

● ● ● Performa International Bond Fund (USD)

Fact Sheet at December 31, 2011



With over \$2 billion in fixed income and equity assets under management, the principals of Performa have been managing balanced portfolios for offshore companies since 1988. Performa focuses on institutional portfolio management and is one of the largest independent offshore investment managers servicing the captive insurance industry.

Price	\$2,001.19
Size	\$529.97 million
Minimum	USD \$100,000
Load	None
Dealing	Weekly (Thursday)
Investment Management Fee	0.30% p.a.

PORTFOLIO

Strategy

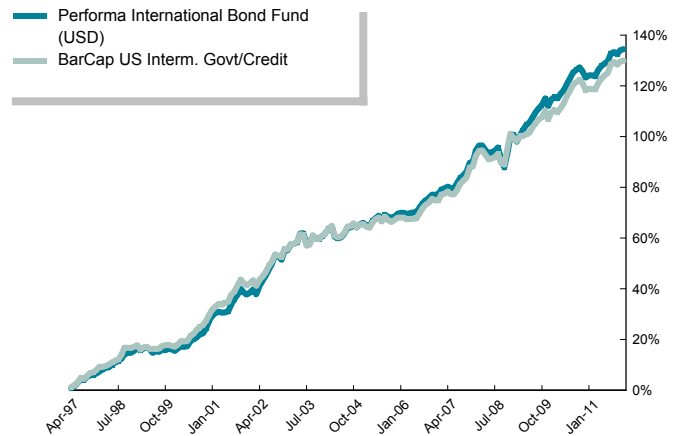
Through active management, the Fund seeks long-term capital appreciation by investing in a diversified portfolio of US dollar government and international investment grade corporate fixed income securities. The Fund has a minimum rating criteria of A/A2 and a modified duration target of 5 years, which is allowed to vary +2 and -3 years.

Commentary

Macroeconomic data in the U.S. pointed to positive growth and low inflation with expectations for fourth quarter GDP being in the 3.0% to 3.5% range. Europe displayed some stability as the European Central Bank cut interest rates and implemented new measures in an effort to reduce near term funding risk for banks. Markets calmed down with volatility declining 15% as measured by the VIX Index and equity returns closing out the month +0.9%. Treasury yields continued to fall as the strong U.S. dollar brought flows into safe haven assets. The yield curve flattened as interest rates declined by 2-19 bps with the longer end performing the best and the 10-year Treasury closing the year at 1.88%. Credit spreads tightened (8) bps and outperformed duration neutral Treasuries by +83 bps. The portfolio performed in line with the market as positive sector allocation offset our defensive duration position. We will continue to maintain our strategy of adding corporate bonds and Asset-Backed-Securities versus treasuries and agencies and will use any pockets of increased volatility and supply to add to credit duration. Key risks remain global contagion and weaker economic growth due to the European debt crisis.

TRACK RECORD

Cumulative Return Since Inception (March 31, 1997)



The performance of the Performa International Bond Fund shown above is the gross return achieved by the manager as the index contains no fees.

*Effective July 1, 2011, the index changed to Barclays Capital Intermediate US Government/Credit. For all history up to June 30, 2011 the index was Barclays Capital Intermediate US Government/Credit A or Better.

Asset Allocation

Industrial	27.3%
US Treasury	25.2%
Financial Institutions	21.0%
US Agency	8.2%
Sovereign	2.3%
Utility	2.1%
Other	13.9%

Industry Category Distribution

Sovereign	30.8%
Banks	16.9%
Diversified Finan. Services	6.5%
Automobile ABS	4.5%
Telecommunications	3.7%
Insurance	3.7%
Other	33.9%

Long Term Gross Comparison

Performance Period	Performa International Bond Fund	BarCap US Intern. Govt/Credit
YTD Return (12/31/10 to 12/31/11)	5.32%	5.61%
2010 Return (12/31/09 to 12/31/10)	5.36%	5.48%
3-Year Return* (12/31/08 to 12/31/11)	5.59%	4.64%
5-Year Return* (12/31/06 to 12/31/11)	5.86%	5.68%
Since Inception* (3/31/97 to 12/31/11)	5.96%	5.82%

* Periods of three years or more have been annualized.

Account Averages

Coupon	3.62%
Average Ratings	AA
Average Maturity	4.76 years
Effective Duration	3.59 years
Convexity	0.22
Yield To Maturity	1.63%

Duration Distribution

<= 1 Year (incl. cash)	14.7%
1 - 3 Years	32.2%
3 - 5 Years	22.2%
5 - 7 Years	23.1%
>7 Years	7.7%

Top 10 Holdings

US TREASURY N/B 1.75% 05/31/2016	4.6%
US TREASURY N/B 3.5% 05/15/2020	4.3%
US TREASURY N/B 3.125% 05/15/2019	3.7%
US TREASURY N/B 2.375% 07/31/2017	3.2%
US TREASURY N/B 3.5% 02/15/2018	2.3%
TSY INFL IX N/B 1.375% 07/15/2018	2.1%
US TREASURY N/B 1.75% 07/31/2015	1.9%
US TREASURY N/B 0.625% 07/31/2012	1.7%
JPMCC 2011-C3 A3	1.5%
HDMOT 2010-1 A3	1.5%
Total	26.8%

Morningstar™ Rankings & Ratings

based on Risk Adjusted Returns as at 12/31/2011

	Percentile Rank (Best=1, Worst=100)	Overall Rating
3-Year	24	★★★★★
5-Year	18	★★★★★
10-Year	11	★★★★★
Overall		★★★★★

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