# MW TOPS Limited

Unaudited Interim Financial Statements
For the period from 1 October 2008
to 31 March 2009

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# BACKGROUND TO THE COMPANY

MW TOPS Limited ("The Company") is a closed-ended investment company incorporated in Guernsey on 25 October 2006.

The Company's share capital comprises three classes of shares: Euro shares, Sterling shares and US$ shares. Each of these shares classes were initially admitted to listing on the stock market of the NYSE Euronext Amsterdam N.V. Eurolist by Euronext. On 18 June 2008 the shares were admitted to listing on the official list of the UK Listing Authority and admitted to trading on the main market of the London Stock Exchange ("LSE").

## Investment Objective and Policy of the Company

The investment objective of MW TOPS Limited is to invest its assets primarily in European equity markets both by utilising the TOPS investment process and investing in opportunities chosen by Marshall Wace in order to provide consistent absolute returns primarily derived through trading in equities of companies incorporated in or whose principal operations are in Europe (including Eastern Europe).

The TOPS investment process comprises a framework of proprietary applications and models that seeks to capture, analyse, optimise and act upon the investment ideas of contributors from the brokerage community and to aggregate them in a dynamic portfolio construction process. At the start of 2009, Marshall Wace was polling 303 brokerage houses and 2,708 individuals in real time.

The Company will pursue its investment policy indirectly through investment in the sub-trusts of the Marshall Wace TOPS Trust (an umbrella unit trust) or in other funds managed by Marshall Wace (the "Underlying Funds"), the assets of which are used to trade systematically on the basis of those ideas of the brokerage community selected by TOPS and to invest in opportunities chosen by Marshall Wace. The investment policy of each of the Underlying Funds is therefore consistent with the Company's investment policy.

Currently, the Company's assets are invested in Sub-Trust C (Opportunistic-Hedged), Sub-Trust D (Fundamental-Hedged) and Sub-Trust N (Market Neutral), all of which are sub-trusts of the Marshall Wace TOPS Trust. However, Marshall Wace may seek to identify opportunities for the Company to invest up to 100 per cent of its assets in other Underlying Funds in the future while remaining within the Company's investment objective and policy.

The Company may also retain amounts in cash or cash equivalents, pending reinvestment, if this is considered appropriate to the objective of seeking consistent absolute returns.

The Underlying Funds may invest in a wide range of instruments including listed and unlisted equities, futures, other derivatives and debt securities and will take long and short positions over a variety of time periods. The Company will only enter into derivative transactions for the purposes of efficient portfolio management and not for speculative purposes.

The investment policy of Sub-Trust C (Opportunistic-Hedged) is to trade on the basis of investment ideas driven by stock and market momentum, prevailing market themes and events affecting an individual stock in particular (e.g. a merger or takeover, an earnings release, changes to the management of the issuer, or any other commercially significant event). The resulting portfolio is highly liquid and diversified, has high turnover and short holding periods.

The investment policy of Sub-Trust D (Fundamental-Hedged) is to trade on the basis of investment ideas driven by valuation and fundamental criteria such as earnings, growth and outlook for a specific stock. The resulting portfolio is liquid and diversified and at times may have a significant weighting towards mid-cap securities. It has a high turnover and medium to long-term periods. Its turnover has historically been lower than that of Sub-Trust C.

The investment process of Sub-Trust N (Market Neutral) is to trade on the basis of investment ideas driven by (a) general factors such as stock and market momentum and prevailing market themes and events affecting an individual stock in particular (e.g. a merger or takeover, an earnings release, changes to the management of the issuer, or any other commercially significant event); and (b) valuation and fundamental criteria such as earnings growth and outlook for a specific stock. The resulting portfolio is liquid and diversified.

The Company may employ direct borrowings up to a maximum of 20 per cent of the Net Asset Value at the time of borrowing in order to fund share buy backs and the payment of fees and expenses by the Company.

The Company has adopted the following investment restrictions for so long as they remain requirements of the UK Listing Authority:

- The Company will avoid cross-financing between businesses forming part of its investment portfolio.
- The Company will avoid the operation of common treasury functions as between the Company and investee companies.
- Neither the Company nor any subsidiary (other than business forming part of the investment portfolio) will conduct any trading activity which is significant in the context of the group as a whole.
- The Company does not intend to invest in other closed-ended investment funds, and in any case, will not invest more than 10 per cent of the total assets of the Company in other closed-ended investment funds except for those which themselves have stated investment policies to invest no more than 15 per cent of their gross assets in other closed-ended investment funds.

The investment policy of the Company may only be amended with the consent of a simple majority of Shareholders.

# DIRECTOR'S REPORT

**For the period from 1 October 2008 to 31 March 2009**

The Directors present their report and unaudited financial statements for the period ended 31st March 2009.

## Principal Activities

MW TOPS Limited (the 'Company') invests substantially all of its assets in the units of three Sub-Trusts of the Marshall Wace TOPS Trust (the 'Master Fund') namely Sub-Trust C (Opportunistic-Hedged), Sub-Trust D (Fundamental-Hedged) and Sub-Trust N (Market-Neutral). The overall investment objective of each of the Sub-Trusts is to provide investors with consistent absolute returns primarily through investing and trading in equities of companies incorporated in or whose principal operations are in Europe (including Eastern Europe).

The Sub-Trusts seek to preserve capital through the use of various risk management techniques.

## Review of Recent Developments

The six months covered by this review saw a continuation in the uncertainty surrounding the prospects for global growth, the stability of the financial sector and the outlook for global equities. Against this background, the Directors are satisfied with the performance of the underlying TOPS strategies in the six months ending 31st March 2009.

From 30th September 2008 to 31st March 2009, the NAV of the Euro share class has returned -3.06%. During this period, the underlying European TOPS Trusts, Opportunistic TOPS (Sub-Trust C – Hedged) and Fundamental TOPS (Sub-Trust D – Hedged) delivered a gross return of -2.21% and -1.47% with an average net market exposure of 10.46% and 9.29% respectively. This corresponds to cumulative alpha generation of +1.85% and +2.15% against the benchmark, MSCI Europe All Countries Daily Total Return Net Europe Local Index, which has declined by -27.32%. During the same 6-month period, Market Neutral TOPS (Sub-Trust N) delivered a gross return of +3.84%.

Against the background of extremely challenging market conditions, which had led to widening discounts and decreasing liquidity across the listed space the Board, in consultation with the Investment Manager, decided that the interests of shareholders were best served through offering the opportunity of a cash exit. This key development for MW TOPS Limited, announced on 10th October 2008 was received very positively by investors at a time when many were finding it difficult to raise cash from parts of their investment portfolios. On 26th January 2009, the results of the offer were released confirming that redemption requests totalling approximately 84% of the net assets of the Company had been received.

The Investment Manager has observed that contributors have remained extremely focused on the submission of investment recommendations into the TOPS system. Despite the continued weakness in equity markets, the period under review has been characterized by higher success ratios and a recovery in the delivery of absolute return and generation of single stock alpha as well as a decline in volatility. Consequent to contributor behaviour, and the Investment Manager's risk management activities, the gross market exposure of each of the underlying TOPS strategies remained at conservative levels throughout the period (averaging 70.73% during the period under review). Net market exposure has also been modest, averaging 8.71%.

The Investment Manager is confident in the persistence of alpha generation looking forward. In addition, the TOPS team continues to seek to introduce improvements both at the quantitative portfolio construction, strategy and product design level. Of particular relevance is the implementation of Early Warning Risk Indicators, which have been developed with the objective of providing further input into the risk budgeting and gross market exposure management processes. These real-time traffic light indicators cover a range of proprietary TOPS-specific and market driven risk metrics and are aimed at identifying regimes in which risk taking is likely to be more or less rewarded.

### Review of Recent Developments (continued)

Taking into account the reduced size of the Company, the expense associated with maintaining the dual listing on Euronext Amsterdam and the London Stock Exchange and the relative ease with which shares in the Company can be traded and settled on either the Amsterdam or London markets, the Board considers that a dual listing is no longer appropriate. Accordingly, the Company has recently submitted a formal request to Euronext Amsterdam NV for the delisting of the Company's shares from the Euronext Amsterdam Stock Exchange. If this request is granted the last day of trading would be 19 June 2009 with de-listing becoming effective on 22 June 2009. The Company's shares will continue to be listed on the Official List of the UK Listing Authority and traded on the main market of the London Stock Exchange plc.

### Results for the period and state of affairs at 31st March 2009

The Balance Sheet and the Income Statement for the period ended 31st March 2009 are set out on pages 6 and 7, respectively.

### Dividends

The Directors do not recommend the payment of a dividend at the period end.

### Directors

The Directors at the date of this report are listed on page 30. Duncan Ford is Chief Operating Officer of Marshall Wace and John Le Prevost is a director and controller of the Administrator, Secretary and Registrar. Save as disclosed in these financial statements, the Company is not aware of any other potential conflicts of interest between any duty of any of the Directors owed to it and their respective private interests. Each Director, with the exception of the Chairman and Duncan Ford, is paid an annual fee of £22,000. The Chairman receives an annual fee of £70,000. Duncan Ford has waived his right to payment of any fee by the Company. Nicholas Falla also receives £5,000 for his Chairmanship of the audit committee.

Sir Andrew Large resigned as chairman and director on 25 February 2009. On this date Cameron McPhail was appointed as the new Chairman.

### Directors' interests in shares

As at 31 March 2009, Nicholas Falla had invested, directly or indirectly, in 5,000 (30 September 2008: 5,000) Sterling class shares of the Company, John Le Prevost had invested, directly or indirectly, in 1,000 (30 September 2008: 1,000) Sterling class shares of the Company and Duncan Ford had invested, directly or indirectly, in 494,414 (30 September 2008: 100,000) Sterling class shares and zero (30 September 2008: 151,214) US$ class shares of the Company.

As at 25 February 2009, being the date of his resignation, Sir Andrew Large had invested, directly or indirectly, in 12,500 (30 September 2008: 25,000) Sterling class shares of the Company.

By order of the Board.

| | |
|---|---|
| Cameron Mc Phail | Nicholas Falla |
| Chairman | Director |

Detailed in the Director's Report on page 3 and 4 of this report is a description of important events which have occurred since the end of the reporting period and the principal risks and uncertainties for the remaining six months of the financial year.

As at 31 March 2009, MW Tops Limited held 21.5% of Sub-Trust C (Opportunistic-Hedged) and 27.3% of Sub-Trust D (Fundamental-Hedged). As such holdings exceed 20%, these Sub-Trusts are deemed related parties in accordance with International Accounting Standards. No other material related party transactions took place during the first six months of the financial year.

This half-yearly financial report has not been audited or reviewed by auditors pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information.

## Responsibility Statement

The Board of directors jointly and severally confirm that, to the best of their knowledge:

(a) The financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and

(b) This Interim Management Report includes or incorporates by reference:

a. An indication of important events that have occurred during the first six months of the financial year, and their impact on the financial statements;
b. a description of the principal risks and uncertainties for the remaining six months of the financial year;
c. confirmation that there were no related party transactions in the first six months of the current financial year that have materially affected the financial position or the performance of the Company during that period; and
d. changes in the related parties transactions described in the last annual report that could have a material effect on the financial position or performance of the Company in the first six months of the current financial year.

| | |
|---|---|
| Cameron Mc Phail<br>Chairman | Nicholas Falla<br>Director |

21 May 2009

## BALANCE SHEET
### As at 31 March 2009 and 30 September 2008

| | Note | 31 Mar 2009 | 30 Sept 2008 |
|---|---|---|---|
| | | € | € |
| **Assets** | | | |
| Cash and cash equivalents | | 10,326 | 1,916,196 |
| Financial assets at fair value through profit or loss | 4 | 140,675,219 | 1,063,305,461 |
| Interest receivable | | 62 | - |
| Trade and other receivables | | 44,703 | 136,001 |
| Total assets | | 140,730,310 | 1,065,357,658 |
| **Liabilities** | | | |
| Financial liabilities at fair value through profit or loss | 4 | 3,074,840 | - |
| Investment management fee | 6 | 228,783 | 1,560,590 |
| Administration fees | 6 | 9,456 | 10,240 |
| Trade and other payables | | 380,378 | 312,461 |
| Interest payable | | - | 3,704,288 |
| Share buy-back payable | 3 | - | 29,984,619 |
| Loan payable | 11 | - | 95,000,000 |
| Total liabilities excluding net assets attributable to participating shares | | 3,693,457 | 130,572,198 |
| **Net Assets** | | 137,036,853 | 934,785,460 |
| **Net Assets Attributable to:** | | | |
| **Management shares** | | | |
| Share capital | 9 | 2 | 2 |
| **Participating shares** | | | |
| Other distributable reserves | | 317,238,065 | 1,060,039,850 |
| Retained earnings | | (180,201,214) | (125,254,392) |
| | | 137,036,853 | 934,785,460 |

| | Net Asset Value per share as at 31 Mar 2009 | Number of shares in issue 31 Mar 2009 | Net Asset Value 31 Mar 2009 |
|---|---|---|---|
| Euro Class Participating shares | €9.20 | 6,614,007 | €60,857,118 |
| Sterling Class Participating shares | £9.31 | 6,555,001 | £61,050,190 |
| US$ Class Participating shares | $9.08 | 1,501,297 | $13,638,289 |
| Management shares | €1.00 | 2 | €2 |

| | Net Asset Value per share as at 30 Sept 2008 | Number of shares in issue 30 Sep 2008 | Net Asset Value 30 Sep 2008 |
|---|---|---|---|
| Euro Class Participating shares | €9.49 | 45,789,776 | €434,436,194 |
| Sterling Class Participating shares | £9.59 | 21,302,908 | £204,358,463 |
| US$ Class Participating shares | $9.37 | 36,117,560 | $338,560,844 |
| Management shares | €1.00 | 2 | €2 |

The financial statements were approved by the Board of Directors on 21 May 2009 and are signed on its behalf by:

Cameron Mc Phail — Chairman

Nicholas Falla — Director

See notes to the financial statements.

# INCOME STATEMENT
## For the period from 1 October 2008 to 31 March 2009 and from 1 October 2007 to 31 March 2008

| | Note | 1 Oct 2008 to 31 Mar 2009 | 1 Oct 2007 to 31 Mar 2008 |
|---|---|---|---|
| | | € | € |
| **Investment income** | | | |
| Interest income | | 969,025 | 444,458 |
| Net realised (loss) / gain on financial assets at fair value through profit or loss | 4 | (47,433,171) | 29,045,386 |
| Net realised gain / (loss) on foreign exchange | 4 | 2,136,201 | (72,795,373) |
| Net unrealised gain / (loss) on financial assets at fair value through profit or loss | 4 | 16,192,908 | (55,170,046) |
| Net unrealised loss on foreign exchange | 4 | (19,860,652) | (24,661,254) |
| Total investment loss | | (47,995,689) | (123,136,829) |
| **Expenses** | | | |
| Investment management fees | 6 | 5,889,179 | 14,456,258 |
| Other expenses | | 517,334 | 291,939 |
| Interest expenses | | 236,034 | 1,275,103 |
| Directors' fees | | 100,890 | 101,444 |
| Legal fees | | 67,404 | 85,473 |
| Audit fees | | 56,061 | 28,290 |
| Administration fees | 6 | 55,966 | 105,124 |
| Custodian fees | | 28,265 | 79,422 |
| Total expenses | | 6,951,133 | 16,426,053 |
| **Decrease in net assets attributable to participating shares** | | **(54,946,822)** | **(139,559,882)** |

| | | Basic and Diluted earnings per share | |
|---|---|---|---|
| | | 1 Oct 2008 to 31 Mar 2009 | 1 Oct 2007 to 31 Mar 2008 |
| Euro Class Participating shares € | 5 | (€0.50) | (€0.46) |
| Sterling Class Participating shares £ | 5 | (£2.88) | (£2.47) |
| US$ Class Participating shares $ | 5 | $0.85 | ($1.10) |
| Management shares € | | €0.00 | €0.00 |

See notes to the financial statements.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO PARTICIPATING SHARES
**For the period from 1 October 2008 to 31 March 2009**

| | Share Capital | Other distributable Reserves | Retained Earnings | Total |
|---|---|---|---|---|
| | € | € | € | € |
| **EURO CLASS** | | | | |
| Balance at 1 October 2008 | 2 | 443,905,120 | (9,468,928) | 434,436,194 |
| Buy-back of shares | - | (11,191,029) | - | (11,191,029) |
| Conversion of shares | - | 77,529,473 | - | 77,529,473 |
| Redemptions | - | (423,489,957) | - | (423,489,957) |
| Loss | - | | (16,427,563) | (16,427,563) |
| Balance at 31 March 2009 | **2** | **86,753,607** | **(25,896,491)** | **60,857,118** |
| **STERLING CLASS** | | | | |
| Balance at 1 October 2008 | - | 349,893,933 | (90,572,903) | 259,321,030 |
| Buy-back of shares | - | (9,166,313) | - | (9,166,313) |
| Conversion of shares | - | 36,923,718 | - | 36,923,718 |
| Redemptions | - | (170,737,231) | - | (170,737,231) |
| Loss | - | - | (50,433,554) | (50,433,554) |
| Balance at 31 March 2009 | **-** | **206,914,107** | **(141,006,457)** | **65,907,650** |
| **US$ CLASS** | | | | |
| Balance at 1 October 2008 | - | 266,240,797 | (25,212,561) | 241,028,236 |
| Buy-back of shares | - | (7,279,250) | - | (7,279,250) |
| Conversion of shares | - | (114,453,207) | - | (114,453,207) |
| Redemptions | - | (120,937,989) | - | (120,937,989) |
| Gain | - | - | 11,914,295 | 11,914,295 |
| Balance at 31 March 2009 | **-** | **23,570,351** | **(13,298,266)** | **10,272,085** |
| **TOTAL** | | | | |
| Balance at 1 October 2008 | 2 | 1,060,039,850 | (125,254,392) | 934,785,460 |
| Buy-back of shares | - | (27,636,592) | - | (27,636,592) |
| Conversion of shares | - | (16) | - | (16) |
| Redemptions | | (715,165,177) | - | (715,165,177) |
| Loss | - | - | (54,946,822) | (54,946,822) |
| Balance at 31 March 2009 | **2** | **317,238,065** | **(180,201,214)** | **137,036,853** |

See notes to the financial statements.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO PARTICIPATING SHARES

**For the period from 1 October 2007 to 31 March 2008**

| | Share Capital | Other distributable Reserves | Retained Earnings | Total |
|---|---|---|---|---|
| | € | € | € | € |
| **EURO CLASS** | | | | |
| Balance at 1 October 2007 | 2 | 831,247,362 | 65,835,603 | 897,082,967 |
| Buy-back of shares | - | (96,135,745) | - | (96,135,745) |
| Conversion of shares | - | (58,576,494) | - | (58,576,494) |
| Loss | - | - | (35,728,539) | (35,728,539) |
| **Balance at 31 March 2008** | **2** | **676,535,123** | **30,107,064** | **706,642,189** |
| **STERLING CLASS** | | | | |
| Balance at 1 October 2007 | - | 463,638,572 | 10,555,896 | 474,194,468 |
| Sell-back of shares | - | 101,913 | - | 101,913 |
| Buy-back of shares | - | (37,858,275) | - | (37,858,275) |
| Conversion of shares | - | 43,087,584 | - | 43,087,584 |
| Loss | - | - | (78,237,251) | (78,237,251) |
| **Balance at 31 March 2008** | **-** | **468,969,794** | **(67,681,355)** | **401,288,439** |
| **US$ CLASS** | | | | |
| Balance at 1 October 2007 | - | 191,572,132 | 1,554,040 | 193,126,172 |
| Sell-back of shares | - | 19,143 | - | 19,143 |
| Buy-back of shares | - | (21,808,598) | - | (21,808,598) |
| Conversion of shares | - | 15,488,653 | - | 15,488,653 |
| Loss | - | - | (25,594,092) | (25,594,092) |
| **Balance at 31 March 2008** | **-** | **185,271,330** | **(24,040,052)** | **161,231,278** |
| **TOTAL** | | | | |
| Balance at 1 October 2007 | 2 | 1,486,458,066 | 77,945,539 | 1,564,403,607 |
| Sell-back of shares | - | 121,056 | - | 121,056 |
| Buy-back of shares | - | (155,802,618) | - | (155,802,618) |
| Conversion of shares | - | (257) | - | (257) |
| Loss | - | - | (139,559,882) | (139,559,882) |
| **Balance at 31 March 2008** | **2** | **1,330,776,247** | **(61,614,343)** | **1,269,161,906** |

See notes to the financial statements.

## CASH FLOW STATEMENT

**For the period from 1 October 2008 to 31 March 2009 and from 1 October 2007 to 31 March 2008**

| | 1 Oct 2008 to 31 Mar 2009 | 1 Oct 2007 to 31 Mar 2008 |
|---|---|---|
| | € | € |
| **Cash flows from operating activities** | | |
| Decrease in net assets attributable to participating shares | (54,946,822) | (139,559,882) |
| **Adjustments to reconcile loss from ordinary activities to net cash flows from operating activities:** | | |
| Decrease / (increase) in trade and other receivables | 91,298 | (60,594) |
| Increase in interest receivable | (62) | - |
| (Decrease) / increase in interest payable | (3,704,288) | 1,273,474 |
| Decrease in management fee payable | (1,331,807) | (535,104) |
| Decrease in administration fee payable | (784) | (1742) |
| Increase in trade and other payables | 67,917 | 107,464 |
| Decrease in performance fee payable | - | (25,283,501) |
| Movement in unrealised (gain) / loss on investments at fair value through profit or loss | (16,192,908) | 55,170,046 |
| Unrealised loss on forward foreign exchange | 20,027,159 | 24,661,254 |
| Realised loss / (gain) on investments | 47,433,171 | (29,045,386) |
| **Net cash outflow from operating activities** | **(8,557,126)** | **(113,273,971)** |
| **Cash flows from investing activities:** | | |
| Purchase of investments in financial assets | (70,397,307) | (143,023,498) |
| Sale of investments in financial assets | 944,834,967 | 321,085,632 |
| **Net cash inflow from investing activities** | **874,437,660** | **178,062,134** |
| **Cash flows from financing activities:** | | |
| Share capital | - | 2 |
| Sellback of shares | - | 121,056 |
| Buyback of shares | (57,621,211) | (155,802,618) |
| Conversion of shares | (16) | (257) |
| Redemptions | (715,165,177) | - |
| Loan | (95,000,000) | 85,000,000 |
| **Net cash outflow from investing activities** | **(867,786,404)** | **(70,681,817)** |
| Net decrease in cash and cash equivalents | (1,905,870) | (5,893,654) |
| Cash and cash equivalents at beginning of period | 1,916,196 | 9,276,596 |
| **Cash and cash equivalents at end of period** | **10,326** | **3,382,942** |
| **Supplementary cash flow information:** | | |
| Cash received for interest | 968,963 | 444,458 |
| Cash paid for interest | 3,940,322 | 1,629 |

See notes to the financial statements.

## 1. ORGANISATION

MW TOPS Limited (the "Company") was registered as a closed ended investment company in Guernsey on 25 October 2006 and commenced operations on 8 December 2006. The Company is organised as a feeder fund with three share classes. The Company invests substantially all of its assets in Sub-Trusts of the Marshall Wace TOPS Trust (the "Master Fund") namely Sub-Trust C (Opportunities-Hedged), Sub-Trust D (Fundamental-Hedged) and Sub-Trust N (Market Neutral). Sub-Trust C, Sub-Trust D and Sub-Trust N are independently valued on a weekly basis and investments may be subscribed or redeemed at each valuation point.

The Company's share capital comprises four classes of shares: Euro shares, Sterling shares, US$ shares and Management shares. The Euro shares, Sterling shares and US$ shares are each traded on the Euronext Amsterdam and London Stock Exchange. Management shares are not redeemable; do not carry any right to dividends and in a winding up rank only for a return of the amount of paid-up capital on such shares. Given the immateriality of the Management shares to the net assets of the Company, they have been included in net assets attributable to holders of redeemable participating preference shares.

The Company's investment objective is to provide consistent absolute returns primarily derived through trading in equities of companies incorporated in or whose principal operations are in Europe (including Eastern Europe). There is no assurance the Company will meet its investment objectives.

## 2. SIGNIFICANT ACCOUNTING POLICIES

**(a) Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and with applicable requirements of the Companies (Guernsey) Law, 1994.

The accounting policies adopted are consistent with those of the previous financial period.

At the date of authorisation of these financial statements the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective.

IFRS 1 and IAS 27 – Amendments – Cost of Investments on First-Time Adoption Separate Financial Statements. Effective periods beginnings 1 January 2009.

IFRS 2 – Amendment – Vesting Conditions and Cancellations. Effective periods beginning 1 January 2009.

IFRS 3 and IAS 27 – Amendments – Application of the Acquisition Method in Business Combinations. Effective periods beginning 1 July 2009.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

**(a) Statement of compliance (continued)**

IFRS 7 – Amendment – Enhancement of Disclosures About Fair Value and Liquidity Risk. Effective periods beginning 1 January 2009.

IFRS 8 – Operating Segments. Effective periods beginning 1 January 2009.

IAS 1 – Amendment – Statements of Comprehensive Income. Effective periods beginning 1 January 2009.

IAS 23 – Amendment – Borrowing Costs. Effective periods beginning 1 January 2009.

IAS 32 and IAS 1 – Amendments – Puttable Instruments and Obligations Arising on Liquidation. Effective periods beginning 1 January 2009.

IAS 39 – Amendment – Eligible Hedged items. Effective periods beginning 1 July 2009.

IAS 39 – Amendment – Embedded Derivatives When Reclassifying Financial Instruments. Effective periods ending on or after 30 June 2009.

IFRIC 15 – Agreements for the Construction of Real Estate. Effective periods beginning 1 January 2009.

IFRIC 17 – Distributions of Non-Cash assets to Owners. Effective periods beginning 1 July 2009.

IFRIC 18 – Transfers of Assets from Customers. Effective periods beginning 1 July 2009.

The Directors do not anticipate that the adoption of these Standards and Interpretations in future years will have a material impact on the financial statements of the Company when the relevant Standards and interpretations come into effect.

**(b) Basis of preparation**

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as at fair value through profit or loss that have been measured at fair value.

The Company operates as one geographic and one economic segment. Consequently no segment reporting is provided in the Company's financial statements.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

**(c) Financial instruments at fair value through profit or loss**

**(i) Classification**

The Company designates some of its financial assets and liabilities as at fair value through profit or loss. The category of financial assets and liabilities at fair value through profit or loss comprises the following items:

These include forward contracts and collective investment schemes. These instruments are acquired or incurred principally for the purpose of generating a profit from short-term fluctuation in price. Derivatives are categorised as held for trading, as the Company does not designate any derivatives as hedges for hedge accounting purposes as described under IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39").

**Loans**

Loans represent non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market.

**(ii) Initial measurements**

Purchases and sales of financial instruments are accounted for at trade date. Realised gains and losses on disposals of financial instruments are calculated using the first-in-first-out (FIFO) method.

Financial instruments categorised as at fair value through profit or loss are measured initially at the fair value of the consideration granted. Transaction costs for such instruments are recognised directly in the Income Statement.

Financial liabilities, other than those at fair value through profit or loss, are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition or issue.

**(iii) Subsequent measurement**

After initial measurement, the Company measures financial instruments which are classified as at fair value through profit or loss, at fair value. Fair value is the proportion of the net asset value of the Master Fund held by the Company. Financial assets are priced at their current bid prices, while financial liabilities are priced at their current offer price.

The fair value of forward contracts is based on their quoted market prices on a recognised exchange or sourced from a reputable broker/counterparty, in the case of non-exchange traded instruments, at the balance sheet date without any deduction for estimated future selling costs.

Loans payable are measured at amortised costs using the effective interest method.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

**(d) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

**(e) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value.

**(f) Functional and presentational currency.**

Items included in the Company's financial statements are measured and presented using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Euro, which reflects the Company's primary activity of investing in European securities and derivatives.

**(g) Foreign currency transactions**

Monetary assets and liabilities denominated in currencies other than the Euro are translated into the Euro at the closing rates of exchange at each period end. Share capital is valued at historic cost. Transactions during the period including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Foreign currency transaction gains and losses are included in realised and unrealised gain and loss on foreign exchange on the Income Statement.

The Company does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments, from the fluctuations arising from changes in the market prices of securities. Such fluctuations are included in the net realised and unrealised gain or loss on foreign exchange.

**(h) Guernsey tax exemption**

The Company has been granted exemption under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 from Guernsey Income Tax, and is charged the annual fee of £600.

**(i) Interest income and expense**

Interest income and interest expense are recognised in the Income Statement for all interest bearing instruments on the effective interest method.

**(j) Management shares**

The Company's Management shares are issued for administrative purposes only in accordance with the Company's Articles of Association. These shares do not participate in the profits of the Company.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (k) Participating shares

Participating shares have been classified as liabilities in accordance with IAS 32 because they meet the definition of puttable instruments, the Company as a whole does not have the power to decline a cash exit vote by any share class under either discount management provisions of the Articles or at the 2013 and every seventh subsequent annual general meeting.

## 3. SHARE BUYBACK PAYABLE

The amount of share buy-backs payable as at 31 March 2009 was €Nil (30 September 2008: €29,984,619). This amount represents shares bought back in the market before the period end but not yet settled.

## 4. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | | 31 Mar 2009 | |
|---|---|---|---|
| | **Cost** | **Depreciation** | **Fair Value** |
| | **€** | **€** | **€** |
| **Financial assets at fair value through profit or loss** | | | |
| Hedge funds | 145,969,880 | (5,294,661) | 140,675,219 |
| Total held for trading | 145,969,880 | (5,294,661) | 140,675,219 |

| | | 30 Sept 2008 | |
|---|---|---|---|
| | **Cost** | **Depreciation** | **Fair Value** |
| | **€** | **€** | **€** |
| **Financial assets at fair value through profit or loss** | | | |
| Hedge funds | 1,067,840,711 | (21,487,569) | 1,046,353,142 |
| Forward contracts | - | - | 16,952,319 |
| Total held for trading | 1,067,840,711 | (21,487,569) | 1,063,305,461 |

| | 31 Mar 2009 | |
|---|---|---|
| | **Fair Value** | **Net Asset** |
| **Schedule of investments** | **€** | **%** |
| (Investment in Sub-Trusts divided by net assets of the Company) | | |
| Marshall Wace TOPS Trust | | |
| Marshall Wace TOPS Sub-Trust C | 62,459,749 | 45.58% |
| Marshall Wace TOPS Sub-Trust D | 64,100,264 | 46.78% |
| Marshall Wace TOPS Sub-Trust N | 14,115,206 | 10.30% |
| Total investment in Marshall Wace TOPS Trust | 140,675,219 | 102.66% |

## 4. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

| | 30 Sept 2008 | |
|---|---|---|
| | Fair Value | Net Asset |
| **Schedule of investments** | € | % |
| (Investment in Sub-Trusts divided by net assets of the Company) | | |
| Marshall Wace TOPS Trust | | |
| Marshall Wace TOPS Sub-Trust C | 457,957,516 | 48.99% |
| Marshall Wace TOPS Sub-Trust D | 485,030,817 | 51.89% |
| Marshall Wace TOPS Sub-Trust N | 103,364,809 | 11.06% |
| Total investment in Marshall Wace TOPS Trust | 1,046,353,142 | 111.94% |

| | 1 Oct 2008 to 31 Mar 2009 | 1 Oct 2007 to 31 Mar 2008 |
|---|---|---|
| | € | € |
| **Net (loss) / gain on foreign exchange and financial assets at fair value through profit or loss** | | |
| Net realised (loss) / gain on financial assets at fair value through profit or loss | (47,433,171) | 29,045,386 |
| Net realised gain / (loss) on foreign exchange | 2,136,201 | (72,795,373) |
| Net unrealised gain / (loss) on financial assets at fair value through profit or loss | 16,192,908 | (55,170,046) |
| Net unrealised loss on foreign exchange | (19,860,652) | (24,661,254) |
| | (48,964,714) | (122,692,371) |

| | 31 Mar 2009 | 30 Sept 2008 |
|---|---|---|
| | Fair Value | Fair Value |
| | € | € |
| **Financial liabilities at fair value through profit or loss** | | |
| Forward contracts | (3,074,840) | - |
| Total held for trading | (3,074,840) | - |

## 5. BASIC EARNINGS PER SHARE

The basic earnings per each class of share is based on the net loss for the period of £46,716,551 (period ended 31 March 2008: £78,237,251 loss) and 16,203,343 (31 March 2008: 31,658,276) shares in the Sterling share class, €16,427,563 loss (period ended 31 March 2008: €35,728,539 loss) and 32,866,253 (31 March 2008: 78,263,264) shares in the Euro share class and 15,818,658 gain (period ended 31 March 2008: $25,594,092 loss) and 18,514,854 (31 March 2008: 23,296,401) shares in the US$ share class, each being the weighted average number of shares of each class in issue during the period. Earnings is pro-rated between the different classes of share after adjustments for subscriptions, redemptions, conversions and forward foreign currency contracts relating to specific share classes. Basic earnings per share differs from the changes in NAV per share because of the effects of the currency hedging programme, the facility for conversion between share classes and the liquidity enhancement programme.

## 6. FEES AND EXPENSES

**Investment management and distribution fee**

Pursuant to the investment management agreement, the Investment Manager receives monthly from the Company an investment management fee equal to one-twelfth of 2% of the net asset value of the Company (before deduction of that month's investment management fee and before deduction for any accrued performance fees) as at each valuation day.

90% of estimated management fees are paid on the valuation date to the Investment Manager and the remaining balance is then paid once the management fee figures are finalised following publication of the agreed month end NAV. The Investment management fee charged for the period amounted to €5,889,179 (period ended 31 March 2008: €14,456,258), of which €228,783 (31 March 2008: €2,118,817) was payable at the period end.

Under the distribution agreement, the Investment Manager was entitled to receive a fee for its services in connection with the solicitation of subscriptions for shares. The fees did not exceed the expenses incurred by the Investment Manager. The distribution fee charged for the period amounted to €79,672 (period ended 31 March 2008: €50,138) of which €Nil (31 March 2008: €20,192) was payable at the period end.

**Performance fee**

The Investment Manager is also entitled to receive a performance fee from the Company calculated on a share-by-share basis so that each share is charged a performance fee, which precisely equates with that share's performance. The performance fee is calculated in respect of each twelve-month period ending on 30 September in each year (a "Calculation Period").

In respect of each Calculation Period, the performance fee is calculated by aggregating the monthly increase or decrease (as the case may be) in the net asset value of the relevant class of shares (as adjusted for any increases or decreases in net asset value arising from issues, repurchases or redemptions of shares or any conversions of shares from one class into any other class and before deduction for any accrued performance fees) disregarding any increases or decreases in the net asset value of the relevant class of shares that occur below the "high water mark" as at the relevant month-end NAV calculation date for each month during the relevant Calculation Period. The sum of the performance fee will equal 20% of such amount (if positive) payable only if the NAV of any class of shares at the end of a Calculation Period exceeds the "high water mark".

The performance fee is calculated and payable in any of the currencies in which the shares may be denominated and will normally be paid within 30 calendar days of the end of each financial year. The performance fee is deemed to accrue as at each month-end NAV calculation date. The Performance fees charged for the period amount to €Nil (31 March 2008: €Nil).

## 6. FEES AND EXPENSES (CONTINUED)

**Administrator and secretary**

The Administrator is paid an annual fee of £40,000 (the "Base Administration Fee") plus 0.005% of the net asset value of the Company above €100m (the "Variable Administration Fee"), plus additional fees calculated on a time cost basis for services and involvement with matters of a non-routine or ad hoc nature, all payable monthly in arrears. Administrator fees charged for the period amounted to €37,966 (period ended 31 March 2008: €51,504) of which €3,456 (31 March 2008: €8,715) was outstanding at the period end.

The Sub-Administrator is also paid an annual fee of €36,000 plus reasonable out of pocket expenses in relation to certain administrative functions delegated to it by the Administrator. Sub-Administrator fees charged for the period amounted to €18,000 (period ended 31 March 2008: €15,000) of which €6,000 (31 March 2008: €3,000) was outstanding at the period end.

**Operating expenses**

The Company is responsible for all other normal operating expenses, including audit, legal fees, and other charges, including expenses of acquiring and disposing of investments. These expenses are accrued throughout the period for which the Company receives the related benefit.

## 7. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

Risk is inherent in the Company's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risks limits and other controls. The process of risk management is critical to the Company's continuing profitability. The Company is exposed to market risk (which includes currency risk, interest rate risk and other price risk), credit risk and liquidity risk arising from the financial instruments it holds.

The Company invests substantially all of its assets in the units of three Sub-Trusts of the Marshall Wace TOPS Trust (the "Master Fund") namely Sub-Trust C (Opportunistic-Hedged), Sub-Trust D (Fundamental-Hedged) and Sub-Trust N (Market Neutral). As such, through its investment in the Master Fund, the Company is exposed to market risk (which includes currency risk, interest rate risk and other price risk), credit risk and liquidity risk arising from the financial instruments it holds. Further details of these risks are outlined below.

**Risk management structure**

The Directors are ultimately responsible for identifying and controlling risks. However, administration of the day-to-day management of the Company's risk has been delegated to Marshall Wace LLP as Investment Manager to the Company and Master Fund.

**Risk measurement and reporting system**

As detailed above, the Company invests substantially all of its assets in the three Sub-Trusts of Marshall Wace TOPS Trust. Risk measurement and reporting is therefore performed at the Sub-Trust level. The Investment Manager combines proprietary models and systems with third party risk systems to produce, on a daily basis, a detailed risk profile of each of the Sub-Trusts as well as computing annualised volatility and Value at Risk (VaR) for all client portfolios.

## 7. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

**Risk measurement and reporting system (continued)**

This process is managed by a dedicated risk team within the Investment Manager. Calculations are performed using risk engines provided by APT and Barclays which have been tailored to internal requirements via proprietary risk technology. The risk models are used to measure the risk characteristics of the portfolio and to ensure that the portfolios operate within the pre-defined portfolio parameters.

VaR is a statistical estimation as to maximum losses which will not be exceeded with a given probability. VaR is a point in time calculation, reflecting positions as recorded at that date, which do not necessarily reflect the risk positions held at any other time. VaR is a statistical estimation and therefore it is possible that there could be, in any period, a greater number of days in which losses could exceed the calculated VaR than implied by the confidence level. Although losses are not expected to exceed the calculated VaR on 99% of occasions, on the other 1% of occasions, losses will be greater and might be substantially greater than the calculated VaR.

Because each Sub-Trust undertakes different investment strategies under normal market conditions, their actual performance compared to that predicted under VaR behaves independently of each other's. Under the extraordinary volatile market conditions that have prevailed since 2007 it normal to expect that actual losses (or gains) will have exceeded those calculated by the Investment Manager VaR models on more occasions than predicted.

Estimated VaR for each of the Sub-Trusts as at 31 March 2009 and 30 September 2008 is disclosed below (based on a confidence level of 99%, one month), based upon a 52 week calibration period. The period of one month has been used as it is considered industry standard.

| | 31 Mar 2009 | 30 Sept 2008 |
|---|---|---|
| Sub-Trust C (Opportunistic-Hedged) | 3.09% | 3.20% |
| Sub-Trust D (Fundamental-Hedged) | 3.39% | 2.60% |
| Sub-Trust N (Market Neutral) | 1.85% | 2.00% |

**Risk mitigation**

The Company has investment guidelines that set out its overall investment strategies, its tolerance for risk and its general risk management philosophy and have established processes to monitor and control economic hedging transactions in a timely and accurate manner. The Investment Manager uses derivatives and other instruments in connection with its risk management activities.

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and includes interest rate risk, foreign currency risk and "other price risks", such as equity risk. The Company's market risk exposure is primarily through its investments in the Master Fund.

## 7. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

**Market risk (continued)**

The Master Fund's market price risk is managed through diversification of the investment portfolio. Additionally, the Investment Manager uses derivative instruments to hedge the investment portfolio against market risk.

The Investment Manager rebalances the holdings in the Sub-Trusts on an ad-hoc basis as deemed necessary. This was last done in February 2009 when the ratio was set at 45% Sub-Trust C, 45% Sub-Trust D and 10% Sub-Trust N. No rebalancing has been done since this date.

Securities sold short and options written represent obligations of the Master Fund to deliver the specified security at the contracted price, and thereby create a liability to repurchase the security in the market at prevailing prices. Accordingly, these securities may result in off-balance sheet risk as the Master Fund's satisfaction of the obligations may exceed the amount recognised in the Balance Sheet.

**Equity price risk**

Equity price risk is the risk that the fair values of equities decrease as the result of changes in the levels of equity indices and the value of individual stocks. The trading equity price risk exposure arises from the Master Fund's investment portfolio. The Investment Manager manages this risk through diversification of its portfolio and the use of derivatives. The derivative contracts that the Master Fund holds or issues are forward contracts, futures and CFDs.

**Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The majority of the Company's and Master Fund's financial assets are equity shares and other instruments which neither pay interest not have a maturity date and as a result the Company is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

## 7. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

**Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The shares of the Company are denominated in Euro, Sterling and US$. Certain of the assets of the Master Fund may, however, be invested in securities and other investments that are denominated in currencies other than the currencies mentioned above. Accordingly, the value of the Company's assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore the Company will necessarily be subject to foreign exchange risks.

The primary purpose of the Company's and Master Fund's foreign currency economic hedging activities is to protect against the volatility associated with investments denominated in foreign currencies and other assets and liabilities created in the normal course of business. The Company and Master Fund primarily utilise forward exchange contracts with maturities of less than twelve months to hedge foreign-currency-denominated financial assets and liabilities.

Increases or decreases in the Company's and Master Fund's foreign-currency-denominated financial assets and liabilities are partially offset by gains and losses on the economic hedging instruments.

**Concentration of direct currency exposure:**

| 31 March 2009 | Euro share class exposure € | Sterling share class exposure € | US$ share class exposure € | Total |
|---|---|---|---|---|
| Assets | 140,720,799 | 694 | 8,817 | 140,730,310 |
| Liabilities | (3,693,457) | - | - | (3,693,457) |
| Net Assets | 137,027,342 | 694 | 8,817 | 137,036,853 |
| Effect of Forwards Foreign Exchange Contracts | (76,220,927) | 65,943,692 | 10,277,235 | - |
| Net exposure | 60,806,415 | 65,944,386 | 10,286,052 | 137,036,853 |

| 30 September 2008 | Euro share class exposure € | Sterling share class exposure € | US$ share class exposure € | Total |
|---|---|---|---|---|
| Assets | 1,065,330,887 | 19,212 | 7,558 | 1,065,357,658 |
| Liabilities | (130,572,198) | - | - | (130,572,198) |
| Net Assets | 934,758,689 | 19,212 | 7,558 | 934,785,460 |
| Effect of Forwards Foreign Exchange Contracts | (500,483,185) | 259,225,888 | 241,257,297 | - |
| Net exposure | 434,275,504 | 259,245,100 | 241,264,855 | 934,785,460 |

Forward foreign exchange contracts are held to hedge the USD and GBP share class exposure.

## 7. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in realising assets or otherwise raising funds to meet financial commitments. Those financial commitments are represented from time to time, by fees payable and other expenses of the Company, amounts payable for share buy-backs, repayment of short-term borrowing in connection with buy-back programme, interest expenses and amounts payable under forward foreign exchange contracts. The Company managed its ability to fulfil these commitments by combination of redemptions in the Master Fund and use of short-term secured loan facility.

The Company may redeem its units, shares or interests in the Master Funds only on a weekly basis and does not have any special or preferential rights in the Master Fund.

The Company entered into a secured loan facility agreement on 1 October 2007 in connection with the Company's Liquidity Programme, as disclosed in Note 11 to the Financial Statements. The Loan was terminated and repaid on 18 October 2008.

All financial liabilities as at 31 March 2009 and 30 September 2008 were due to settle within one month.

Forward foreign exchange contracts are settled net, the gross amount payable at 31 March 2009 was €3,074,840 (30 September 2008: €16,952,319 receivable).

Although the investments held by the Master Fund are highly liquid, the Master Fund itself is relatively illiquid. There is currently no active market in the units, shares or interests of any of the Master Fund and none is expected to develop. Accordingly, in order to realise its investment in the Master Fund, the Company will need to exercise its redemption rights as a holder of units, shares or interests in the Master Fund. The Company may redeem its units, shares or interests in the Master Fund only on a weekly basis subject to giving 30 days notice and does not have any special preferential rights in the Master Fund.

Furthermore, the Trustee of the Master Fund has the ability, subject to certain time restrictions, to suspend temporarily the right of investors in each of the Initial Funds to redeem their investment in certain circumstances.

These limitations on the Company's ability to redeem its investments in the Master Fund may limit the ability of the Company to realise its investments at the optimal time and / or price. These limitations on the Company's ability to respond to general adverse economic or market changes, as well as adverse changes in the Master Fund, may adversely impact the value of its investments as well as the value of the shares. Shareholders could therefore also be adversely affected.

## 7. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

**Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. It is the Master Fund's policy to enter into financial instruments with a range of reputable counterparties. Therefore, the Master Fund does not expect to incur material credit losses on its financial instruments.

The Master Fund's maximum exposure to credit risk (not taking into account the value of any collateral or other security held) in the event that counterparties fail to perform their obligations as of 31 March 2009 in relation to each class of recognised financial assets, other than derivatives, is the carrying amount of those assets as indicated in the Balance Sheet of each of the Sub-Trusts.

With respect to derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The Company's and Master Fund's maximum credit risk exposure for forward foreign exchange contracts is the full amount of the foreign currency the Company or Master Fund will be required to pay or purchase when settling the forward foreign exchange contracts, should the counterparties not pay the currency they are committed to deliver to the Company or Master Fund. The counterparty to the Company's forward foreign exchange contracts held directly by the Company were Sub-Trust C US$6,140,300 and £27,487,500 (30 September 2008: US$152,490,000 and £91,920,000), Sub-Trust D US$6,140,300 and £27,487,500 (30 September 2008: US$152,490,000 and £91,920,000) and Sub-Trust N US$1,364,500 and £6,108,300 (30 September 2008: US$33,890,000 and £20,430,000).

The Company's cash and cash equivalents are held with one bank whose credit worthiness is monitored by reference to published ratings by Moody's and Standard & Poor's and through the Managers own internal due diligence processes.

**Significant concentration of credit risk**

The Master Fund's portfolio of financial instruments is broadly diversified along industry, product and geographic lines, and transactions are entered into with a range of counterparties, thereby mitigating any significant concentration of credit risk.

**Capital management**

In managing the capital of the Company the Investment Manager seeks to provide consistent absolute returns derived through trading in equities of companies in accordance with the Company's investment objectives and policies. The capital structure of the Company consists of Net Assets attributable to participating shares of €137,036,853 (30 September 2008: €934,785,460) and short-term debt of €Nil (30 September 2008: €95,000,000). The Company is not subject to any externally imposed capital requirements. The Company operates a share buy-back programme designed to manage the discount of share price to net asset value. Transactions under the programme are disclosed in Note 9.

## 8. DERIVATIVE CONTRACTS

Typically, derivative contracts serve as components of the Company's investment strategy and are utilised primarily to structure and hedge investments, to enhance performance and reduce foreign exchange risk to the Company (the Company does not designate any derivatives as hedges for hedge accounting purposes as described under IAS 39). The derivative contracts that the Company holds or issues are forwarded contracts.

The Company records its derivative activities on a fair value basis. Fair values are determined by using quoted market prices.

As of 31 March 2009, the following derivative contracts were included in the Company's Balance Sheet at fair value through profit or loss:

| Purchase Currency | Notional Amount | Sale Currency | Notional Amount | Settlement Date | Unrealised Loss € |
|---|---|---|---|---|---|
| GBP | 61,083,300 | EUR | (68,550,578) | 1 Apr 09 | (2,606,886) |
| USD | 13,645,100 | EUR | (10,745,189) | 1 Apr 09 | (467,954) |
| | | | | | (3,074,840) |

As of 30 September 2008, the following derivative contracts were included in the Company's Balance Sheet at fair value through profit or loss:

| Purchase Currency | Notional Amount | Sale Currency | Notional Amount | Settlement Date | Unrealised Gain € |
|---|---|---|---|---|---|
| GBP | 204,270,000 | EUR | (252,932,029) | 1 Oct 08 | 6,270,386 |
| USD | 338,870,000 | EUR | (230,539,492) | 1 Oct 08 | 10,681,933 |
| | | | | | 16,952,319 |

Forward contracts entered into by the Company represent a firm commitment to buy or sell an underlying asset, or currency at a specified value and point in time based upon an agreed or contracted quantity. The realised/unrealised gain or loss is equal to the difference between the value of the contract at the onset and the value of the contract at settlement date/period end date and is included in the Income Statement. The Company would be contractually required to pay this amount at maturity.

## 9. SHARE CAPITAL

The authorised share capital of the Company is an unlimited number of shares of no par value and 100 Management shares of par value €1 each. The issued share capital comprises 2 (30 September 2008: 2) Management shares and 14,670,305 (30 September 2008: 103,210,244) Redeemable Participating Preference shares. Shareholders have the right to receive notice of and to attend and vote at general meetings of the Company.

Each share has equal dividend, distribution and liquidation rights. Each Shareholder who is present at a general meeting in person or by proxy has one vote per share. On a winding up, shares are entitled, in priority to the Management shares, to the return of capital paid up thereon and to the surplus assets of the Company. Management shares only have the right to vote when there are no redeemable Preference shares of the Company in issue and do not carry any rights to dividends.

Shares that have been bought back are held in a Treasury account and have been removed from the open market. Such shares may not exceed 10% of the total shares in issue for the relevant class, with any subsequent share purchases cancelled by the Company.

Shareholders of any one class of shares have the right to convert all or part of their holding into any other class of shares to an equivalent net asset value on a monthly basis in accordance with the detailed provisions of the Articles.

Pursuant to an application to the Royal Court of Guernsey share premium was converted to distributable reserves on 15 December 2006.

On 19 November 2008, the Directors offered all Shareholders in the Company the opportunity to redeem any number of their shares, at a redemption price per Share equal to the Net Asset Value per share of the relevant class as at 23 January 2009, less the costs of implementing the redemption offer.

As a result of the redemption offer, 46,529,177 Euro class shares, 17,337,463 Sterling class shares and 17,228,171 US$ class shares were redeemed by Shareholders and subsequently cancelled by the Company at a redemption price of €9.0880, £9.2008 and $8.9649 respectively.

Pursuant to the Discount Management Provisions of the Company's Articles of Incorporation, if in any period of 12 months, the shares of any class had traded, on average, at a discount in excess of 5% of the average Net Asset Value per share of that class taken over the 12 month-end NAV calculation dates in the period, the Directors were required to convene a General Meeting of Shareholders of that class in order for Shareholders of that class to consider a continuation vote.

During the period under review, the requirement to convene a General Meeting of Euro Shareholders in respect of the Euro Share class had been triggered. At a General Meeting of Euro Shareholders on 8 January 2009, Euro Shareholders voted in favour of a resolution to waive the requirement for a continuation vote in respect of the Euro Share class.

## 9. SHARE CAPITAL (CONTINUED)

At an Extraordinary General Meeting of all Shareholders on 8 January 2009, Shareholders voted in favour of the following resolutions of amendment to the Articles:

1. To delete the Discount Management Provisions of the Company
2. To replace such provisions with an annual cash exit facility, under which the Directors may, in their absolute discretion, offer to redeem up to all of the shares in issue, or up to all of the shares in issue in a particular class or classes, once in any 12 month calendar period on or about the time of the Annual General Meeting commencing in 2010, at the NAV per share of the relevant class, less the aggregate of a discount of up to 2 per cent of such NAV per share and the costs and expenses of implementing such an offer.
3. To insert additional provisions empowering the Board to redeem compulsorily Shares of any class if the aggregate Net Asset Value of the Shares in issue of the relevant class, or the number of holders of Shares of the relevant class, are such that the continued existence of such class ceases, in the Boards opinion, to be viable.

Share capital transactions in the Company's shares for the period ended 31 March 2009, were as follows:

| | Number of shares | Treasury shares |
|---|---|---|
| **Euro Class shares** | | |
| Balance outstanding at the beginning of the period | 45,789,776 | 4,624,620 |
| Shares bought back | (1,275,899) | 1,275,899 |
| Shares converted | 8,629,307 | - |
| Share redemption and cancellation | (46,529,177) | - |
| Shares cancelled | - | (5,300,919) |
| Balance outstanding at the end of the period | 6,614,007 | 599,600 |

| | Number of shares | Treasury shares |
|---|---|---|
| **Sterling Class shares** | | |
| Balance outstanding at the beginning of the period | 21,302,908 | 2,167,420 |
| Shares bought back | (811,359) | 811,359 |
| Shares converted | 3,400,915 | - |
| Share redemption and cancellation | (17,337,463) | - |
| Shares cancelled | - | (2,408,879) |
| Balance outstanding at the end of the period | 6,555,001 | 569,900 |

| | Number of shares | Treasury shares |
|---|---|---|
| **US$ Class shares** | | |
| Balance outstanding at the beginning of the period | 36,117,560 | 1,949,395 |
| Shares bought back | (1,129,245) | 1,129,245 |
| Shares converted | (16,258,847) | - |
| Share redemption and cancellation | (17,228,171) | - |
| Shares cancelled | - | (2,928,640) |
| Balance outstanding at the end of the period | 1,501,297 | 150,000 |

## 9. SHARE CAPITAL (CONTINUED)

Share capital transactions in the Company's shares for the year ended 30 September 2008, were as follows:

| | Number of shares | Treasury shares |
|---|---|---|
| **Euro Class shares** | | |
| Balance outstanding at the beginning of the year | 84,422,142 | 8,095,014 |
| Shares bought back | (26,636,178) | 26,636,178 |
| Shares converted | (11,996,188) | - |
| Shares cancelled | - | (30,106,572) |
| Balance outstanding at the end of the year | 45,789,776 | 4,624,620 |

| | Number of shares | Treasury shares |
|---|---|---|
| **Sterling Class shares** | | |
| Balance outstanding at the beginning of the year | 30,868,827 | - |
| Shares sold back | 6,823 | (6,823) |
| Shares bought back | (8,961,599) | 8,961,599 |
| Shares converted | (611,143) | - |
| Shares cancelled | - | (6,787,356) |
| Balance outstanding at the end of the year | 21,302,908 | 2,167,420 |

| | Number of shares | Treasury shares |
|---|---|---|
| **US$ Class shares** | | |
| Balance outstanding at the beginning of the year | 25,629,883 | - |
| Shares sold back | 2,600 | (2,600) |
| Shares bought back | (7,605,302) | 7,605,302 |
| Shares converted | 180,090,379 | - |
| Shares cancelled | - | (7,216,253) |
| Balance outstanding at the end of the year | 36,117,560 | 1,949,395 |

As at 31 March 2009, Treasury shares held for the Euro Class amounted to €5,889,139 (30 September 2008: €45,830,795), £5,764,334 (30 September 2008: £21,883,259) held for the Sterling Class and $374,564 (30 September 2008: $17,782,112) held for the US$ Class.

## 10. RELATED PARTIES

The members of the Board of Directors are shown on page 30 of the financial statements.

Each Director is paid a fee of £22,000 per annum by the Company, except for the Chairman, Cameron McPhail, who is paid a fee of £70,000 per annum and Duncan Ford, who has waived his entitlement to receive a fee. Nicholas Falla is paid an additional fee of £5,000 for his chairmanship of the Company's audit committee. The Directors are also entitled to payment of all reasonable expenses incurred in connection with their appointment as Directors of the Company. Directors' fees charged for the period amounted to £68,422 (period ended 31 March 2008: £80,877) with £38,672 (31 March 2008: £31,648) payable at period end.

John Le Prevost is a director and controller of Anson Fund Managers Limited, the Administrator and the Company Secretary and Anson Registrars Limited, the Company Registrar. Duncan Ford is a partner of Marshall Wace LLP, the Investment Manager.

As at 31 March 2009, Nicholas Falla had invested, directly or indirectly, in 5,000 (30 September 2008: 5,000) Sterling class shares of the Company, John Le Prevost had invested, directly or indirectly, in 1,000 (30 September 2008: 1,000) Sterling class shares of the Company and Duncan Ford had invested, directly or indirectly, in 494,414 (30 September 2008: 100,000) Sterling class shares and zero (30 September 2008: 151,214) US$ class shares of the Company.

As at 25 February 2009, being the date of his resignation, Sir Andrew Large had invested, directly or indirectly, in 12,500 (30 September 2008: 25,000) Sterling class shares of the Company.

Principals of Marshall Wace LLP, the Investment Manager, have collectively invested directly, or indirectly, in zero Euro class shares (30 September 2008: 1,871,498), 281,121 Sterling class shares (30 September 2008: 865,844) and 250,000 US$ class shares (30 September 2008: 5,050,892).

During this period management fees of €5,889,179.11 (period ended 31 March 2008: €14,456,528) have been earned by Marshall Wace LLP, of which €228,783.20 (31 March 2008: €2,118,817) were payable at the period end.

Performance fees earned for the period amounted to €Nil (period ended 31 March 2008: €Nil).

As at 31 March 2009, MW Tops Limited held 21.5% of Sub-Trust C (Opportunistic-Hedged) and 27.3% of Sub-Trust D (Fundamental-Hedged). As such holdings exceed 20%, these Sub-Trusts are deemed related parties in accordance with IAS 28 Investments in Associates. The Company's investment in these Sub-Trusts is detailed in note 4.

## 11. LOAN FACILITY AGREEMENT

On 1 October 2007 the Company entered into a loan facility agreement with Citibank for an amount of €100,000,000 in connection with the liquidity enhancement programme. The Loan was terminated and repaid on 18 October 2008.

## 12. EVENTS AFTER THE BALANCE SHEET DATE

There were no material events subsequent to 31 March 2009.

## COMPANY INFORMATION

**Directors**
Cameron McPhail
Nicholas Falla
Duncan Ford
John R Le Prevost
Sir Andrew Large
(resigned 25 February 2009)

**Investment Manager**
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**Registrar**
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**Administrator and the Company Secretary**
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**Sub-Administrator**
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**Advocates**
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**Legal Advisers**
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The Netherlands

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**Principal Bankers**
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Further information regarding the Company can be found on its website at: www.mwtops.eu.