To be passed, resolutions of the Company in general meeting will require a simple majority of the votes cast by the Founder Shareholders voting in person or by proxy at the meeting at which the resolution is proposed.

Subject to the Bye-Laws, a simple majority of the votes cast by Founder Shareholders present in person or by proxy and (being entitled to vote) voting in general meeting is required in order to rescind, alter or amend a Bye-Law or make a new Bye-Law. Further, no Bye-Law shall be rescinded, altered or amended and no new Bye-Law shall be made unless the same shall have been proposed at a meeting of the Directors.

### **Directors**

The remuneration of the Directors shall be determined by the Company by resolution of the holders of Founder Shares. The Directors may also be paid, inter alia, for traveling, hotel and other expenses properly incurred by them in attending meetings of the Directors or in connection with the business of the Company. Any Director who devotes special attention to the business of the Company may be paid such extra remuneration as the Directors may determine.

A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director, or may act in a professional capacity to the Company on such terms as the Directors may determine. No Director shall be disqualified by his office from contracting with the Company in any capacity, nor shall any such contract or arrangement entered into by the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Director holding that office if he shall declare the nature of his interest.

A Director, notwithstanding his interest, may be counted in the quorum present at any meeting at which he or any other Director is appointed to hold any such office or place of profit under the Company or at which the terms of

any such appointment are arranged, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of terms thereof.

There is no provision in the Bye-Laws requiring a Director to retire by reason of any age limit and no share qualification for Directors.

### **Restrictions on Shareholders**

The Directors have power to impose such restrictions as they may think necessary for the purpose of ensuring that no Shares in the Company are acquired or held by any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary or commercial disadvantage which the Company might not otherwise have incurred or suffered or a US Person (a “**Non-qualified Person**”).

If it comes to the notice of the Directors that any Shares are so held by any such Non-qualified Person the Directors may give notice to such person requiring the redemption or transfer of such shares in accordance with the provisions of the Bye-Laws. A person who becomes aware that he is holding or owning Shares in breach of any such restriction is required either to deliver to the Company a written request for redemption of his shares in accordance with the Bye-Laws or to transfer the same to a person who would not thereby be a Non-qualified Person.

“**US Person**” means

- a) any natural person resident in the United States;
- b) any partnership or corporation organized or incorporated under the laws of the United States;
- c) any estate of which any executor or administrator is a US Person; (d) any trust of which any trustee is a US Person;
- d) any agency or branch of a foreign entity located in the United States;
- e) any estate or trust other than an estate or trust whose income from sources outside the United State is not includable in gross income from the purposes of computing United States income tax by it;
- f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
- g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated or, if an individual, resident in the United States; or
- h) any partnership or corporation if (i) organized or incorporated under the laws of any foreign jurisdiction and (ii) formed by a US Person principally for the purpose of investing in securities not registered under the United States Securities Act of 1933, as amended (“**Securities Act**”), unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts.

“**US Person**” *does not* include:

- a) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organized, incorporated or, if an individual, resident in the United States;
- b) any estate of which any professional fiduciary acting as executor or administrator is a US Person if (i) an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate and (ii) the estate is governed by foreign law;
- c) any estate or trust whose income is from sources outside the United States is not includable in gross income for the purpose of computing U.S. income payable by it;



- d) any trust of which any professional fiduciary acting as trustee is a US Person if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person;
- e) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;
- f) any agency or branch of a US Person located outside the United States if (i) the agency or branch operates for valid business reasons and (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located;
- g) the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations and their agencies, affiliates and pension plans;
- h) any non-US corporation making an election for US tax purposes under Internal Revenue Code Section 953(d), Election by a Foreign Insurance Company to be treated as a Domestic Corporation;
- i) any employee benefit plan, endowment, not-for-profit or other entity determined to be tax-exempt by the Internal Revenue Service Code and Regulations; or
- j) The Performa (US) Series Fund, L.P., a Delaware series limited partnership or equivalent vehicles.

### **Borrowing Powers**

The Directors may exercise the Company's powers to borrow and to charge its assets, but they are required to restrict the borrowing of the Company for the account of any Fund so as to ensure (as regards a Class Fund so far as by such exercising they can ensure) that the aggregate monies borrowed by the Company from time to time shall not exceed an amount equal to five percent (5%) of the net assets of the relevant Class Fund. Any change in the borrowing powers of the Company would require an amendment to the Bye-Laws.

### **Indemnities**

There are indemnities in favor of the Directors, Secretary and other Officers for the time being of the Company.

### **Commissions**

Except as disclosed in this Prospectus, no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any Shares. No person has, or is entitled to be given, an option to subscribe for any Shares or loan capital of the Company.

### **Auditors**

Deloitte & Touche Ltd. are the auditors of the Company (the “**Auditors**”). The Auditors have given and have not withdrawn their written consent to inclusion of their name and references to them within the Prospectus.

### **Change in Financial Position**

Financial statements are provided as an appendix to the relevant supplement to this Prospectus. There has been no significant change in the financial position of the Company since the date of the financial statements provided.

### **Financial Year End**

The financial year-end of the Company is the final Valuation Day in each calendar year, such Valuation Day being determined in accordance with the provisions of the Company’s Bye-Laws. Shareholders are sent copies of the audited accounts prior to the annual general meeting in each year. Shareholders may also request copies of audited accounts from the Company by contacting the Company’s Secretary or Investment Advisors using the details provided in the Directory section of this Prospectus.

## **Annual General Meetings**

Annual general meetings will usually be held in Bermuda. Only Founder Shareholders are entitled to attend and vote at general meetings. Notices convening each annual general meeting will be sent to Founder Shareholders together with the annual accounts and reports not later than twenty-one (21) days before the date fixed for the meeting.

## **Litigation**

The Company is not engaged in any litigation or arbitration proceedings and is not aware of any litigation or claim pending or threatened by or against it. The Investment Advisor has not been the subject of any criminal convictions or disciplinary action taken by a supervisory or regulatory body in the last five (5) years.

## **Availability of Documents**

Copies of the following documents will be available for inspection at any time during normal business hours on any Business Day free of charge at the registered office of the Company:

- a) the Companies Act,;
- b) the Memorandum of Association and Bye-Laws;
- c) the material contracts referred to above;
- d) any report of audited accounts prepared by the Auditors;
- e) the written consent of the Auditors referred to above; and
- f) the Prospectus and any/or Supplement.

**-- END --**

## **PERFORMA LIQUID ASSETS FUND (USD) Class A**

### **Supplementary Information Memorandum (the “Supplement”)**

**January 2019**

Performa Liquid Assets Fund (USD) Class A (the “Class Fund”) is a Class of Performa Liquid Assets Fund Ltd. (the “Company”), an open ended mutual fund incorporated on March 21, 1997 under the laws of Bermuda.

**This Supplement, together with the enclosed Confidential Memorandum of Performa Liquid Assets Fund Ltd. (the “Prospectus”), forms the offering of the Performa Liquid Assets Fund (USD) Class A. All terms defined in the Prospectus shall have the same meaning in this Supplement unless otherwise defined herein.**

#### **Investment Advisors**

P.R.P. Performa Ltd. (“**PRP**”), licensed to conduct investment business by the Authority as of this date hereof, was established on November 26, 1992. Performa Limited (US), LLC (“**PUSA**”), a registered investment advisor with the United States Securities and Exchange Commission (the “**SEC**”), was established on April 7, 2010 as Ansonborough Capital Management, LLC and changed its name on July 1, 2012. Registration and licensing with the SEC and the Authority does not confer those entities’ approval of the Investment Advisors or the Company.

The Investment Advisors, and affiliates, provide portfolio management services for captive insurance and reinsurance companies. PRP, as a Bermuda domiciled investment management firm, provides its services to those clients domiciled offshore. PUSA focuses on those clients within the United States. The Investment Advisors and their subsidiaries manage core fixed income, core equity and other investment strategies internally and work with sub advisors to manage other sectors and strategies for their clients’ portfolio exposures. Hugh Barit, David Kilborn, and Gary M. LeBlanc are Directors of both the Company and PRP. David Kilborn is also the Managing Member and Chair of the Board of Managers of PUSA. Winston Robinson is an independent Director of both the Company and PRP.

The Investment Advisors have entered into separate investment management agreements with the Company whereby they provide certain management and investment advisory services to the Company (the “**Investment Management Agreements**”). Either party in writing may terminate the Investment Management Agreements forthwith. The fees in respect of any part of the un-expired three-month period will be charged pro rata.

The Company will pay the Investment Advisors the applicable investment advisory fees as described in the section below titled “**Operating Expenses and Other Fees.**”

The Investment Advisors have not been convicted of any regulatory, civil or criminal offences nor have been the subject of any regulatory disciplinary actions over the past five years.

#### **Investment Objective**

The Class Fund’s primary investment objective is to produce a return superior to One Month Treasury Bills while providing daily liquidity. There can be no assurance that this objective will be achieved.

#### **Investment Strategy**

One of the Investment Advisors’ primary activities is the management of assets for offshore insurance and reinsurance companies. Its investment philosophy is conservative and intended to preserve the real value of capital by achieving above average returns while avoiding undue risk. In order to accomplish these objectives, it seeks to identify major trends in interest rates and fixed income security markets. To achieve this, both in-house research and external sources are used to formulate economic, interest rate and currency forecasts regularly, all in a structured manner. Moreover, credit quality is one of its utmost concerns because generally it does not believe that the higher yields obtainable on low quality issues offer sufficient compensation for the additional risk incurred. Consequently, the analysis of the credit worthiness of a borrower is an essential ingredient in its approach to investing.

Active portfolio management also plays a major role in its investment philosophy. Within individual markets, it seeks to improve returns by identifying and exploiting market inefficiencies, which create yield differentials on similar quality issues. The Class Fund invests in a diversified array of short-term high quality, fixed income

securities and money market instruments that include commercial paper, certificates of deposit, floating rate notes and bankers acceptances. The Investment Advisors seek the highest quality and yielding issues available in the market subject to the investment guidelines and restrictions noted below.

### **Investment Guidelines and Restrictions**

#### **General Guidelines:**

1. All investments shall be denominated in United States Dollars (USD)
2. No one issue or issues of the same creditor, except for U.S. Government guaranteed issues, should exceed five percent (5%) at time of purchase
3. The average credit quality of the Fund shall be no less than A-1/P-1/ F-1 (as rated by S&P and Moody's/Fitch)
4. Securities that are eligible for inclusion but do not have a short term rating may use the short term rating of the issuer in substitution. Any security that holds a long term rating from either S&P, Moody's and/or Fitch of AAA/Aaa/AAA is considered rated A-1+/P-1/F-1+
5. The Fund must maintain at least 20% of its portfolio in weekly liquid assets of which 10% must be in daily liquid assets
6. Fund Interest Rate Exposure and Average Life Calculations & Maximums:
  - a. A maximum Weighted Average Duration (WAD) of sixty (60) days or less as calculated using the modified duration for each security type as indicated below:
    - i) Bullet maturity instruments/securities: Final maturity date
    - ii) FRNs: The next coupon reset date
    - iii) Securities subject to sinking fund or other amortization schedules: Weighted Average Life (WAL)
  - b. A maximum Weighted Average Life (WAL) of one hundred twenty (120) days or less as calculated using the stated maturity for bullet maturity securities and FRNs or, if applicable, the weighted average life of any securities subject to sinking fund or other amortization schedules.

#### **Sector Guidelines and Limits for Maximum Market Value Exposure:**

##### **Commercial Paper Limits:**

1. 5% per issuer for issuers rated at or above A-1/P-1/ F-1 (as rated by S&P and Moody's/Fitch)
2. 3% per issuer for issuers rated at or above A-2/P-2/ F-2 (as rated by S&P and Moody's/Fitch)

##### **Floating Rate Notes (FRNs) Limits:**

1. Security Type Limit: No more than 50% of the total assets may be invested in FRNs at time of purchase.
2. Coupon Resets: FRNs must have coupon resets no more than ninety-one (92) days.
3. Weighted Average Life Maximum:
  - a. FRNs must have weighted average life (if in pay-down or sinking fund status) or a maturity date (if a bullet maturity of no more than 3 years from date of purchase)
  - b. In no case shall the final payment date of a security in pay-down or sinking fund status be more than three (3) years

### **Repurchase Agreement (REPOs), Bankers Acceptances Notes (BANs) Bank Term Deposits & Certificates of Deposit (CDs) Limits:**

1. Sector Limit: 50% of the Fund at time of purchase
2. Sub-Sector Limit: 25% of the Fund at time of purchase
3. Counterparty Limit: 10% of the Fund at time of purchase
4. Maturity: 91 days except for 182 days for CDs
5. REPO Collateral Value: Collateral minimum value of 102% of initial trade value and 101% on an ongoing basis

### **Overnight Bank Deposits:**

1. Sector Limit: 30% of the Fund at time of purchase
2. Counterparty Limit: 10% of the Fund at time of purchase
3. Maturity: Overnight

When applying any percentage it is intended that the result be rounded to provide a convenient unit of investment.

The Company does not generally have to sell investments if the above limits are exceeded as a result of changes in the market value of the Company's net assets or as a result of new issues or capital reconstruction. However, if these limits are exceeded the Company may not add further to such investments and the Investment Advisor will rectify the breach.

In addition to the above restrictions, the Investment Advisors may further restrict the investment parameters of the Company.

### **Description of Shares Being Offered**

The Company is offering Income Shares (“**Shares**”) to investors in this Class Fund within which all assets and liabilities attributable to such Shares shall be held.

The Shares were initially offered at a subscription price of US \$1.00 per Share from 9:00 a.m. (Atlantic Standard Time) to 5:00 p.m. (Atlantic Standard Time) on March 31, 1997. Shares are currently offered at a price equal to the Net Asset Value per Share of the relevant Class.

It is anticipated that distributions will be paid in respect of Shares out of net investment income and net realized capital gains attributable to the Shares of the Company on a daily basis so as to maintain the Net Asset Value per Share at US \$1.00. Unless notice is given to the Company to the contrary, distributions payable to holders of Shares will be reinvested at the next Dealing Day and applied towards the purchase of new Shares of the same Class Fund.

### **Minimum Investment**

When applying for Shares, applicants should initially apply for a minimum amount of US \$100,000. Thereafter, applicants may apply for Shares with a minimum value of US \$10,000. The Directors may accept subscriptions for lesser amounts in their absolute discretion. No minimum subscription amount applies to the reinvestment of distributions for the purchase of new Shares.

### **Subscription Restrictions**

Due to the reduced investment advisory fee structure for Class A, the Company may restrict subscriptions in Class A Shares to those investors that engage the Investment Advisors directly for investment services covered under a discretionary investment management agreement (“**Advisor Clients**”).

### **Suitability of Investors**

The Shares are not available for purchase to United States persons as defined under “Restrictions on Shareholders” in the Prospectus.

## **Operating Expenses and Other Fees**

### **Investment Advisors**

The Company does not pay an investment management and advisory fees for this Class A. As a result, the Shares are subject to the restrictions as stated in section entitled “Subscription Restrictions” above.

### **Administrators**

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 a share registrar and transfer agent fee for each Class within the Fund of \$15,000 per annum. In addition to this fee, Comerica Bank (the “Sub Administrator” or “Custodian”) is entitled to receive administration fees calculated at the following rates:

0.04% (4 basis points) per annum on the first US\$100 million

0.02% (2 basis points) per annum on the amount over US\$100 million

The administration fees are based on the average daily asset value of the Class Fund and paid quarterly in arrears.

### **Custodian**

Comerica Bank is entitled to receive custody fees (separate from the administration fees) calculated at the rate of 0.015% (1.5 basis points) per annum on the total portfolio value.

The custodian fee is calculated daily on the total assets and is paid quarterly in arrears.

### **Auditors**

Deloitte & Touche Ltd. are the auditors of the Company (the “**Auditors**”). The Auditors have given and have not withdrawn their written consent to the issue of this Supplement with the reference to them in the form and context in which they are included.

The Class Fund bears its pro-rata share of the following fees: all brokers, interest on borrowing and fees in respect thereof, Company registration fee, the fee and expenses of the auditors of and legal advisors to the Company, corporate secretary fee, share registrar and transfer agent fees and the cost of printing and distributing periodic annual reports and statements.

### **Financial Report**

The Directors of the Company confirm that as of the date of this supplement, the Company has commenced business in relation to the Class Fund and dividends have been declared and/or paid as outlined in the financial statements of the Class Fund, which accompany this supplement. The Directors have approved the latest financial statements of the Class Fund for the year just ended for laying before a general meeting of the Company and the Auditors have conducted an audit and issued their audit report with respect to the latest financial statements of the Class Fund.

### **Change in Financial Position**

There has been no significant change in the financial position of the Company in respect of the Class Fund since the date of the latest audited financial statements of the Company.

### **Bermuda Stock Exchange**

The Shares are listed on the Bermuda Stock Exchange.

### **Application Procedure**

In order to apply for Shares attributable to the Class Fund please complete and sign the Application Form and send the same to the Administrator at the address set out on that form. Application may be made by fax to the

Administrator if the original application form is also sent to the Administrator. Subscription moneys should be sent by wire transfer (see the application form for details).

For an application to be duly processed as of any Dealing Day, a faxed Application Form and cleared subscription monies must be received by 5:00 p.m. (Atlantic Standard Time) on the Business Day immediately preceding such Dealing Day (unless otherwise determined by the Directors). Please see the section of the Prospectus, entitled “**OFFERING OF SHARES**”, for further details on the application procedure. The original Application Form must be followed immediately thereafter.

**THIS SUPPLEMENT, TOGETHER WITH THE ATTACHED MAIN PROSPECTUS OF THE COMPANY, FORM THE PROSPECTUS OF THE LIQUID ASSETS FUND (USD) – CLASS A. ALL TERMS DEFINED IN THE MAIN PROSPECTUS SHALL HAVE THE SAME MEANINGS ASCRIBED TO THEM IN THIS SUPPLEMENT.**

**-- END --**

## PERFORMA LIQUID ASSETS FUND (USD) Class B

### Supplementary Information Memorandum (the “Supplement”)

January 2019

Performa Liquid Assets Fund (USD) Class B (the “**Class Fund**”) is a Class of Performa Liquid Assets Fund Ltd. (the “**Company**”), an open ended mutual fund incorporated on March 21, 1997 under the laws of Bermuda.

**This Supplement, together with the enclosed Confidential Memorandum of Performa Liquid Assets Fund Ltd. (the “Prospectus”), forms the offering of the Performa Liquid Assets Fund (USD) Class B. All terms defined in the Prospectus shall have the same meaning in this Supplement unless otherwise defined herein.**

#### Investment Advisors

P.R.P. Performa Ltd. (“**PRP**”), licensed to conduct investment business by the Authority as of this date hereof, was established on November 26, 1992. Performa Limited (US), LLC (“**PUSA**”), a registered investment advisor with the United States Securities and Exchange Commission (the “**SEC**”), was established on April 7, 2010 as Ansonborough Capital Management, LLC and changed its name on July 1, 2012. Registration and licensing with the SEC and the Authority does not confer those entities’ approval of the Investment Advisors or the Company.

The Investment Advisors, and affiliates, provide portfolio management services for captive insurance and reinsurance companies. PRP, as a Bermuda domiciled investment management firm, provides its services to those clients domiciled offshore. PUSA focuses on those clients within the United States. The Investment Advisors and their subsidiaries manage core fixed income, core equity and other investment strategies internally and work with sub advisors to manage other sectors and strategies for their clients’ portfolio exposures. Hugh Barit, David Kilborn, and Gary M. LeBlanc are Directors of both the Company and PRP. David Kilborn is also the Managing Member and Chair of the Board of Managers of PUSA. Winston Robinson is an independent Director of both the Company and PRP.

The Investment Advisors have entered into separate investment management agreements with the Company whereby they provide certain management and investment advisory services to the Company (the “**Investment Management Agreements**”). Either party in writing may terminate the Investment Management Agreements forthwith. The fees in respect of any part of the un-expired three-month period will be charged pro rata.

The Company will pay the Investment Advisors the applicable investment advisory fees as described in the section below titled “**Operating Expenses and Other Fees.**”

The Investment Advisors have not been convicted of any regulatory, civil or criminal offences nor have been the subject of any regulatory disciplinary actions over the past five years.

#### Investment Objective

The Class Fund’s primary investment objective is to produce a return superior to One Month Treasury Bills while providing daily liquidity. There can be no assurance that this objective will be achieved.

#### Investment Strategy

One of the Investment Advisors’ primary activities is the management of assets for offshore insurance and reinsurance companies. Its investment philosophy is conservative and intended to preserve the real value of capital by achieving above average returns while avoiding undue risk. In order to accomplish these objectives, it seeks to identify major trends in interest rates and fixed income security markets. To achieve this, both in-house research and external sources are used to formulate economic, interest rate and currency forecasts regularly, all in a structured manner. Moreover, credit quality is one of its utmost concerns because generally it does not believe that the higher yields obtainable on low quality issues offer sufficient compensation for the additional risk incurred. Consequently, the analysis of the credit worthiness of a borrower is an essential ingredient in its approach to investing.

Active portfolio management also plays a major role in its investment philosophy. Within individual markets, it seeks to improve returns by identifying and exploiting market inefficiencies, which create yield differentials on similar quality issues. The Class Fund invests in a diversified array of short-term high quality, fixed income



securities and money market instruments that include commercial paper, certificates of deposit, floating rate notes and bankers acceptances. The Investment Advisors seek the highest quality and yielding issues available in the market subject to the investment guidelines and restrictions noted below.

### **Investment Guidelines and Restrictions**

#### **General Guidelines:**

1. All investments shall be denominated in United States Dollars (USD)
2. No one issue or issues of the same creditor, except for U.S. Government guaranteed issues, should exceed five percent (5%) at time of purchase
3. The average credit quality of the Fund shall be no less than A-1/P-1/ F-1 (as rated by S&P and Moody's/Fitch)
4. Securities that are eligible for inclusion but do not have a short-term rating may use the short term rating of the issuer in substitution. Any security that holds a long term rating from either S&P, Moody's and/or Fitch of AAA/Aaa/AAA is considered rated A-1+/P-1/F-1+
5. The Fund must maintain at least 20% of its portfolio in weekly liquid assets of which 10% must be in daily liquid assets
6. Fund Interest Rate Exposure and Average Life Calculations & Maximums:
  - a. A maximum Weighted Average Duration (WAD) of sixty (60) days or less as calculated using the modified duration for each security type as indicated below:
    - i) Bullet maturity instruments/securities: Final maturity date
    - ii) FRNs: The next coupon reset date
    - iii) Securities subject to sinking fund or other amortization schedules: Weighted Average Life (WAL)
  - b. A maximum Weighted Average Life (WAL) of one hundred twenty (120) days or less as calculated using the stated maturity for bullet maturity securities and FRNs or, if applicable, the weighted average life of any securities subject to sinking fund or other amortization schedules.

#### **Sector Guidelines and Limits for Maximum Market Value Exposure:**

##### **Commercial Paper Limits:**

1. 5% per issuer for issuers rated at or above A-1/P-1/ F-1 (as rated by S&P and Moody's/Fitch)
2. 3% per issuer for issuers rated at or above A-2/P-2/ F-2 (as rated by S&P and Moody's/Fitch)

##### **Floating Rate Notes (FRNs) Limits:**

1. Security Type Limit: No more than 50% of the total assets may be invested in FRNs at time of purchase.
2. Coupon Resets: FRNs must have coupon resets no more than ninety-one (92) days.
3. Weighted Average Life Maximum:
  - a. FRNs must have weighted average life (if in pay-down or sinking fund status) or a maturity date (if a bullet maturity of no more than 3 years from date of purchase)
  - b. In no case shall the final payment date of a security in pay-down or sinking fund status be more than three (3) years

### **Repurchase Agreement (REPOs), Bankers Acceptances Notes (BANs) Bank Term Deposits & Certificates of Deposit (CDs) Limits:**

1. Sector Limit: 50% of the Fund at time of purchase
2. Sub-Sector Limit: 25% of the Fund at time of purchase
3. Counterparty Limit: 10% of the Fund at time of purchase
4. Maturity: 91 days except for 182 days for CDs
5. REPO Collateral Value: Collateral minimum value of 102% of initial trade value and 101% on an ongoing basis

### **Overnight Bank Deposits:**

1. Sector Limit: 30% of the Fund at time of purchase
2. Counterparty Limit: 10% of the Fund at time of purchase
3. Maturity: Overnight

When applying any percentage it is intended that the result be rounded to provide a convenient unit of investment.

The Company does not generally have to sell investments if the above limits are exceeded as a result of changes in the market value of the Company's net assets or as a result of new issues or capital reconstruction. However, if these limits are exceeded the Company may not add further to such investments and the Investment Advisor will rectify the breach.

In addition to the above restrictions, the Investment Advisors may further restrict the investment parameters of the Company.

### **Description of Shares Being Offered**

The Company is offering Income Shares (“Shares”) to investors in this Class Fund within which all assets and liabilities attributable to such Shares shall be held.

The Shares were initially offered at a subscription price of US \$1.00 per Share from 9:00 a.m. (Atlantic Standard Time) to 5:00 p.m. (Atlantic Standard Time) on April 30, 2007. Shares are currently offered at a price equal to the Net Asset Value per Share of the relevant Class.

It is anticipated that distributions will be paid in respect of Shares out of net investment income and net realized capital gains attributable to the Shares of the Company on a daily basis so as to maintain the Net Asset Value per Share at US\$1.00. Unless notice is given to the Company to the contrary, distributions payable to holders of Shares will be reinvested at the next Dealing Day and applied towards the purchase of new Shares of the same Class Fund.

### **Minimum Investment**

When applying for Shares, applicants should initially apply for a minimum amount of US \$100,000. Thereafter, applicants may apply for Shares with a minimum value of US \$10,000. The Directors may accept subscriptions for lesser amounts in their absolute discretion. No minimum subscription amount applies to the reinvestment of distributions for the purchase of new Shares.

### **Suitability of Investors**

The Shares are not available for purchase to United States persons as defined under “**Restrictions on Shareholders**” in the Prospectus.

### **Operating Expenses and Other Fees**

**Investment Advisors** are entitled to receive fees calculated at the following rates of:

- 0.20% (twenty basis points) per annum on the first US\$200 million;
- 0.18% (eighteen basis points) per annum on the next US\$300 million;
- 0.15% (fifteen basis points) per annum on the amount over US\$500 million

Fees are based on the daily asset value of the Class Fund. The Investment Advisors may reduce or waive their fees at any time due to market conditions and have done so in the past. There is no ongoing accrual of waived fees.

### **Administrators**

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 a share registrar and transfer agent fee for each Class within the Fund of \$15,000 per annum. In addition to this fee, Comerica Bank (the “Sub Administrator” or “Custodian”) is entitled to receive administration fees calculated at the following rates:

0.04% (4 basis points) per annum on the first US\$100 million

0.02% (2 basis points) per annum on the amount over US\$100 million

The administration fees are based on the average daily asset value of the Class Fund and paid quarterly in arrears.

### **Custodian**

Comerica Bank is entitled to receive custody fees (separate from the administration fees) calculated at the rate of 0.015% (1.5 basis points) per annum on the total portfolio value.

The custodian fee is calculated daily on the total assets and is paid quarterly in arrears.

### **Auditors**

Deloitte & Touche Ltd. are the auditors of the Company (the “**Auditors**”). The Auditors have given and have not withdrawn their written consent to the issue of this Supplement with the reference to them in the form and context in which they are included.

The Class Fund bears its pro-rata share of the following fees: all brokers, interest on borrowing and fees in respect thereof, Company registration fee, the fee and expenses of the auditors of and legal advisors to the Company, corporate secretary fee, share registrar and transfer agent fees and the cost of printing and distributing periodic annual reports and statements.

### **Financial Report**

The Directors of the Company confirm that as of the date of this supplement, the Company has commenced business in relation to the Class Fund and dividends have been declared and/or paid as outlined in the financial statements of the Class Fund, which accompany this supplement. The Directors have approved the latest financial statements of the Class Fund for the year just ended for laying before a general meeting of the Company and the Auditors have conducted an audit and issued their audit report with respect to the latest financial statements of the Class Fund.

### **Change in Financial Position**

There has been no significant change in the financial position of the Company in respect of the Class Fund since the date of the latest audited financial statements of the Company.

### **Bermuda Stock Exchange**

The Shares are listed on the Bermuda Stock Exchange.

### **Application Procedure**

In order to apply for Shares attributable to the Class Fund please complete and sign the Application Form and send the same to the Administrator at the address set out on that form. Application may be made by fax to the Administrator provided that the original application form is also sent to the Administrator. Subscription moneys should be sent by wire transfer (see the application form for details).

For an application to be duly processed as of any Dealing Day, a faxed Application Form and cleared subscription monies must be received by 5:00 p.m. (Atlantic Standard Time) on the Business Day immediately preceding such Dealing Day (unless otherwise determined by the Directors). Please see the section of the Prospectus, entitled “**OFFERING OF SHARES**”, for further details on the application procedure. The original Application Form must be followed immediately thereafter.

**THIS SUPPLEMENT, TOGETHER WITH THE ATTACHED MAIN PROSPECTUS OF THE COMPANY, FORM THE PROSPECTUS OF THE LIQUID ASSETS FUND (USD) – CLASS B. ALL TERMS DEFINED IN THE MAIN PROSPECTUS SHALL HAVE THE SAME MEANINGS ASCRIBED TO THEM IN THIS SUPPLEMENT.**

**-- END --**