

**Performa Reserve Fund Ltd. –
Performa International Bond Fund
(USD)**

**Financial Statements and
Independent Auditors' Report**

December 31, 2009

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Board of Directors
of Performa Reserve Fund Ltd. – Performa International Bond Fund (USD)

We have audited the accompanying statement of net assets of Performa Reserve Fund Ltd. – Performa International Bond Fund (USD) (the “Fund”), including the schedule of investments, as at December 31, 2009, and the related statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Bermuda and Canada. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2009 and the results of its operations and changes in its net assets for the year then ended in accordance with accounting principles generally accepted in Bermuda and Canada.

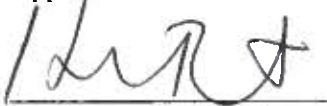
Deloitte + Touche

March 30, 2010


**PERFORMA RESERVE FUND LTD. –
PERFORMA INTERNATIONAL BOND FUND (USD)
STATEMENT OF NET ASSETS**
as at December 31, 2009
(Expressed in U.S. dollars)

	2009	2008
ASSETS		
Investments at fair value (cost: \$389,977,377 and \$176,874,372)	\$ 393,208,183	\$ 173,017,032
Cash and cash equivalents	1,732,581	18,755,786
Accrued interest receivable	2,755,500	1,536,664
Prepaid expenses	11,188	-
Due from broker	-	16,531,945
	<u>397,707,452</u>	<u>209,841,427</u>
LIABILITIES		
Subscriptions received in advance	-	158,580
Management fees payable	304,457	145,001
Accounts payable and accrued expenses	142,784	83,991
	<u>447,241</u>	<u>387,572</u>
NET ASSETS	<u><u>\$ 397,260,211</u></u>	<u><u>\$ 209,453,855</u></u>
Accumulation Shares issued and outstanding (Note 3)	<u>218,456</u>	<u>121,528</u>
Net Asset Value per Accumulation Share	<u><u>\$ 1,818.49</u></u>	<u><u>\$ 1,723.51</u></u>

Approved on behalf of the Board:



Hugh Barit
Director



Shawn Murphy
Director

The accompanying notes form an integral part of these statements

PERFORMA RESERVE FUND LTD. --
PERFORMA INTERNATIONAL BOND FUND (USD)
SCHEDULE OF INVESTMENTS

as at December 31, 2009
(Expressed in U.S. dollars)

Investments

Nominal	Fixed Income Securities	Fair Value
124,000	Aid-Egypt 4.45% 9/15/15	\$ 129,376
2,698,000	Allstate Life Global Finance Trust 5.38% 4/30/13	2,881,665
2,023,000	American General Finance 4.88% 5/15/10	2,015,414
100,000	American International Group 5.05% 10/1/15	83,125
2,728,000	Astrazeneca PLC 5.4% 9/15/12	2,981,523
2,938,000	Bank of America Corporation 3.13% 6/15/12	3,049,019
2,800,000	Bank of America Corporation 5.42% 3/15/17	2,776,299
4,008,000	Bank One Corporation 5.25% 1/30/13	4,242,263
2,505,000	Bellsouth Corporation 5.2% 9/15/14	2,686,088
102,000	Berkshire Hathaway Financial 4.13% 1/15/10	102,100
2,730,000	Berkshire Hathaway Financial 4.6% 5/15/13	2,901,956
161,000	Berkshire Hathaway Financial 4.75% 5/15/12	171,233
872,000	Blackrock Inc. 2.25% 12/10/12	867,894
500,000	Boeing Co. 1.88% 11/20/12	497,605
1,907,000	Bottling Group LLC 6.95% 3/15/14	2,210,156
2,508,000	BP Capital Markets PLC 5.25% 11/7/13	2,732,610
2,728,000	Burlington Resources Finance 6.68% 2/15/11	2,896,470
1,723,000	CDP Financial 3% 11/25/14	1,685,793
2,486,000	Cellco / Verizon Wireless 7.38% 11/15/13	2,858,413
1,102,000	Chevron Corporation 3.95% 3/3/14	1,158,738
2,498,000	Cisco Systems Inc. 5.5% 2/22/16	2,754,783
3,748,000	Citigroup Funding Inc. 2.13% 7/12/12	3,784,127
5,855,000	Citigroup Inc. 2.88% 12/9/11	6,025,290
122,000	Citigroup Inc. 5% 9/15/14	117,866
2,327,000	Citigroup Inc. 5.13% 5/5/14	2,339,479
2,738,000	Coca-Cola 5.35% 11/15/17	2,972,905
5,720,000	Commonwealth Bank Australia 2.7% 11/25/14	5,613,848
4,350,000	Credit Suisse New York 5% 5/15/13	4,635,582
2,649,000	Deutsche Bank AG London 4.88% 5/20/13	2,817,245
4,000,000	Deutsche Bank AG London 6% 9/1/17	4,362,138
2,506,000	Duke Energy Carolinas 5.3% 10/1/15	2,736,550
2,150,000	E.I. Du Pont De Nemours 4.75% 11/15/12	2,314,829
2,506,000	E.I. Du Pont De Nemours 4.88% 4/30/14	2,679,723
2,728,000	E.On International Finance BV 5.8% 4/30/18	2,887,554
2,180,000	European Investment Bank 1.75% 9/14/12	2,171,504
10,580,000	Fannie Mae 3.25% 8/12/10	10,768,930
500,000	Federal Home Loan Bank 4.63% 2/18/11	522,049
10,063,000	Freddie Mac 3.25% 7/16/10	10,223,317

**PERFORMA RESERVE FUND LTD. –
PERFORMA INTERNATIONAL BOND FUND (USD)
SCHEDULE OF INVESTMENTS**

as at December 31, 2009
(Expressed in U.S. dollars)

Investments (cont'd)

Nominal	Fixed Income Securities	Fair Value
7,198,000	Freddie Mac 4.13% 9/27/13	\$ 7,664,349
3,506,000	General Electric Capital Corporation 2.25% 3/12/12	3,563,614
1,141,000	General Electric Capital Corporation 3.75% 11/14/14	1,133,259
3,728,000	General Electric Capital Corporation 5.88% 2/15/12	3,994,491
1,530,000	Genworth Global Funding 5.13% 3/15/11	1,551,365
3,507,000	Glaxosmithkline Capital Inc. 5.65% 5/15/18	3,779,357
5,190,000	GMAC Inc. 1.75% 10/30/12	5,168,433
2,214,000	Goldman Sachs Group Inc. 0.65% 10/7/11	2,204,655
2,505,000	Goldman Sachs Group Inc. 5.75% 10/1/16	2,647,330
2,506,000	Hewlett-Packard Company 6.13% 3/1/14	2,800,799
2,731,000	HSBC Capital Fund LP 4.61% 6/27/13	2,304,602
2,734,000	IBM Corporation 5.7% 9/14/17	2,990,970
2,000,000	ING Bank NV 2.63% 2/9/12	2,037,789
7,749,000	Inter-American Development Bank 4.38% 9/20/12	8,195,016
1,304,000	International Lease Finance Corporation 5.75% 6/15/11	1,193,160
1,762,000	John Deere Capital Corporation 2.88% 6/19/12	1,819,180
2,680,000	JP Morgan Chase Bank NA 6% 10/1/17	2,861,836
1,763,000	JP Morgan Chase & Company 2.13% 6/22/12	1,788,585
147,000	JP Morgan Chase & Company 5.25% 5/1/15	152,902
556,000	Lehman Brothers Holdings 5.72% 7/18/11	88,960
250,000	Lehman Brothers Holdings 4.5% 7/26/10	48,750
100,000	Merck & Company Inc. 4.75% 3/1/15	107,977
2,938,000	Morgan Stanley 3.25% 12/1/11	3,047,607
3,660,000	Morgan Stanley 6% 4/28/15	3,899,809
2,854,000	Morgan Stanley 6.75% 4/15/11	3,027,469
1,965,000	National Australia Bank 3.38% 7/8/14	1,974,071
1,965,000	Nationwide Building Society 2.5% 8/17/12	1,977,834
5,000,000	New York Life Global Funding 4.65% 5/9/13	5,261,264
2,010,000	Oekb Oest. Kontrollbank 3.63% 6/17/13	2,058,520
2,470,000	Ontario (Province of) 2.63% 1/20/12	2,517,488
2,595,000	Ontario (Province of) 4.1% 6/16/14	2,703,687
2,506,000	Pepsico Inc. 5% 6/1/18	2,617,204
3,808,000	Philip Morris International Inc. 4.88% 5/16/13	4,049,089
2,937,000	PNC Funding Corporation 2.3% 6/22/12	2,985,565
2,517,000	Pricoa Global Funding 5.4% 10/18/12	2,686,258
1,394,000	Procter & Gamble Company 4.6% 1/15/14	1,492,500
4,595,000	Rabobank Nederland 4.2% 5/13/14	4,724,781
3,504,000	Regions Bank 3.25% 12/9/11	3,632,157

**PERFORMA RESERVE FUND LTD. –
PERFORMA INTERNATIONAL BOND FUND (USD)
SCHEDULE OF INVESTMENTS**
as at December 31, 2009
(Expressed in U.S. dollars)

Investments (cont'd)

Nominal	Fixed Income Securities	Fair Value
4,660,000	Roche Holdings Inc. 5% 3/1/14	\$ 4,995,952
100,000	Southtrust Corporation 5.8% 6/15/14	104,385
143,000	Temasek Financial Ltd. 4.5% 9/21/15	148,459
4,300,000	TIAA Global Markets 5.13% 10/10/12	4,626,944
2,817,000	United Technologies 4.88% 5/1/15	3,045,427
18,354,589	US Treasury Inflation Protected Securities 1.38% 7/15/18	18,397,609
42,146,000	US Treasury Notes 0.75% 11/30/11	41,869,416
17,401,000	US Treasury Notes 1.13% 12/15/12	17,123,671
52,684,000	US Treasury Notes 2.13% 11/30/14	51,457,451
9,291,000	US Treasury Notes 3.13% 10/31/16	9,179,217
10,460,000	US Treasury Notes 3.38% 11/15/19	10,069,384
1,867,100	US Treasury Notes 4.75% 2/15/10	1,876,436
2,805,000	Utah Build America Bonds Series D 4.55% 7/1/24	2,753,921
2,029,000	Wachovia Capital Trust III 5.8% 3/15/11	1,542,040
266,000	Wal-Mart Stores Inc. 4.5% 7/1/15	283,769
2,707,000	Wal-Mart Stores Inc. 5.8% 2/15/18	3,038,887
2,626,000	Walt Disney Company 4.5% 12/15/13	2,789,049
150,000	Wells Fargo & Company 4.88% 1/12/11	155,712
3,550,000	Wells Fargo Bank NA 4.75% 2/9/15	3,629,725
715,000	Westpac Banking Corporation 2.25% 11/19/12	712,588
		<hr/> <hr/> \$ 393,208,183

* Restricted securities under Rule 144A of the Securities Act of 1933

The accompanying notes form an integral part of these statements

**PERFORMA RESERVE FUND LTD. –
PERFORMA INTERNATIONAL BOND FUND (USD)
SCHEDULE OF INVESTMENTS**

as at December 29, 2008
(Expressed in U.S. dollars)

Investments

Nominal	Fixed Income Securities	Fair Value
124,000	Aid-Egypt 4.45% 9/15/15	\$ 135,864
2,548,000	Allstate Life Global Funding Trust 5.38% 4/30/13	2,492,900
2,023,000	American General Finance 4.88% 5/15/10	1,198,767
100,000	American International Group Inc 5.05% 10/1/15	68,715
2,374,000	Astrazeneca Plc 5.4% 9/15/12	2,520,680
2,331,000	Bank of America Corp 3.13% 6/15/12	2,406,946
2,800,000	Bank of America Corp 5.42% 3/15/17	2,507,621
2,037,000	Bank One Corp 5.25% 1/30/13	1,935,022
1,376,000	Bellsouth Corp 5.2% 9/15/14	1,349,720
102,000	Berkshire Hathaway 4.13% 1/15/10	102,993
2,453,000	Berkshire Hathaway 4.6% 5/15/13*	2,462,510
161,000	Berkshire Hathaway 4.75% 5/15/12	165,684
1,793,000	Bottling Group LLC 6.95% 3/15/14	1,916,950
2,355,000	BP Capital Markets Plc 5.25% 11/7/13	2,469,067
2,427,000	Burlington Resources Finance 6.68% 2/15/11	2,499,769
2,274,000	Cisco Systems 5.5% 2/22/16	2,435,245
4,721,000	Citigroup Inc 2.88% 12/9/11	4,847,192
122,000	Citigroup Inc 5.0% 9/15/14	107,841
1,152,000	Citigroup Inc 5.13% 5/5/14	1,087,550
2,538,000	Coca-Cola Co 5.35% 11/15/17	2,732,660
2,021,000	Credit Suisse USA Inc 5.25% 3/2/11	1,985,792
2,549,000	Deutsche Bank AG London 4.88% 5/20/13	2,512,187
2,274,000	Duke Energy 5.3% 10/1/15	2,393,012
1,377,000	E.I. Du Pont De Nemours 4.88% 4/30/14	1,364,926
2,548,000	E.ON Intl Finance 5.8% 4/30/18	2,408,436
2,500,000	ED&F Man Treasury Mgmt 1.06% 1/6/09	2,499,639
2,500,000	Erasmus Capital Corp 1.22% 1/2/09	2,499,639
6,860,000	Fannie Mae 3.25% 8/12/10	7,103,338
4,640,000	Federal Home Loan Bank 3.38% 10/20/10	4,823,767
500,000	Federal Home Loan Bank 4.63% 2/18/11	535,208
6,885,000	Freddie Mac 3.25% 7/16/10	7,113,830
4,653,000	Freddie Mac 4.13% 9/27/13	5,026,008
1,370,000	Freddie Mac 6.2% 6/26/17	1,400,029
2,927,000	General Electric Capital Corp 5.88% 2/15/12	3,012,837
2,469,000	Genworth Global Funding 5.13% 3/15/11	1,730,952

**PERFORMA RESERVE FUND LTD. –
PERFORMA INTERNATIONAL BOND FUND (USD)
SCHEDULE OF INVESTMENTS
as at December 29, 2008
(Expressed in U.S. dollars)**

Investments (cont'd)

Nominal	Fixed Income Securities	Fair Value
2,016,000	Glaxosmithkline Cap Inc 5.65% 5/15/18	\$ 2,136,158
691,000	Goldman Sachs Group 5.75% 10/1/16	629,471
2,360,000	Hewlett-Packard Co 6.13% 3/1/14	2,520,355
2,431,000	HSBC Capital Funding LP 4.61% 6/27/13*	1,321,832
150,000	Household Finance Corp 4.13% 11/16/09	148,511
98,000	Household Finance Corp 5.88% 2/1/09	97,970
2,374,000	IBM Corp 5.7% 9/14/17	2,541,744
887,000	Interamer Dev Bk 8.4% 9/1/09	928,343
1,304,000	International Lease Finance Corp 5.75% 6/15/11	949,321
1,412,000	John Deere Capital Corp 2.88% 6/19/12	1,457,862
1,411,000	JP Morgan Chase & Co 2.13% 6/22/12	1,402,094
147,000	JP Morgan Chase & Co 5.25% 5/1/15	139,616
250,000	Lehman Brothers Holdings 4.5% 7/26/10	25,625
556,000	Lehman Brothers Holdings 5.72% 7/18/11	52,820
100,000	Merck & Co Inc 4.75% 3/1/15	99,499
2,361,000	Morgan Stanley 3.25% 12/1/11	2,449,292
1,325,000	Morgan Stanley 5.32% 1/18/11	1,127,702
2,959,000	Morgan Stanley 6.75% 4/15/11	2,909,635
141,000	Natural Rural Utilities 5.75% 8/28/09	141,812
142,000	Pepsi Bottling 5.63% 2/17/09*	142,709
2,276,000	Pepsico Inc 5% 6/1/18	2,345,113
2,007,000	Philip Morris Intl Inc 4.88% 5/16/13	2,004,935
2,352,000	PNC Funding Corp 2.3% 6/22/12	2,360,978
2,030,000	Pricoa Global Funding I 5.4% 10/18/12*	1,882,616
1,394,000	Procter & Gamble Co 4.6% 1/15/14	1,437,998
1,025,000	RBS Capital Trust III 5.51% 9/30/14	411,765
2,347,000	Regions Bank 3.25% 12/9/11	2,427,256
1,618,000	SBC Communications 4.13% 9/15/09	1,618,890
100,000	Southtrust Corp 5.8% 6/15/14	89,953
143,000	Temasek Financial Ltd 4.5% 9/21/15*	142,876
300,000	TIAA Global Markets 5.13% 10/10/12*	301,817
20,986,343	US Treasury Inflation Protected Security 1.38% 7/15/18	19,909,152
2,536,000	United Technologies Corp 4.88% 5/1/15	2,490,464
12,831,000	US Treasury Notes 1.5% 10/31/10	13,019,462
9,854,000	US Treasury Notes 2% 11/30/13	10,155,779
2,361,000	Verizon Wireless 7.38% 11/15/13	2,506,083
2,029,000	Wachovia Capital Trust I 5.8% 3/15/11	1,176,820
266,000	Wal-Mart Stores 4.5% 7/1/15	271,555

**PERFORMA RESERVE FUND LTD. –
PERFORMA INTERNATIONAL BOND FUND (USD)
SCHEDULE OF INVESTMENTS**
as at December 29, 2008
(Expressed in U.S. dollars)

Investments (cont'd)

Nominal	Fixed Income Securities	Fair Value
1,707,000	Wal-Mart Stores Inc 5.8% 2/15/18	\$ 1,905,328
940,000	Walt Disney Company 4.5% 12/15/13	950,394
150,000	Wells Fargo Financial Inc 4.88% 1/12/11	149,920
2,376,000	Wells Fargo Financial Inc 5.5% 8/1/12	2,382,211
		<hr/>
		\$ 173,017,032
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* Restricted securities under Rule 144A of the Securities Act of 1933.

The accompanying notes form an integral part of these statements

**PERFORMA RESERVE FUND LTD. –
PERFORMA INTERNATIONAL BOND FUND (USD)
STATEMENT OF OPERATIONS
for the year ended December 31, 2009
(Expressed in U.S. dollars)**

	2009	2008
INCOME		
Bond interest	\$ 9,442,254	\$ 5,287,915
Interest on cash and cash equivalents	23,667	339,095
	9,465,921	5,627,010
EXPENSES		
Management fees (Note 4)	824,941	418,761
Custodian fees (Note 4)	194,988	103,945
Administration and office fees (Note 4)	152,988	98,574
Professional fees	31,708	26,860
Government fees	4,314	3,675
Miscellaneous fees	2,525	4,083
	1,211,464	655,898
NET INVESTMENT INCOME	8,254,457	4,971,112
REALIZED AND UNREALIZED GAIN ON INVESTMENTS		
Net realized (loss) gain on investments (Note 6)	(348,597)	6,510,340
Change in unrealized appreciation (depreciation) of investments	7,088,146	(4,466,902)
	6,739,549	2,043,438
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 14,994,006	\$ 7,014,550

The accompanying notes form an integral part of these statements

**PERFORMA RESERVE FUND LTD. –
PERFORMA INTERNATIONAL BOND FUND (USD)
STATEMENT OF CHANGES IN NET ASSETS**
for the year ended December 31, 2009
(Expressed in U.S. dollars)

	2009	2008
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 14,994,006	\$ 7,014,550
CAPITAL TRANSACTIONS		
Issuance of 141,600 and 103,005 Accumulation Shares	250,288,408	172,624,960
Redemption of 44,672 and 18,096 Accumulation Shares	(77,476,058)	(30,118,271)
NET INCREASE IN NET ASSETS RESULTING FROM CAPITAL TRANSACTIONS	172,812,350	142,506,689
NET INCREASE IN NET ASSETS	187,806,356	149,521,239
NET ASSETS, BEGINNING OF YEAR	209,453,855	59,932,616
NET ASSETS, END OF YEAR	\$ 397,260,211	\$ 209,453,855

The accompanying notes form an integral part of these statements

**PERFORMA RESERVE FUND LTD. –
PERFORMA INTERNATIONAL BOND FUND (USD)
NOTES TO THE FINANCIAL STATEMENTS**
for the year ended December 31, 2009
(Expressed in U.S. dollars)

1. THE FUND

Performa Reserve Fund Ltd. (the “Company”) was incorporated under the laws of Bermuda on March 21, 1997, as an open-ended limited liability investment company.

The Company is organized into distinct classes of shares. Performa Reserve Fund Ltd. – Performa International Bond Fund (USD) (the “Fund”) is a share class of the Company and was the only share class of the Company outstanding during the years ended December 31, 2009 and December 29, 2008.

The Fund seeks to provide long-term capital accumulation through an optimized mix of international markets and investment grade securities while maintaining a relatively short duration, which will not exceed seven years.

2. SIGNIFICANT ACCOUNTING POLICIES

Private enterprises are not required to apply the following Sections of the CICA Handbook: 1530, 3855, 3862, 3863 and 3865 which would otherwise have applied to the financial statements of the Company for the year ended December 31, 2009. The Company has elected to use this exemption and applies the requirements of Section 3860 and of Accounting Guideline 13 (AcG-13) of the CICA Handbook.

a. Basis of accounting:

The financial statements have been prepared in conformity with accounting principles generally accepted in Bermuda and Canada. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

b. Investments:

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

**PERFORMA RESERVE FUND LTD. –
PERFORMA INTERNATIONAL BOND FUND (USD)
NOTES TO THE FINANCIAL STATEMENTS**
for the year ended December 31, 2009
(Expressed in U.S. dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c. Cash and cash equivalents:

As at December 31, 2009 and December 29, 2008, cash and cash equivalents consists of an investment of \$1,732,581 and \$18,755,786 respectively, in a money market fund which is managed by P.R.P Performa Limited (the "Investment Advisor").

d. Investment income:

Interest is recorded on the accrual basis of accounting.

e. New accounting framework:

The CICA has issued a new accounting framework applicable to Canadian private enterprises. Effective for fiscal years beginning on January 1, 2011, private enterprises will have to choose between International Financial Reporting Standards (IFRS) and GAAP for private enterprises, whichever suits them best. Early adoption of these standards is permitted. The Company currently plans to adopt the new accounting standards for private enterprises (for its fiscal year beginning on January 1, 2011), however the date of transition to the new standards and the impact of this transition have not yet been determined.

3. SHARE CAPITAL

The Company's total authorized share capital is 12,000 Founder Shares with a par value of \$1.00 each and 10,000,000 Common Shares with a par value of \$0.01 each.

The Founder Shares are voting, non-redeemable and are not entitled to any dividends. The Founder Shares have been issued and are unpaid. The Company has issued all of the Founder Shares to the Investment Advisor. The Common Shares are non-voting, and are redeemable. Any number of classes of Common Shares can be issued as determined by the Directors of the Fund. Each class of Common Shares is further divided into Income Shares and Accumulation Shares. It is anticipated that Income Shares will receive dividends and that Accumulation Shares will receive no dividends. The Performa International Bond Fund (USD) Accumulation Shares is the only class of Common Shares outstanding at December 31, 2009 and December 29, 2008.

**PERFORMA RESERVE FUND LTD. –
PERFORMA INTERNATIONAL BOND FUND (USD)
NOTES TO THE FINANCIAL STATEMENTS**
for the year ended December 31, 2009
(Expressed in U.S. dollars)

4. MANAGEMENT, ADMINISTRATION AND CUSTODIAN FEES

Under the terms of the Fund's prospectus:

- a. The Investment Advisor, an affiliated company, provides investment management and advisory services to the Fund. The Investment Advisor is responsible for the investment of the Fund's assets. The Investment Advisor earns an advisory fee equal to 0.30% per annum, calculated weekly and paid quarterly in arrears.

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

- b. On September 30, 2009, Woodmont Management Ltd. (the "Administrator") began providing services as the Administrator, Share Registrar and Transfer Agent for the Fund. For these services, the Administrator receives an administration fee. The administration fee is calculated at a rate of 0.08% on the first \$100 million and 0.04% in excess of \$100 million per annum, calculated daily and paid quarterly in arrears.

For the year ended December 29, 2008 and for period from January 1, 2009 to September 30, 2009, SS&C Technologies, Inc. ("SS&C") provided services as the Administrator, Share Registrar and Transfer Agent for the Fund. For these services, SS&C received an administration fee. The administration fee was calculated at a rate of 0.08% on the first \$100 million and 0.04% in excess of \$100 million per annum, calculated weekly and paid quarterly in arrears.

Out of the administration fee, a fee for accounting services is paid to STP Investments Services, Inc. based on the daily net asset value of the Fund and paid quarterly in arrears at a variable rate that does not exceed the administration fee described above.

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

0.088% per annum on the first \$100 million;
0.077% per annum on the next \$100 million;
0.055% per annum on the amount over \$200 million

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

5. CONCENTRATION OF CREDIT RISK

As at December 31, 2009 and December 29, 2008, the custody of cash and cash equivalents and investments are with Comerica Bank. The Fund has all its individual counterparty concentration with Comerica Bank, which is based in the United States of America.

**PERFORMA RESERVE FUND LTD. –
PERFORMA INTERNATIONAL BOND FUND (USD)
NOTES TO THE FINANCIAL STATEMENTS**
for the year ended December 31, 2009
(Expressed in U.S. dollars)

6. NET REALIZED (LOSS) GAIN ON INVESTMENTS

The net realized (loss) gain on investments was as follows:

	2009	2008
Proceeds on sale of investments	\$ 712,132,260	\$ 564,472,500
Maturities during year	141,772,000	61,066,000
	<hr/>	<hr/>
Proceeds on investment sales/maturities	853,904,260	625,538,500
	<hr/>	<hr/>
Less cost of investments sold:		
Investments owned at beginning of year	176,874,372	51,036,488
Investments purchased during the year	1,067,355,862	744,866,044
Investments owned at end of year	(389,977,377)	(176,874,372)
	<hr/>	<hr/>
Cost of investments sold during year	854,252,857	619,028,160
	<hr/>	<hr/>
Net realized (loss) gain on investments	\$ (348,597)	\$ 6,510,340
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7. FINANCIAL HIGHLIGHTS

Financial highlights of the Fund for the years ended December 31, 2009 and December 29, 2008 are as follows:

Per share operating performance	2009	2008
Net asset value per share at beginning of year	\$ 1,723.51	\$ 1,636.65
	<hr/>	<hr/>
Net investment income	51.84	52.37
Net realized and unrealized gain on investments	43.14	34.49
	<hr/>	<hr/>
Net increase in net assets resulting from operations	94.98	86.86
	<hr/>	<hr/>
Net asset value per share at end of year	\$ 1,818.49	\$ 1,723.51
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**PERFORMA RESERVE FUND LTD. –
PERFORMA INTERNATIONAL BOND FUND (USD)
NOTES TO THE FINANCIAL STATEMENTS**
for the year ended December 31, 2009
(Expressed in U.S. dollars)

7. FINANCIAL HIGHLIGHTS

	2009	2008
TOTAL RETURN:	5.51%	5.31%
RATIO TO AVERAGE NET ASSETS:		
Expenses	0.43%	0.41%
Net investment income	2.91%	3.13%

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

8. TAXES

Under current laws, there are no income, profit, capital or capital gains taxes levied in Bermuda, and accordingly, no provision for such taxes has been recorded by the Fund. In the event that such taxes are levied, the Fund has received an undertaking from the Government of Bermuda exempting it from all such taxes until March 28, 2016.