



Closure of The Captive Fixed Income Fund

April 16, 2009

The Captive Fixed Income Fund (CFIF) was the first bond fund launched by our company in 1991 and served us well as our flagship fund for captive insurance clients for a number of years. However, the growth and success of our Performa Liquid Assets Fund and the Performa International Bond Fund resulted in CFIF having a somewhat limited role for our captive clients in recent times. In consideration of the increased benefits of the alternatives, and after close consultation with the existing shareholders to help them evaluate the best possible options for their assets, the shareholders of CFIF were redeemed on April 16, 2009 and the fund was closed.

Our clients can now invest in a combination of the Performa International Bond Fund and the Performa Liquid Assets Fund and benefit from:

- Daily liquidity on the portion held in the Performa Liquid Assets Fund
- Increased Loan-to-Value (LTV) from the banks issuing Letters of Credit – if applicable (for taking the same credit and duration risk as CFIF)
- Savings on the total annual fee

A portfolio allocation of 30% to the Performa International Bond Fund and 70% to the Performa Liquid Assets Fund provides a similar duration and yield to an investment in the CFIF and it would typically receive a 97% LTV versus 95% for the CFIF. In 2008, the returns between these two scenarios were almost identical at 3.3%. Additionally, the smaller size of CFIF means that a combination of the other two funds would actually be cheaper. In this example, an investor would save approximately 0.27% in fees annually, an important savings in a low interest rate environment.

LTV vs. Costs Example

Solution	Typical LTV	Annual Fee
The Captive Fixed Income Fund	95%	0.50%
Performa Liquid Assets Fund	100%	0.20%
Performa International Bond Fund	90%	0.30%
70% Performa Liquid Assets Fund/ 30% Performa International Bond Fund	97%	0.23%

Please do not hesitate to contact us if you have any questions or require further information.

Sincerely,

Hugh Barit
Chairman and CEO

Shawn Murphy
Chief Investment Officer

P.R.P. Performa Limited

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