

**Performa Liquid Assets
Fund Ltd.**

**Financial Statements and
Independent Auditors' Report**

December 31, 2007

INDEPENDENT AUDITORS' REPORT

To the Shareholders
of Performa Liquid Assets Fund Ltd.

We have audited the accompanying statement of net assets of Performa Liquid Assets Fund Ltd. (the "Fund"), including the schedule of investments, as at December 31, 2007, 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, 2007 and the results of its operations and the changes in its net assets for the year then ended in accordance with accounting principles generally accepted in Bermuda and Canada.



March 31, 2007

PERFORMA LIQUID ASSETS FUND LTD.
STATEMENT OF NET ASSETS
as at December 31, 2007
(Expressed in U.S. dollars)

	2007	2006
ASSETS		
Investments at fair value (cost: \$523,916,204 and \$498,052,937)	\$ 523,916,204	\$ 498,052,937
Cash	11,184	174
Prepaid expenses	57,941	32,135
Accounts receivable	45,644	-
	524,030,973	498,085,246
LIABILITIES		
Management fees payable	245,155	218,672
Accounts payable and accrued expenses	148,078	134,828
	393,233	353,500
NET ASSETS	\$ 523,637,740	\$ 497,731,746
Class A Shares issued and outstanding (Note 3)	523,637,740	497,731,746
Net Asset Value per Class A Shares	\$ 1.00	\$ 1.00

Approved on behalf of the Board:

Hugh Barit
Director

Shawn Murphy
Director

The accompanying notes form an integral part of these statements

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

as at December 31, 2007

(Expressed in U.S. dollars)

Investments

Nominal	Fixed Income Securities	Fair Value
10,000,000	AGA Capital Inc CP 4% 01/02/2008	\$ 9,998,889
10,000,000	Alfa Corporation CP 4.25% 01/28/2008	9,968,125
5,000,000	Alliance & Leicester PLC CP 5.29% 01/04/2008	4,997,796
900,000	Alliancebernstein LP CP 4.05% 01/02/2008	899,899
4,000,000	Alliancebernstein LP CP 4.32% 01/09/2008	3,996,160
10,000,000	Apreco LLC CP 4% 01/02/2008	9,998,889
10,000,000	Aspen Funding Corp CP 4.5% 01/02/2008	9,998,750
500,000	Aspen Funding Corp CP 4.5% 01/02/2008	499,944
800,000	Avon Capital Corp CP 4.25% 01/15/2008	798,678
9,000,000	Cintas Corporation No. 2 CP 4.32% 01/04/2008	8,996,760
5,000,000	Cintas Corporation No. 2 CP 4.37% 01/07/2008	4,996,358
5,000,000	Conocophillips Qatar CP 4.27% 01/04/2008	4,998,221
652,000	Conocophillips Qatar CP 4.4% 01/04/2008	651,761
20,000,000	DPFA Bank PLC CP IP 4.77% 01/14/2008	19,965,550
25,000,000	Depfa Bank PLC CP IP 5.195% 01/04/2008	24,989,177
7,000,000	Ecolab Inc CP 4.3% 01/02/2008	6,999,164
5,000,000	Ecolab Inc CP 4.3% 01/02/2008	4,999,403
5,000,000	ED. & F. MAN Treasury Management Services CP 4.2% 01/07/2008	4,996,500
4,000,000	Edison Asset Securities LLC CP 4.43% 01/16/2008	3,992,617
5,000,000	Edison Asset Securities LLC CP 4.53% 01/11/2008	4,993,708
9,500,000	Emerson Electric Co. CP 4.05% 01/14/2008	9,486,106
4,600,000	Estee Lauder Companies CP 4.24% 01/02/2008	4,599,458
5,000,000	Goldman Sachs Group Inc CP 4.5% 01/14/2008	4,991,875
10,000,000	Goldman Sachs Group Inc CP 4.82% 01/02/2008	9,998,661
15,000,000	Goldman Sachs Group Inc CP 5% 01/07/2008	14,987,500
31,149,000	Greyhawk Funding LLC CP 5.4% 01/03/2008	31,139,655
6,000,000	Harvard University CP 4% 01/03/2008	5,998,667
25,000,000	ING (US) Funding LLC CP/IP 4.87% 01/11/2008	24,966,181
15,000,000	Intesa Funding LLC CP 4.29% 01/14/2008	14,976,763
10,000,000	Intesa Funding LLC CP 4.99% 01/02/2008	9,998,614
310,000	International Lease Finance Corp CP/IP 4.3% 01/11/2008	309,630
10,000,000	JP Morgan Chase & Co CP 4.8% 01/04/2008	9,996,000
225,000	JP Morgan Chase Bank BA CP 4.65% 01/07/2008	224,826
654,000	JP Morgan Chase Bank BA CP 4.65% 01/08/2008	653,409
1,301,000	Kitty Hawk Funding Corp CP 5.35% 01/16/2008	1,298,100
1,188,000	Louis Dreyfus Corp CP 5.25% 01/11/2008	1,186,268
5,000,000	Lowes Companies Inc CP 4.25% 01/04/2008	4,998,229

The accompanying notes form an integral part of these statements

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

as at December 31, 2007

(Expressed in U.S. dollars)

Investments (cont'd)

Nominal	Fixed Income Securities	Fair Value
5,225,000	Madison Gas & Electric CP 4.35% 01/11/2008	\$ 5,218,686
7,000,000	Members United Corporation FCU CP 4.75% 01/15/2008	6,987,069
5,000,000	Members United Corporation FCU CP 4.9% 01/10/2008	4,993,875
10,000,000	Members United Corporation FCU CP 5.1% 01/03/2008	9,997,167
15,000,000	Merrill Lynch & Company CP 5.25% 01/03/2008	14,995,625
1,050,000	Natexis Banq US Finance Company CP 4.68% 01/18/2008	1,047,680
10,000,000	Natixis Commercial Paper CP 5.18% 01/04/2008	9,995,683
9,000,000	National Australia FDG (DE) CP 4.25% 01/08/2008	8,992,563
9,000,000	Nestle Finance France SA CP 4.15% 01/04/2008	8,996,888
800,000	Nestle Finance France SA CP 4.15% 01/04/2008	799,723
3,000,000	Northwest Natural Gas CP 4.1% 01/07/2008	2,997,950
6,000,000	Novartis Finance Corporation CP 4.27% 01/03/2008	5,998,577
626,000	Pitney Bowes inc. CP 4.2% 01/11/2008	625,270
5,470,000	Pitney Bowes Inc. CP 4.22% 01/07/2008	5,466,153
5,170,000	Ranger Funding LLC CP 4.5% 01/22/2008	5,156,429
356,000	Ranger Funding LLC CP 5.75% 01/28/2008	354,465
395,000	Ranger Funding LLC CP 5.9% 01/10/2008	394,417
2,254,000	Ranger Funding LLC CP 5.35% 01/15/2008	2,249,310
3,917,000	Rockwell Collins Inc. CP 4.3% 01/03/2008	3,916,064
10,000,000	Royal Bank of Scotland PLC CP 5.16% 01/02/2008	9,998,567
1,700,000	San Paolo IMI US Financial Company CP 4.85% 01/09/2008	1,698,168
15,000,000	San Paolo IMI US Financial Company CP 5.19% 01/02/2008	14,997,838
2,000,000	Sharp Electronics Corp CP/IP 4.25% 01/24/2008	1,994,569
935,000	Skandinav Enskilda Bank CP 5.2% 01/11/2008	933,649
840,000	Skandinav Enskilda Bank CP 5.2% 01/23/2008	837,331
2,500,000	Societe Generale NA CP 4.3% 01/18/2008	2,494,924
7,000,000	Societe Generale NA CP 4.32% 01/10/2008	6,992,440
10,000,000	Southeast Corp Fed Credit CP 4.33% 01/25/2008	9,971,133
8,000,000	Southeast Corp Fed Credit CP 4.4% 01/15/2008	7,986,311
3,100,000	Swedbank CP 4.78% 01/15/2008	3,094,237
9,500,000	Teachers Ins & Ann Association CP 4.07% 01/07/2008	9,493,556
33,530,000	Tri Party Repo 2.5% 01/02/2008	33,532,328
495,000	UBS Finance Delaware LLC CP 4.23% 01/04/2008	494,826
9,000,000	UBS Finance Delaware LLC CP 4.23% 01/11/2008	8,989,425
5,000,000	UPS of America CP 3.98% 01/16/2008	4,991,708
5,000,000	Wells Fargo & Company CP 4.25% 01/07/2008	4,996,458
4,000,000	Wells Fargo & Company CP 4.25% 01/07/2008	3,997,167

The accompanying notes form an integral part of these statements

PERFORMA LIQUID ASSETS FUND LTD.
SCHEDULE OF INVESTMENTS
as at December 31, 2007
(Expressed in U.S. dollars)

Investments (cont'd)

Nominal	Fixed Income Securities	Fair Value
700,000	Westpac Securities NZ Ltd CP 4.57% 01/25/2008	\$ 697,867
5,000,000	Yorktown Capital LLC CP 4.45% 01/11/2008	4,993,819
		<hr/>
		\$ 523,916,204
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PERFORMA LIQUID ASSETS FUND LTD.
SCHEDULE OF INVESTMENTS
as at December 31, 2006
(Expressed in U.S. dollars)

Investments

Nominal	Fixed Income Securities	Fair Value
10,400,000	Abacas Investments CP 5.27% 02/01/2007	\$ 10,352,804
9,155,000	Abacas Investments CP 5.28% 01/08/2007	9,145,601
3,000,000	Abacas Investments CP 5.28% 01/18/2007	2,992,520
5,000,000	AGA Capital INC CP 5.27% 01/04/2007	4,997,804
1,893,000	Alliance Capital Management CP 5.35% 01/02/2007	1,892,719
1,000,000	Alliance Capital Management CP 5.40% 01/02/2007	999,850
309,000	Amstel Funding Corp CP 5.26% 01/16/2007	308,323
555,000	Amstel Funding Corp CP 5.28% 01/22/2007	553,291
267,000	Amstel Funding Corp CP 5.29% 01/16/2007	266,411
638,000	Amstel Funding Corp CP 5.30% 01/16/2007	636,591
460,000	Amstel Funding Corp CP 5.34% 01/22/2007	458,567
1,000,000	Apreco LLC CP 5.28% 01/22/2007	996,920
1,000,000	Apreco LLC CP 5.33% 01/02/2007	999,852
8,000,000	Aquifier Funding CP 5.29% 01/03/2007	7,997,649
5,500,000	Aquifier Funding CP 5.29% 01/05/2007	5,496,767
10,000,000	Aquifier Funding CP 5.38% 01/05/2007	9,994,022
4,200,000	ASB Bank CP 5.25% 01/05/2007	4,197,550
3,000,000	ASB Bank CP 5.25% 01/11/2007	2,995,625
1,550,000	ASB Bank CP 5.26% 01/05/2007	1,549,094
5,000,000	Atlantis One Funding CP 5.26% 01/04/2007	4,997,808
3,000,000	Atlantis One Funding CP 5.27% 01/04/2007	2,998,682
2,312,000	Austra Corp CP 5.32% 01/18/2007	2,306,192
3,000,000	Banco Bilbao VIZC ARG PR CP 5.27% 01/16/2007	2,993,412
4,683,000	Banco Bilbao VIZC ARG PR CP 5.27% 01/23/2007	4,667,918
10,000,000	Banco Bilbao VIZC ARG PR CP 5.35% 01/04/2007	9,995,542
5,000,000	Blue Bell Funding CP 5.33% 01/16/2007	4,988,896
2,890,000	Blue Topaz LLC CP 5.34% 01/02/2007	2,889,571
10,975,000	BNP Paribas Canada CP 5.27% 01/02/2007	10,973,393
3,370,000	Brittania Building Soc CP 5.27% 02/27/2007	3,341,907
3,300,000	Brittania Building Soc CP 5.27% 01/08/2007	3,291,788
5,000,000	Brittania Building Soc CP 5.27% 01/24/2007	4,983,165
1,000,000	Brittania Building Soc CP 5.27% 01/29/2007	995,901
5,200,000	Brittania Building Soc CP 5.35% 01/04/2007	5,197,682
4,030,000	Cafco Inc. CP 5.27% 01/04/2007	4,028,230
400,000	Caisse Nat Csse Epar Pre CP 5.33% 01/16/2007	399,112
1,000,000	Caisse Nat Csse Epar Pre CP 5.35% 01/08/2007	998,960
422,000	Caisse Nat Csse Epar Pre CP 5.37% 01/16/2007	421,056

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

as at December 31, 2006
(Expressed in U.S. dollars)

Investments (cont'd)

Nominal	Fixed Income Securities	Fair Value
3,500,000	Cancara Asset Securitization CP 5.27% 01/23/2007	\$ 3,488,728
1,491,000	Cancara Asset Securitization CP 5.35% 01/02/2007	1,490,778
5,000,000	Cancara Asset Securitization CP 5.28% 01/04/2007	4,997,802
3,000,000	Chesham Finance LLC CP 5.25% 03/01/2007	2,974,187
1,500,000	Chesham Finance LLC CP 5.26% 01/05/2007	1,499,123
500,000	Chesham Finance LLC CP 5.27% 01/05/2007	499,707
440,000	Chesham Finance LLC CP 5.27% 02/28/2007	436,264
2,727,000	Chesham Finance LLC CP 5.36% 01/02/2007	2,726,594
342,000	Chesham Finance LLC CP 5.37% 01/04/2007	341,847
950,000	Cheyen Finance LLC CP 5.31% 01/22/2007	947,057
5,000,000	Ciesco LLC CP 5.26% 01/04/2007	4,997,808
365,000	Cimarron CDO CP 5.30% 01/04/2007	364,839
1,200,000	Cimarron CDO CP 5.36% 01/04/2007	1,199,464
5,000,000	Corporate Asset Securitization AUST CP 5.30% 01/08/2007	4,994,847
3,000,000	Corporate Asset Securitization AUST CP 5.31% 01/11/2007	2,995,575
2,000,000	CRC Funding CP 5.27% 01/09/2007	1,997,658
1,000,000	CRC Funding CP 5.35% 01/03/2007	999,703
3,990,000	Daimler-Chrysler REV AUTO CP 5.27% 01/03/2007	3,988,832
6,788,000	Daimler-Chrysler REV AUTO CP 5.28% 01/09/2007	6,780,035
5,000,000	Daimler-Chrysler REV AUTO CP 5.30% 01/10/2007	4,993,375
5,000,000	Daimler-Chrysler REV AUTO CP 5.26% 01/22/2007	4,984,658
5,000,000	E.D. & F. MAN Treasury Management Services CP 5.37% 01/05/2007	4,997,017
503,000	Erasmus Capital Corporation CP 5.30% 01/08/2007	502,482
5,000,000	Erasmus Capital Corporation CP 5.30% 01/10/2007	4,993,375
766,000	Erasmus Capital Corporation CP 5.35% 01/08/2007	765,203
2,500,000	Eureka Securitization CP 5.27% 01/09/2007	2,497,075
494,000	FCAR Owner Trust CP 5.29% 01/18/2007	492,766
450,000	Five Finance Inc. CP 5.35% 01/03/2007	449,866
2,840,000	Five Finance Inc. CP 5.35% 01/12/2007	2,835,357
5,000,000	Fountain Square Comm Funding CP 5.25% 03/05/2007	4,954,062
874,000	George Street Finance CP 5.28% 01/06/2007	872,077
4,000,000	GOVCO Inc. CP 5.33% 01/05/2007	3,997,631
2,927,000	Grampain Funding CP 5.27% 01/17/2007	2,920,144
300,000	Great West Life & Annuity CP 5.35% 01/16/2007	299,331
2,000,000	Harrier Financial Funding CP 5.26% 01/17/2007	1,995,329
1,626,000	Harrier Financial Funding CP 5.29% 01/12/2007	1,623,372
2,912,000	Harrier Financial Funding CP 5.30% 01/12/2007	2,907,284

The accompanying notes form an integral part of these statements

PERFORMA LIQUID ASSETS FUND LTD.
SCHEDULE OF INVESTMENTS
as at December 31, 2006
(Expressed in U.S. dollars)

Investments (cont'd)

Nominal	Fixed Income Securities	Fair Value
6,800,000	HBOS Treasury Management Services CP 5.25% 02/01/2007	\$ 6,769,258
2,000,000	HBOS Treasury Management Services CP 5.28% 01/04/2007	1,999,120
1,750,000	HVB US Finance CP 5.33% 01/10/2007	1,747,668
295,000	HVS US Finance CP 5.35% 01/24/2007	293,992
7,630,000	Intesa Funding CP 5.32% 01/08/2007	7,622,107
250,000	Intesa Funding CP 5.36% 01/29/2007	248,958
400,000	IXIS Commercial Paper Credit 5.27% 01/04/2007	399,824
4,200,000	IXIS Commercial Paper Credit 5.27% 01/05/2007	4,197,541
4,025,000	IXIS Commercial Paper Credit 5.28% 01/04/2007	4,023,229
7,375,000	IXIS Commercial Paper Credit 5.28% 01/04/2007	7,371,755
3,300,00	IXIS Commercial Paper Credit 5.28% 01/12/2007	3,294,676
351,000	Kent Funding Corp CP 5.34% 01/25/2007	349,750
369,000	Kent Funding Corp. CP 5.34% 01/30/2007	367,413
500,000	Kittyhawk Funding CP 5.33% 01/19/2007	498,667
2,802,000	Long Lane master Trust CP 5.30% 01/12/2007	2,797,462
3,000,000	Millstone Funding CP 5.34% 01/18/2007	2,992,435
770,000	Newport Funding CP 5.33% 01/23/2007	767,492
3,323,000	North Sea Funding CP 5.28% 01/04/2007	3,321,538
9,779,000	Old Line Funding CP 5.28% 01/02/2007	9,777,566
7,461,000	Old Line Fund CP 5.28% 01/04/2007	7,457,717
350,000	Orion Finance USA CP 5.30% 01/11/2007	349,485
350,000	Ormond-Quay Funding CP 5.28% 01/11/2007	349,487
650,000	Ormond-Quay Funding CP 5.28% 01/22/2007	647,998
10,000,000	PACCAR Financial Corp 5.29% 01/02/2007	9,998,531
700,000	Perry Global Funding CP 5.35% 01/10/2007	699,062
1,989,000	Perry III Funding CP 5.28% 01/05/2007	1,987,833
10,000,000	Pfizer Investment CP 5.28% 01/05/2007	9,994,133
3,177,000	Pinnacle Point Funding CP 5.28% 01/04/2007	3,175,602
3,531,000	Pinnacle Point Funding CP 5.28% 01/05/2007	3,528,928
2,587,000	Pinnacle Point Funding CP 5.31% 01/12/2007	2,582,803
346,000	Quatro-PMX Funding CP 5.35% 01/22/2007	344,920
741,000	Ranger Fund Co. CP 5.26% 01/11/2007	739,917
5,000,000	San Paolo IMI US Financial Company CP 5.26% 01/05/2007	4,997,078
5,777,000	San Paolo IMI US Financial Company CP 5.32% 01/08/2007	5,771,024
355,000	Santander CENT HISP FIN CP 5.35% 01/04/2007	354,842
7,856,000	Scaldis Capital CP 5.27% 01/05/2007	7,851,400
556,000	Scaldis Capital CP 5.35% 01/08/2007	555,422

The accompanying notes form an integral part of these statements

PERFORMA LIQUID ASSETS FUND LTD.
SCHEDULE OF INVESTMENTS
as at December 31, 2006
(Expressed in U.S. dollars)

Investments (cont'd)

Nominal	Fixed Income Securities	Fair Value
1,421,000	Skandinav Enskilsa Bank CP 5.34% 01/04/2007	\$ 1,420,368
788,000	Societe Generale NA CP 5.27% 01/08/2007	787,193
664,000	Solitaire Funding CP 5.26% 01/05/2007	663,612
5,000,000	Solitaire Funding CP 5.27% 01/03/2007	4,998,536
1,000,000	Stanfield Victoria Funding CP 5.27% 01/08/2007	998,975
1,774,000	Stanfield Victoria Funding CP 5.33% 01/02/2007	1,773,737
250,000	Swebank CP 5.35% 01/08/2007	249,740
2,249,000	Sydney Capital Corporation CP 5.26% 01/25/2007	2,241,113
3,394,000	Sydney Capital Corporation CP 5.27% 01/05/2007	3,392,013
3,266,000	Sydney Capital Corporation CP 5.27% 01/12/2007	3,260,741
675,000	Sydney Capital Corporation CP 5.27% 01/22/2007	672,925
3,280,000	Sydney Capital Corporation CP 5.28% 01/03/2007	3,279,038
4,560,000	Sydney Capital Corporation CP 5.28% 01/04/2007	4,557,994
5,870,000	Sydney Capital Corporation CP 5.28% 01/12/2007	5,860,530
576,000	Sydney Capital Corporation CP 5.33% 01/16/2007	574,721
408,000	Sydney Capital Corporation CP 5.37% 01/03/2007	407,878
3,000,000	Tasman Funding CP 5.28% 01/05/2007	2,998,240
5,000,000	Tasman Funding CP 5.29% 01/04/2007	4,997,798
7,000,000	Tasman Funding CP 5.29% 01/05/2007	6,995,886
2,500,000	Tasman Funding CP 5.30% 01/05/2007	2,498,528
573,000	Tasman Funding CP 5.31% 01/04/2007	572,746
700,000	Tasman Funding CP 5.35% 01/12/2007	698,856
550,000	Tasman Funding CP 5.35% 01/16/2007	548,774
381,000	Tasman Funding CP 5.39% 01/23/2007	379,745
5,000,000	Telstra Corporation CP 5.26% 02/21/2007	4,962,742
2,000,000	Telstra Corporation CP 5.27% 01/24/2007	1,993,266
2,500,000	Telstra Corporation CP 5.28% 01/24/2007	2,491,567
3,613,000	Telstra Corporation CP 5.29% 01/30/2007	3,597,604
2,000,000	Theta Corporation CP 5.27% 01/26/2007	1,992,681
2,529,000	Transamerica Asset Funding CP 5.35% 01/03/2007	2,528,248
1,910,000	TSL USA Inc CP 5.27% 01/25/2007	1,903,290
1,000,000	TSL USA Inc CP 5.28% 01/18/2007	997,507
535,000	TSL USA Inc CP 5.28% 02/15/2007	531,469
2,749,000	TSL USA Inc CP 5.30% 01/25/2007	2,739,287
1,874,000	TSL USA Inc CP 5.32% 01/08/2007	1,872,061
529,000	TSL USA Inc CP 5.32% 01/09/2007	528,375
4,119,000	TSL USA Inc CP 5.36% 01/17/2007	4,109,188

The accompanying notes form an integral part of these statements

PERFORMA LIQUID ASSETS FUND LTD.
SCHEDULE OF INVESTMENTS
as at December 31, 2006
(Expressed in U.S. dollars)

Investments (cont'd)

Nominal	Fixed Income Securities	Fair Value
1,822,000	TSL USA Inc CP 5.37% 01/09/2007	\$ 1,819,826
10,000,000	TSL USA Inc CP 5.40% 01/02/2007	9,998,500
250,000	Tulip Funding Corporation CP 5.32% 01/29/2007	248,966
3,494,000	UBS Finance (DEL) CP 5.30% 01/04/2007	3,492,457
1,000,000	Variable Funding Capital CP 5.35% 01/12/2007	998,365
577,000	Westpack Banking Corporation CP 5.34% 01/03/2007	576,829
1,649,000	Whistlejacket Capital CP 5.27% 01/22/2007	1,643,931
5,674,000	Whistlejacket Capital CP 5.28% 01/12/2007	5,664,846
1,353,000	Whistlejacket Capital CP 5.31% 01/08/2007	1,351,603
6,477,000	Whistlejacket Capital CP 5.32% 01/10/2007	6,468,386
11,629,000	White Pine Finance CP 5.33% 01/16/2007	11,603,174
579,000	White Pine Finance CP 5.35% 01/05/2007	578,656
3,465,000	Windmill Funding Corporation CP 5.28% 01/03/2007	3,463,984
4,735,000	XTRA Inc CP 5.26% 01/04/2007	4,732,924
6,800,000	XTRA Inc CP 5.32% 01/02/2007	6,798,995
1,206,000	Yorktown Capital CP 5.34% 01/04/2007	1,205,463
		\$ 498,052,937
		\$ 498,052,937

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PERFORMA LIQUID ASSETS FUND LTD.
STATEMENT OF OPERATIONS
for the year ended December 31, 2007
(Expressed in U.S. dollars)

	2007	2006
INCOME		
Interest income	\$ 28,584,149	\$ 18,990,860
	<u>28,584,149</u>	<u>18,990,860</u>
EXPENSES		
Management fees (Note 4)	1,004,249	705,406
Custodian fees (Note 4)	300,803	214,843
Administration and office fees (Note 4)	236,643	167,864
Miscellaneous fees	26,365	23,602
Professional fees	24,500	25,601
Government fees	7,475	7,475
	<u>1,600,035</u>	<u>1,144,791</u>
NET INVESTMENT INCOME AND INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 26,984,114	\$ 17,846,069

The accompanying notes form an integral part of these statements

PERFORMA LIQUID ASSETS FUND LTD.
STATEMENT OF CHANGES IN NET ASSETS
for the year ended December 31, 2007
(Expressed in U.S. dollars)

	2007	2006
NET INVESTMENT INCOME AND INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 26,984,114	\$ 17,846,069
CAPITAL TRANSACTIONS		
Proceeds on issuance of 477,821,915 and 649,486,386 Class A Shares	477,821,915	649,486,386
Payments on redemption of 451,915,921 and 422,114,709 Class A Shares	(451,915,921)	(422,114,709)
Dividends (Note 3)	(26,984,114)	(17,846,069)
(DECREASE) INCREASE IN NET ASSETS RESULTING FROM CAPITAL TRANSACTIONS	(1,078,120)	209,525,608
INCREASE IN NET ASSETS	25,905,994	227,371,677
NET ASSETS, BEGINNING OF YEAR	497,731,746	270,360,069
NET ASSETS, END OF YEAR	\$ 523,637,740	\$ 497,731,746

The accompanying notes form an integral part of these statements

PERFORMA LIQUID ASSETS FUND LTD.
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2007
(Expressed in U.S. dollars)

1. THE FUND

Performa Liquid Assets Fund Ltd. (the “Fund”), was incorporated under the laws of Bermuda on March 21, 1997, as an open-ended limited liability investment company. The Fund is to be dissolved on January 1, 2012 unless, prior to January 1, 2012, a majority of the shares of the members of the Fund are voted in favour of a resolution not to dissolve the Fund.

The Fund can be organized into distinct classes of shares. Effective July 1, 2007, the then existing Income Share class was renamed as the Class A shares and a Class B share class was created. The only class of common share issued and outstanding during the year ended December 31, 2007 and 2006 was the Class A shares. The Fund seeks superior returns while providing liquidity in short-term, low risk, fixed income securities.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of accounting:

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

b. Investments:

Trading activity is recorded on a trade date basis. Securities that are listed on a national securities exchange are valued at their last sales prices on the date of valuation on the largest national securities exchange on which such securities have traded on such date. If no sales of such securities occurred on the date of valuation, the securities are valued at the “bid” price on the largest national securities exchange on which such securities are traded. The resulting unrealized appreciation and depreciation of securities is reflected in the statement of operations. Realized gains and losses on sales of securities are calculated using the first-in, first-out basis of accounting. For the year ended December 31, 2007, the Fund traded in commercial paper and overnight deposit vehicles. For the year ended December 31, 2006, the Fund only traded in commercial paper.

PERFORMA LIQUID ASSETS FUND LTD.
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2007
(Expressed in U.S. dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c. Commercial paper:

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

d. Cash:

Cash consists of cash held at a bank.

e. Investment income:

Interest is recorded on the accrual basis of accounting.

3. SHARE CAPITAL

Effective July 1, 2007, the Fund's total authorized share capital is 12,000 Founder Shares with a par value of \$1.00 each and 20,000,000 Participating Shares with a par value of \$0.01 each. For the year ended December 31, 2006, the Fund's total authorized share capital was 12,000 Founder Shares with a par value of \$1.00 each and 10,000,000 Participating Shares with a par value of \$0.01 each. The Founder Shares are voting, non-redeemable and are not entitled to any dividends. The Founder shares have been issued to the Investment Advisor and are unpaid. The Participating Shares are non-voting, and are redeemable. Any number of classes of Participating Shares can be issued as determined by the Directors of the Fund; each class of Participating Shares is further divided into Income Shares and Accumulation Shares. It is anticipated that Income Shares will receive dividends and that Accumulation Shares will receive no dividends. All dividends paid on the Income Shares are reinvested in purchases of additional Income Shares. Effective July 1, 2007, the Performa Liquid Assets Fund (USD) Income Shares was renamed to Performa Liquid Assets Fund (USD) – Class A and the Performa Liquid Assets Fund (USD) – Class B was created. The Performa Liquid Assets Fund (USD) – Class A is the only class of Participating Shares issued and outstanding at December 31, 2007 and 2006.

PERFORMA LIQUID ASSETS FUND LTD.
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2007
(Expressed in U.S. dollars)

4. MANAGEMENT, ADMINISTRATION AND CUSTODIAN FEES

Under the terms of the Fund's prospectus:

- a. P.R.P. Performa Limited (the "Investment Advisor"), an affiliated company, provides investment management and advisory services to the Fund. The Investment Advisor is responsible for the investment of the Fund's assets. The Investment Advisor earns a Class A advisory fee calculated at a rate of 0.20% per annum on the first \$200 million, 0.18% per annum of the next \$300 million, and 0.15% per annum on the amount over \$500 million based on the daily net asset value of the Fund and paid quarterly in arrears. Effective July 1, 2007, the Investment Advisor earns a Class B advisory fee calculated at a rate of 0.05% per annum on the daily net asset value of the Fund, paid quarterly in arrears.

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

- b. SS&C Technologies, Inc. (the "Administrator"), provides services as the Administrator, Share Registrar and Transfer Agent for the Fund. For these services, the Administrator receives an administration fee. For Class A, effective January 1, 2007, the administration fee is calculated at a rate of 0.06% on the first \$100 million and 0.04% on the excess of \$100 million per annum on the daily net asset value of the Fund and paid quarterly in arrears. For the year ended December 31, 2006, the administration fee was calculated at a rate of 0.06%, on the first \$100 million, 0.04% on the next \$200 million and 0.02% in excess of \$300 million per annum on the daily net asset value of the Fund and paid quarterly in arrears. For Class B, effective July 1, 2007, the administration fee is calculated at a rate of 0.035% on the daily net asset value of the Fund and paid quarterly in arrears.

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

Class A

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

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

Class B

0.01% per annum on the total net asset value

- c. Custodian

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

PERFORMA LIQUID ASSETS FUND LTD.
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2007
(Expressed in U.S. Dollars)

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

Class A

0.07% per annum on the first US\$100 million.

0.06% per annum on the next US\$100 million

0.05% per annum on the excess of US\$200 million

Class B

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

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

5. CONCENTRATION OF CREDIT RISK

As at December 31, 2007 and 2006, cash and investments are maintained with the custodian. The Fund had all its individual counterparty concentration with this custodian, which is based in the United States of America.

6. FINANCIAL HIGHLIGHTS

Financial highlights of the Fund for the year ended December 31, 2007 and 2006 were as follows:

Per share operating performance of Class A	2007	2006
Net asset value per share at beginning of year	\$ 1.00	\$ 1.00
Net investment income	0.05	0.05
Less dividends	(0.05)	(0.05)
Net asset value, end of year	\$ 1.00	\$ 1.00
 TOTAL RETURN:	 5.46%	 5.19%
 RATIO TO AVERAGE NET ASSETS:		
Expenses	0.29%	0.30%
Net investment income	4.97%	4.70%

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

PERFORMA LIQUID ASSETS FUND LTD.
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2007
(Expressed in U.S. Dollars)

7. TAXES

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