

**MW TOPS Limited**  
Registered in Guernsey No. 45728

**Annual Financial Report**  
**For the year ended 30 September 2009**

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## BACKGROUND TO THE COMPANY

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MW TOPS Limited (the “Company”) is a closed-ended investment company registered and incorporated in Guernsey on 25 October 2006. A continuation vote for each class of Share will be put to Shareholders of the relevant class at the general meeting of the Company in 2013 and every seven years thereafter.

The Company’s share capital comprises three classes of shares: Euro shares, Sterling shares and US\$ shares. Each of these share classes were initially admitted to listing on the Euronext Amsterdam stock market. On 18 June 2008, these 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. On 1 July 2009 the shares were de-listed from Euronext Amsterdam.

In November 2008, the Company offered its shareholders an option to redeem all or part of their holdings at net asset value per share, less costs.

Immediately following the redemption the shares in issue were as follows:

<b>Share class</b>	<b>Number of issued shares remaining (excluding treasury shares)</b>
Euro	5,678,426
Sterling	7,300,798
US\$	1,618,575

At an extraordinary general meeting of shareholders on 8 January 2009, shareholders voted in favour of resolutions amending the Articles to effect the following:

1. to delete the discount management provisions of the Company and 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 Net Asset Value (“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; and
2. to insert additional provisions empowering the Board to redeem compulsorily shares of any class if the aggregate NAV 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 Board’s opinion, ceases to be viable.

### **Investment Objective of the Company**

The investment objective of the Company 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).

### **Investment Policy of the Company**

The investment policy of the Company 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 LLP. TOPS is a framework of proprietary Marshall Wace applications and models which seek to capture, appraise, optimise and act upon securities trading ideas received from Marshall Wace’s extensive network of contributors within the brokerage community.

## **BACKGROUND TO THE COMPANY (CONTINUED)**

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The Company will pursue its investment policy indirectly through investment in the sub-trusts of the 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. Marshall Wace may in the future seek to identify opportunities for the Company to invest up to 100 per cent of its assets in other Underlying Funds than those investing in at the year end, 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 Company may employ direct borrowings up to a maximum of 20 per cent of the NAV 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 business 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; and
- 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.

### **Portfolio History**

The Company originally invested 50% of the net proceeds of the global offering in Euro-denominated units of Sub-Trust C (Opportunistic Hedged) of the TOPS Trust (“Sub-Trust C”), 50% in Euro-denominated units of Sub-Trust D (Fundamental-Hedged) of the TOPS Trust (“Sub-Trust D”), this was realigned on 18 February 2008 to invest 10% of assets of the Company in to Euro-denominated units of Sub-Trust N (Market Neutral) of the TOPS Trust (“Sub-Trust N”) and the investments into Sub-Trust C and Sub-Trust D were reduced proportionately. For the period from 1 June 2009 to 31 July 2009 the portfolio was reviewed and reinvested in to the following Euro-denominated Sub-Trusts:

## BACKGROUND TO THE COMPANY (CONTINUED)

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Sub-Trust A (Opportunistic)	35%
Sub-Trust B (Fundamental)	35%
Sub-Trust H (Balanced Europe)	10%
Sub-Trust N (Market Neutral)	20%

With effect from 1 August 2009 the portfolio was reviewed again and reinvested in the following Euro-denominated Sub Trusts:

Sub-Trust H (Balanced Europe)	10%
Sub-Trust European TOPS	70%
Sub-Trust N (Market Neutral)	20%

Following the year end, the Board announced its intention to redeem all, or substantially all, of its holding in the TOPS Trust and to invest all, or substantially all, of its assets in equivalent units of one or more sub-trusts of Marshall Wace Investment Strategies, an umbrella unit trust established under the laws of Ireland. Each Sub-Trust employs Marshall Wace's Trade Optimised Portfolio System ("TOPS").

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 end of September 2009, Marshall Wace was polling contributors from 314 firms located in over 50 countries.

Marshall Wace believes that investment advice received from the brokerage community, if systematically monitored and analysed, can be combined into a diversified portfolio with attractive risk-reward characteristics.

The assets of the Sub-Trusts are used to trade systematically ideas selected by optimisation models developed by Marshall Wace to exploit these opportunities and to effect additional investment opportunities chosen by the relevant investment managers.

The investment process of Sub-Trust H (Balanced Europe) is to trade investment ideas driven by valuation and fundamental criteria, prevailing market themes and stock-specific events. The resulting portfolio is expected to be liquid and characterised by medium to long-term holding periods. The Investment Manager expects that Sub-Trust H (Balanced Europe)'s portfolio will exhibit higher levels of volatility than the other sub-trusts with more diversified strategies. The Investment Manager may also pursue a discretionary hedging policy to control market, sector and thematic exposures. Sub-Trust H (Balanced Europe)'s net market exposure will vary but will not normally exceed a range from 20 per cent net short to 80 per cent net long. Where deemed appropriate, Sub-Trust H (Balanced Europe) may employ leverage including, without limitation, through borrowing securities and other investments and by entering into derivatives transactions. The gross exposure of Sub-Trust H (Balanced Europe) will not exceed 500 per cent of its NAV.

The investment process of Sub-Trust European TOPS is to trade 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, and 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 expected to be relatively liquid and diversified and characterised by relatively high turnover.

## **BACKGROUND TO THE COMPANY (CONTINUED)**

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The Investment Manager may pursue a discretionary hedging policy to limit drawdown and preserve investors' capital. Additional hedging positions will be used to control market, sector and thematic exposures. The net market exposure of Sub-Trust European TOPS will vary according to the Investment Manager's view of market prospects and the Investment Manager will have discretion to be net short of markets. However, the overall net market exposure of Sub-Trust European TOPS is not normally expected to exceed a range from 50 per cent net short to 150 per cent net long. Where deemed appropriate, Sub-Trust European TOPS may employ leverage including, without limitation, through borrowing securities and other investments and by entering into derivatives transactions. The gross exposure of Sub-Trust European TOPS will not exceed 300 per cent of its NAV. The Investment Manager may from time to time consider hedging currency exposure, but will not generally enter into contracts involving a speculative position in any currency.

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 expected to be relatively liquid and diversified. The Investment Manager will pursue a discretionary hedging policy to preserve investors' capital in line with its long-term investment strategy. Although the investment objective of Sub-Trust N (Market Neutral) is to provide investors with consistent absolute returns by implementing a long term market neutral investment strategy, the net market exposure of Sub-Trust N (Market Neutral) may temporarily vary according to the Investment Manager's view of market prospects and the Investment Manager will have discretion to be net short of markets. However, the overall net market exposure of Sub-Trust N (Market Neutral) is not normally expected to exceed a range from 15 per cent net short to 15 per cent net long. Where deemed appropriate, Sub-Trust N (Market Neutral) may employ leverage including, without limitation, through borrowing securities and other investments and by entering into derivatives transactions. The gross exposure of Sub-Trust N (Market Neutral) will not exceed 600 per cent of its NAV.

## FINANCIAL HIGHLIGHTS

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### Net Asset Value Summary

- The NAV per share of each share class of MW TOPS Limited has outperformed the MSCI Europe AC TR Index since launch.
- The multi-factor risk management framework governing the strategies in which MW TOPS Limited invests has contributed to a limited drawdown during the challenging market conditions of 2008 and Q1 2009.
- NAV per share continues to exhibit low volatility as measured against the MSCI Europe AC TR Index.

### MW TOPS Limited

**Total Net Assets: €153,155,177**

	<b>30 Sept 2009 Euro shares €</b>	<b>30 Sept 2009 Sterling shares £</b>	<b>30 Sept 2009 US\$ shares \$</b>
Net Assets	58,541,593	76,174,104	16,467,763
Net Asset Value per share	10.31	10.43	10.17
Mid market share price (LSE) <sup>1</sup>	9.43	9.53	9.33
Total number of shares in issue <sup>2</sup>	5,678,426	7,300,798	1,618,575

<sup>1</sup> Data source: Bloomberg

<sup>2</sup> To the exclusion of those held in treasury

## FINANCIAL HIGHLIGHTS (CONTINUED)

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### Monthly Track Record

<b>MW TOPS Limited NAV Performance</b>	<b>Oct 2008</b>	<b>Nov 2008</b>	<b>Dec 2008</b>	<b>Jan 2009</b>	<b>Feb 2009</b>	<b>Mar 2009</b>	<b>Apr 2009</b>	<b>May 2009</b>	<b>Jun 2009</b>	<b>Jul 2009</b>	<b>Aug 2009</b>	<b>Sep 2009</b>	<b>% YTD</b>	<b>% Perf Since Inception</b>
Euro NAV	8.98	9.02	9.04	9.16	9.03	9.20	9.39	9.60	9.71	9.78	9.97	10.31		
Euro Net Return	-5.37%	0.45%	0.22%	1.33%	-1.42%	1.88%	2.07%	2.24%	1.15%	0.67%	1.99%	3.41%	8.64%	3.10%
GBP NAV	9.10	9.15	9.15	9.27	9.14	9.31	9.50	9.71	9.83	9.89	10.09	10.43		
GBP Net Return	-5.11%	0.55%	0.00%	1.31%	-1.40%	1.86%	2.04%	2.21%	1.24%	0.63%	2.01%	3.37%	8.76%	4.30%
US\$ NAV	8.88	8.91	8.92	9.04	8.92	9.08	9.27	9.47	9.58	9.65	9.84	10.17		
US\$ Net Return	-5.23%	0.34%	0.11%	1.35%	-1.33%	1.79%	2.09%	2.16%	1.16%	0.70%	2.00%	3.35%	8.54%	1.70%



## FINANCIAL HIGHLIGHTS (CONTINUED)

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### Underlying Investment Details

Holdings	Unit Price in € <sup>1</sup>	Units held by MW TOPS Limited	Value of units held in €
Sub-Trust H (Balanced Europe)	163.71	95,796.72	15,682,881
Sub-Trust European TOPS	126.72	875,556.24	110,950,487
Sub-Trust N (Market Neutral)	105.25	287,517.96	30,261,265

<sup>1</sup> Unit price to 2 decimal places

Note: The above data is confirmed as at 30 September 2009

Data Source: Citi Hedge Fund Services Limited

### Average Premium/Discount since launch 8 December 2006

MW TOPS Limited – EUR share class -6.04%

MW TOPS Limited – US\$ share class -5.07%

MW TOPS Limited – GBP share class -4.58%

**Industry Average (Single Manager Hedge Fund) -8.94%\***

\*Data Source: Kepler Partners. Industry average from 1 December 2006 – 30 September 2009

## CHAIRMAN'S STATEMENT

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I am pleased to present to shareholders the Annual Financial Report of the Company in this, its third year of operation.

The share price performance of the Company against the continuing difficult economic backdrop and volatile market conditions was satisfactory in absolute terms with the Euro share price increasing from €8.70 to €9.43, a rise of +8.33%. This compares favourably to a return of European equity markets as measured by the MSCI AC Daily TR Net Europe Local Index of +1.52%. The Investment Manager's Report on pages 11 to 15 outlines the performance of the Company's portfolio and its risk profile over what has been an exceptionally challenging period. While the absolute return of the Company has been lower than the objective set out in the prospectus it is notable that it has generated positive net returns since inception (the NAV per share of the Euro class rising 3.15%) despite the market falling 19.17%.

In November 2008, in response to the torrid market conditions the Board offered investors the opportunity to redeem all or part of their investment in the Company at net asset value per share less costs. Redemption requests totalling approximately 84% of the net assets of the Company were received. The redemption offer provided liquidity for shareholders at a time of market distress and demonstrated the Board's and the Investment Manager's commitment to act in accordance with the interests of shareholders.

In addition, the Board instigated a review of the expenses of the Company to ensure that costs were being efficiently managed. The most significant result of this review was the decision to concentrate the Company's trading activity on a single exchange and consequently the Board decided to delist the Company's shares from NYSE Euronext Amsterdam on 1 July 2009 and to maintain its listing on the London Stock Exchange.

While the restrictions on short selling have been eased since December 2008 and replaced with reporting requirements, the regulatory environment for hedge funds continues to be in a state of flux. Wide ranging proposals have been put forward by the European Commission and other national governmental bodies. The Investment Manager has advised the Board that it believes that these proposals will not affect its ability to implement the Company's investment strategy. However, the Investment Manager continues to monitor the developments.

In February this year, Sir Andrew Large announced his resignation from the Board after serving just over two years as chairman. I was pleased to accept the Board's offer to succeed Sir Andrew and I would like to thank him for his contribution to the Company.

The Board maintains an open and constructive relationship with the Investment Manager and continues to have confidence in the ability of the TOPS strategy to deliver both alpha and absolute returns.

Dr Cameron McPhail  
Chairman  
28 January 2010

## **BACKGROUND TO THE INVESTMENT MANAGER**

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Marshall Wace LLP (“Marshall Wace” or “MW”) was founded by Paul Marshall and Ian Wace in 1997 and, since the launch of the flagship Eureka Fund in 1998, has established itself as one of Europe’s foremost hedge fund managers.

At the heart of MW’s success is the drive to deliver investment performance of the highest quality for investors. MW is dedicated to building sustainable competitive advantage within the investment management industry and strives continuously to enhance its investment process to achieve this aim.

MW’s proprietary approach combines both process-driven and manager led (“European Core”) strategies. Both approaches draw on an unrivalled information edge, developed through the unique relationships established with those providing investment recommendations. The dynamics of this relationship have aligned the interests of investor, fund manager and service provider in a virtuous circle and have led to the creation of a revolutionary process-driven strategy known as TOPS (Trade Optimised Portfolio System).

The TOPS strategies have formed an important platform for the development of MW due to its direct transferability to other liquid capital markets. In July 2004, recognising this potential and in anticipation of the launch of Americas TOPS, Marshall Wace opened its first overseas office in the United States. The roll-out of TOPS continued in 2006 with the expansion of the programme to include Asian markets and the subsequent opening of an office in Hong Kong in October that year.

In December 2006, wishing to make the TOPS strategies available to a wider group of investors, Marshall Wace announced the listing of MW TOPS Limited (the “Company”) on the NYSE Euronext Exchange. The listing of the Company on the London Stock Exchange followed in June 2008.

The launch of the Marshall Wace TOPS UCITS Fund, incorporated as a Luxembourg SICAV in November 2007, was intended to broaden the firm’s investor base further, offering an alternative access point to certain MW TOPS strategies for investors unable to allocate to traditional offshore hedge funds.

The formation of a joint venture, Marshall Wace GaveKal Asia Limited, in June 2008 reflects the Company’s strategic objective to develop a greater presence in Asia. The bringing together of GaveKal’s knowledge of the Asia-Pacific region alongside the innovative product design, portfolio construction and discipline risk management of Marshall Wace is expected to have powerful synergies. The offering of a range of funds under the umbrella of the joint venture is intended to allow investors to capitalise on the long-term growth prospects in Asia.

### **Paul Marshall**

Paul Marshall is a founding partner of Marshall Wace LLP and was responsible for the development of the “Core” investment management process, utilised both within the flagship Eureka (Euro) Fund and also now available as a stand-alone strategy. As CIO for manager-led strategies he has overall responsibility for the development of this part of the firm’s business. Within his role as Chairman, Paul has responsibility for business development and corporate governance and, through his chairmanship of the Partnership Management Committee and the Investment Advisory Committee, plays a central role in the strategic direction of the firm.

## **BACKGROUND TO THE INVESTMENT MANAGER (CONTINUED)**

Paul was formerly a director of Mercury Asset Management, where he was Chief Investment Officer for European Equities. At the time of his departure in 1997 he was responsible for a team of 15 managing US\$12 billion in European Equities.

### **Ian Wace**

Ian Wace is a founding partner of Marshall Wace LLP. As CEO, he has overseen the growth and development of the firm since the launch of the Eureka (Euro) Fund in 1997. Marshall Wace employs over 160 personnel, and operates from offices in London, Greenwich, Connecticut and Hong-Kong. Under his stewardship, the firm pioneered the development of TOPS and is now extending its manager based product offering. The firm is one of Europe's largest privately-owned alternative asset managers, recognised for its robust infrastructure and investment processes. As CEO, Ian is closely involved with all aspects of the management of the firm and is instrumental in driving forward the broad range of initiatives which will take the firm through its next phase of growth.

Prior to founding Marshall Wace, Ian was Global Head of Equity and Derivative Trading at Deutsche Morgan Grenfell ("DMG"), where he was responsible for Equity Sales Trading, Programme Trading, Proprietary Trading, Stock Lending and Balance Sheet Management. Prior to joining DMG in 1995, he worked for eleven years at SG Warburg, where in 1988, as the youngest ever director, he was appointed head of European Equity Sales and in 1993, head of Proprietary Trading.

### **Anthony Clake**

Anthony Clake has been responsible for the evolution of the MW TOPS strategies since their inception in 2001. As the Global Product Manager for MW TOPS, he has overseen the geographic expansion of this investment process across Europe, Asia, North and South America as well as Emerging Markets. In recognition of his contribution to the development of Marshall Wace, Anthony was made a partner of the firm in 2004.

Anthony joined Marshall Wace in August 2001 directly from university following consultancy work with the firm during 1999 and 2000. Previously he studied Philosophy, Politics and Economics at Queen's College, Oxford. He was elected to the Gibbs scholarship for obtaining the highest marks awarded in preliminary and final examinations.

## INVESTMENT MANAGER'S REPORT

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### Financial Year ending 30 September 2009

Within the 12 month period covered by this review the global financial crisis reached its nadir. The severity of the economic contraction in Q4 2008 and level of cross-regional contagion within the international banking system was underscored by the release of numerous statistics in early 2009. The continued fragility of the financial industry together with the efforts of the asset management community to quickly deleverage combined to heighten equity market uncertainty in Q1 2009, resulting in heightened levels of volatility at the single stock, inter- and intra-sector level. However, while the fundamentals of the global economy continued in Q2 2009 to hamper belief in any sustained recovery, equity market participants became more optimistic that the attempts by various governments to inject liquidity into the economy through monetary policy and fiscal stimuli and to recapitalise a number of financial institutions might be sufficient in staving off a deeper global recession. Consequently in Q2 2009 sentiment changed within equity markets, which resulted in a large proportion of equity indices rallying sharply.

During the 12 month period under review, European equity markets\* returned only +1.52% with a volatility of 27.59%, falling -30.10% from 1 October 2008 to 29 February 2009 and then rallying +45.24% from 1 March 2009 to 30 September 2009. The NAV per share of the Euro, Sterling and US\$ classes showed considerable resilience in this volatile market environment, rising +8.69%, +8.78% and +8.48% respectively over the financial year and drawing down only -4.78%, -4.64% and -4.86% during the particularly testing initial 5 months period. With the improvement in market sentiment, the net and gross market exposures of MW TOPS Limited (the "Company") incrementally increased (as detailed below). The steady pace of this portfolio adjustment meant that the Company maintained conservative levels of risk, while capturing a portion of the market upside, with the NAV per share of the Euro, Sterling and US\$ classes returning +14.14%, +14.08 and +14.02% respectively from 1 March to 30 September.

\* As measured by the MSCI AC Daily TR Net Europe Local Index

### Since Inception to 30 September 2009

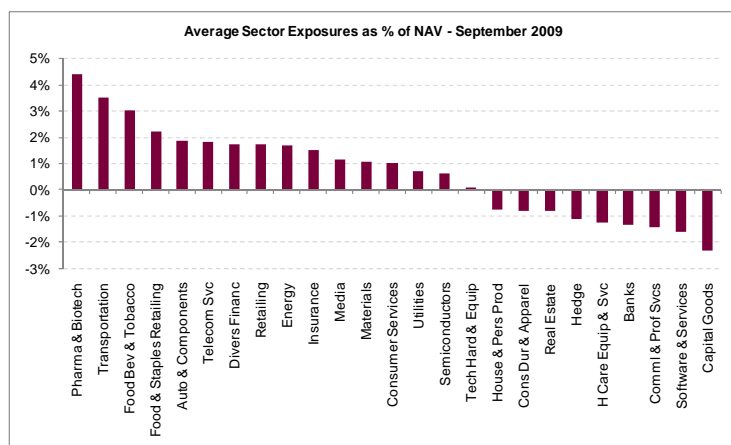
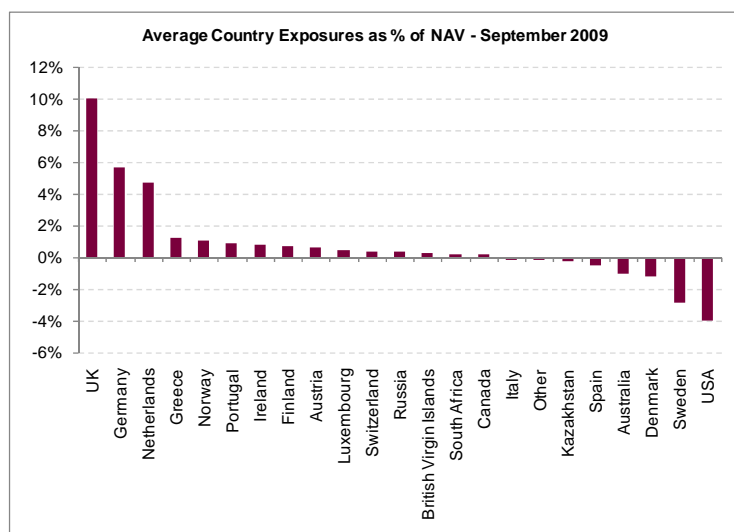
Since the launch of the Company on 8 December 2006 to the end of September 2009, the greater proportion of the assets of the Company have delivered a level of capital protection for investors against the background of a rapidly deteriorating global equity market. Despite a market fall of 19.17% with a volatility of 20.94% during this period, the NAV per share of the Euro, Sterling and US\$ classes have generated positive net returns of +3.15%, +4.32% and +1.64% with a volatility of 8.84%, 8.80% and 9.19% respectively. This represents the delivery of +7.29%, +8.51% and +5.76% net alpha since inception.

### Portfolio Composition

The Investment Manager's objective is to generate absolute returns and deliver consistent alpha from each of the underlying strategies that comprise the Company within a robust risk framework which seeks to manage volatility and limit downside. Since inception, the majority of the assets within the Company have continued to be invested equally in Sub-trust C and Sub-trust D of the Marshall Wace TOPS Trust. However, from 1 August 2009, a decision was taken to allocate the assets of the Company to the relevant Sub-trusts of the Marshall Wace TOPS Trust according to the following approximate proportions: 70% to Sub-trust European TOPS, 20% to Sub-trust N (Market Neutral) and 10% to Sub-trust H (Balanced Europe). The allocation to Sub-trusts N and H, was made as part of a strategy aimed at ensuring that the Company continues to meet its long-term target risk-return profile, while delivering a more diversified and decorrelated source of alpha.

## INVESTMENT MANAGER'S REPORT (CONTINUED)

As an illustration of diversified nature of the Company, the bar charts below show the average sector and country exposures of the combined strategies during September 2009.



While markets moved initially significantly lower and then rebounded sharply over the period covered by this review, the greatest positive contribution to return came from Materials and Banks. The table below sets out the top 5 long and short sectors in terms of P&L attribution from 1 October 2008 to 30 September 2009.

Sector	Top 5 Long P&L as % of NAV (Absolute)
Materials	4.63%
Banks	4.45%
Food Bev & Tobacco	2.29%
Diversified Financials	1.80%
Capital Goods	1.71%

Sector	Top 5 Short P&L as % of NAV (Absolute)
Auto & Components	-0.03%
Utilities	-0.06%
Food & Staples Retailing	-0.19%
Pharma & Biotech	-0.21%
Software & Services	-0.21%

## INVESTMENT MANAGER'S REPORT (CONTINUED)

### Top 5 Holdings as at 30 September 2009

Over the Company's financial year, typically no single position has represented more than 3% of NAV and aggregate exposure to mid-cap securities (<€5bn) has remained below 20% of NAV. As at 30 September 2009, the combined portfolio of the Company comprised 1,507 long positions and 1,037 short positions\*. The table below displays the top 5 long equity holdings as % of NAV of the aggregate portfolio at that date.

Consolidated Portfolio	
IMPERIAL TOBACCO	2.28%
HEIDELBERGCEMENT	1.81%
SANOFI-SYNTHELAB	1.80%
ALLIANZ SE-REG	1.72%
BANCO SANTANDER	1.62%

\*The number of positions shown include those held directly through investments in other Marshall Wace managed MW TOPS sub-strategies.

### Liquidity and Market Capitalisation

The MW TOPS strategies generally invest only in securities which trade over US\$1m a day. Coupled with the broad stock diversification mentioned above, this results in a highly liquid portfolio in which over 98% of positions can be liquidated in a single trading day. The table below sets out the overall liquidity profile of the Company for September 2009 (average).

Month End Liquidity Bands	% of Invested Portfolio
MW TOPS Limited	
0-1 Day	98.52%
1-3 Days	0.33%
>3 Days	0.00%
Other	1.14%
Total	100.00%

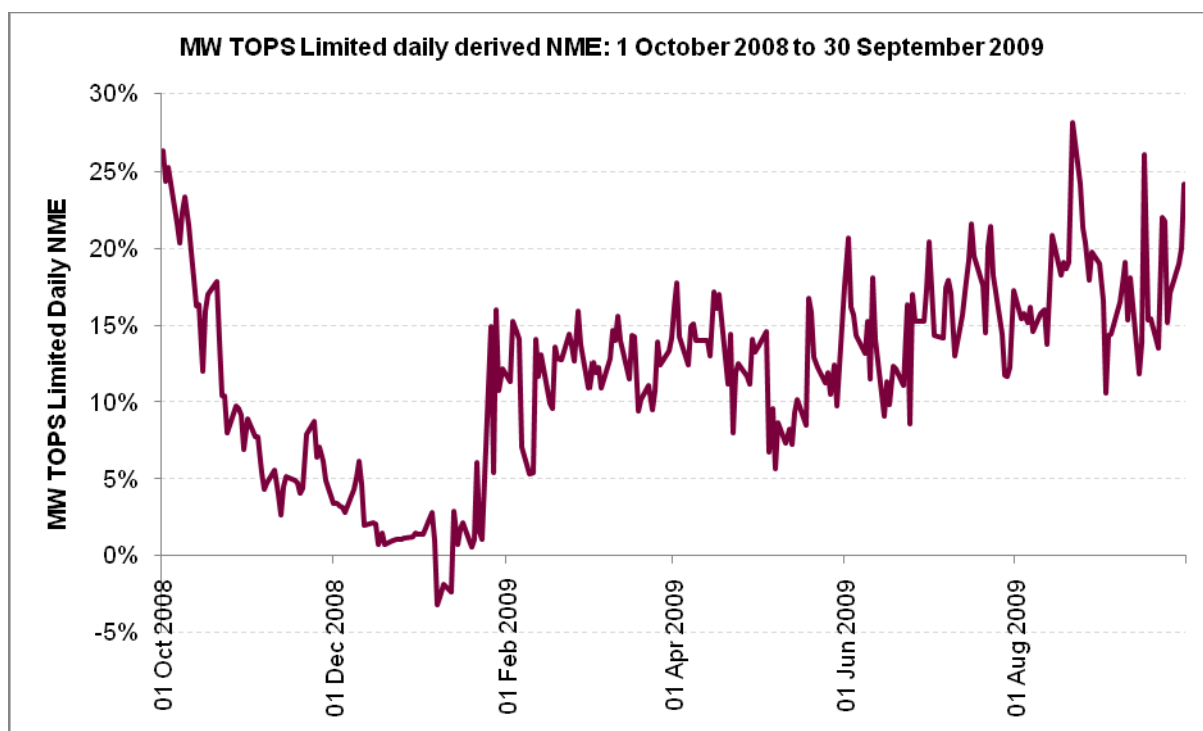
NOTE: This table shows the estimated liquidity profile of the positions held by the investments of the Company based on trading one third of the average 20 day daily volume.

Financial instruments for which the liquidity profile is not available or not known are included in "Other".

### Exposures and Volatility

The capital allocation to market neutral portfolios, Sub-trusts N and H, has allowed the Investment Manager to significantly reduce the beta exposure of the Company, while diversifying the alpha delivered. The Net Market Exposure ("NME") of the MW TOPS portfolios into which the Company invests, declined in Q4 2008 and early 2009 in response to the prevailing market instability. From 1 October 2008 to the end of September 2009, the average derived NME of the Company was 6.42% and in early January 2009 it is notable that the Company had a net short exposure to the market overall. However, commensurate with the reversion in European equity markets, the NME of the Company gradually increased, maintaining an average level of 14.40% from 1 February 2009 to the end of the period under review.

## INVESTMENT MANAGER'S REPORT (CONTINUED)



Similarly, the Gross Market Exposure (“GME”) of the Company fell sharply during the period of extreme market dislocation and volatility in Q4 2008 and then increased incrementally from late January 2009. This is consequent to a number of developments: first, a greater confidence amongst the MW TOPS contributor base as the value of fundamentals returned to the fore as the driver of equity stock pricing, secondly, an increase in the number of ideas submitted per individual, thirdly, the output of the modular optimisation process and fourthly due to the active management of exposures driven by the Investment Manager’s risk framework focused on ensuring that the Company operates within its targeted long term volatility range.

The real-time monitoring of risk governing overall volatility, sector and country exposures, as well as a range of fundamental factors, is an integral characteristic of the investment management process. Since 1 October 2008 The Company has committed significant resource to the further enhancement of our risk management systems. The Company uses both fundamental and statistical modelling to monitor the level of risk attributable to a range of factors, including exposure to sectors, industries and countries, momentum and exchange rate sensitivity, correlation and bid-offer spreads. The MW TOPS portfolios are assessed in real-time and automated alerts signal a mandatory review by both the portfolio and risk manager if any risk factor approaches a pre-defined limit, with corrective action being promptly implemented to mitigate any unwanted exposure. In addition to these traditional factor and volatility based approaches, the Company has developed a risk radar system to help determine the appropriate gross exposure of the MW TOPS strategies. These are a set of bespoke early warning indicators, which use proprietary MW TOPS based metrics, such as contributor performance, dispersion, success ratios and idea frequency, to identify market regime shifts.

Over the period under review, despite the turbulence of Q4 2008, the realised volatility of the Company (Euro NAV per Share) measured 6.00% as compared to a realised market\* volatility of 35.61%. Since 8 December 2006, the Company has maintained a realised annualised volatility of 7.97% against a European equity market\* volatility of 27.02%.

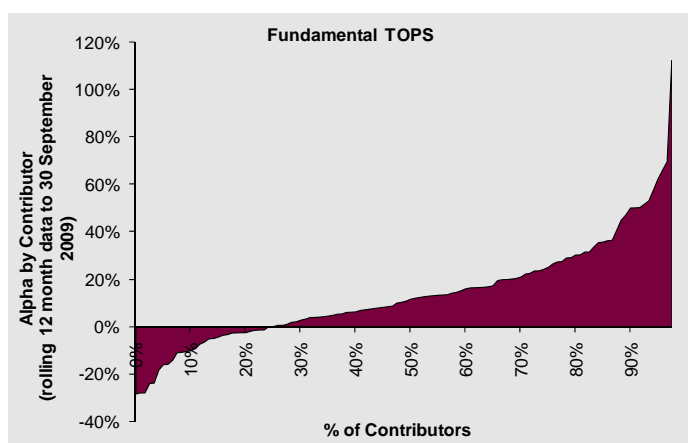
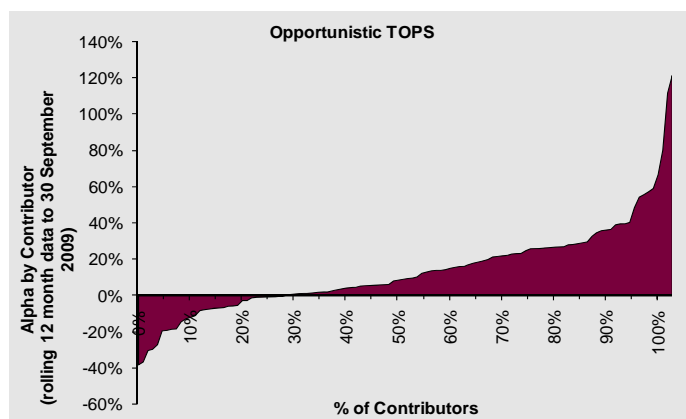
\* As measured by the MSCI AC Daily TR Net Europe Local Index



## INVESTMENT MANAGER'S REPORT (CONTINUED)

### Strategy Outlook

With the re-emergence of a degree of stability and rationality to equity markets, the success ratios of contributors have recovered and the persistent delivery of alpha has resumed as evidenced by the quality of raw alpha generation of the contributor base within Europe during the Company's financial year. In the rolling 12 month period to 30 September 2009, over 73% of individuals submitting investment ideas to the European TOPS application generated positive alpha (see charts below).



As previously reported, Marshall Wace has a team wholly dedicated to managing the relationships with contributors across the MW TOPS network, both current participants as well as the recruitment of new joiners. Over the period under review, there had been a reduction in the number of contributors. This adjustment was primarily driven by Marshall Wace's critical assessment of contributor skill rather than turnover within the brokerage community itself. As of September 2009, in Europe, MW are polling 115 brokerage houses and 1,132 individuals in real-time.

Throughout the financial year, MW have continued to make improvements to their optimisation methodology. The MW TOPS portfolio construction process explicitly recognises that patterns of alpha generation differ on the long and short side across various time horizons and market cycles. Our research effort embodies this distinction and MW have developed a number of distinct investment sub-strategies. One model, focuses on individual contributors and the unique characteristics of their performance, a second analyses patterns of behaviour within the networks of contributors, while a third module assesses behaviour and trading costs at the single stock level. Although the investment horizon within MW TOPS is typically 20-100 days per idea, the optimisation process also uses shorter-term pattern recognition techniques to extract value from themes and changes in sentiment as they are detected.

## DIRECTORS

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**The Directors' biographies, all of whom are non-executive, are as follows:**

**Dr Cameron McPhail**, (Chairman) aged 55, is a co-founder and director of new start Jersey-based mail order and internet-based retailer Jersey Choice Limited and is the Chairman of Epic plc Fund Managers. From 1988 until 2002 Dr McPhail was employed by The Royal Bank of Scotland in a number of roles including as Chief Executive of Royal Bank of Scotland International between 1995 and 2000 and as Chief Executive of the Wealth Management Division between 2000 and 2002. Dr McPhail was awarded his PhD at Glasgow University and gained an MBA from Golden Gate University, San Francisco in 1987. Dr McPhail is British and is resident in Jersey.

**Nicholas Falla**, aged 52, has, since 2001, been the Managing Director of Xocoatl Limited, a private investment company. From 1986 until 2002 Mr Falla was employed by Bank of Bermuda (Guernsey) Limited in a number of finance-related roles including, between 2000 and 2002, the European Regional Controller with responsibility for the finance departments across seven countries, the Director of Treasury Finance and the Chairman of the Global Tax Committee. Between 1993 and 2000, he was the Financial Controller with broad responsibilities including regulatory reporting, accounting, internal controls and product development. Mr Falla qualified as an Accountant in 1983 and gained an MBA specialising in Financial Management from the Manchester Business School and University of Wales in 1999. He is a Fellow of the Institute of Chartered Accountants and an associate member of the Association of Corporate Treasurers. Mr Falla is British and is resident in Guernsey.

**Duncan Ford**, aged 41, has been the Chief Operating Officer of Marshall Wace since its inception in 1997 with responsibility for administration, operations and technology. He was appointed a partner of the firm in 2002 and is also a member of the firm's Operating Committee and Partnership Management Committee. Prior to joining Marshall Wace, he was, from 1995, an Associate Director of Deutsche Morgan Grenfell with responsibility for the day-to-day management of equity operations. Prior to that, he worked for Morgan Stanley covering the equity settlements, stock lending and structured products. Mr Ford gained a Bachelor of Law degree from Leeds University in 1990. Mr Ford is British and is resident in the United Kingdom.

**John Le Prevost**, aged 58, is the Chairman of Anson Fund Managers Limited and Anson Registrars Limited and has over 35 years' experience in investments, during which time he was Managing Director of County NatWest Investment Management in Guernsey and Royal Bank of Canada's mutual fund company in Guernsey. He is currently a director of several investment companies including Bluecrest AllBlue Fund Limited and Guaranteed Investment Products 1 PCC Limited. Mr Le Prevost is British and is resident in Guernsey.

## **DIRECTORS' REPORT**

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The Directors present their report and audited financial statements for the year ended 30 September 2009.

### **Principal Activities**

The investment objective of the Company is to provide investors with consistent absolute returns primarily derived through trading in equities of companies incorporated in or whose principal operations are in Europe (including Eastern Europe). The Company invests substantially all of its assets in the units of three Sub-Trusts of the Marshall Wace TOPS Trust namely Sub-Trust H (Balanced Europe), Sub-Trust European TOPS and Sub-Trust N (Market Neutral).

The Company seeks to preserve capital through the use of various risk management techniques. There is no assurance the Company will meet its investment objectives.

### **Results for the Year and State of Affairs**

The Balance Sheet as at 30 September 2009 and the Income Statement for the year ended 30 September 2009 are set out on pages 26 and 27 respectively.

### **Dividends**

The Directors did not recommend the payment of a dividend in the year (2008: Nil).

### **Directors**

The Directors at the date of this report are listed on page 16. 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. The Board appointed Nicholas Falla as the Company's senior independent director. John Le Prevost receives an annual fee of £22,000. Nicholas Falla (chairman of the Audit Committee) receives an annual fee of £27,000. The Chairman receives an annual fee of £70,000. Duncan Ford has waived his right to payment of any fee by the Company.

### **Directors' interests in shares**

As at 30 September 2009, Nicholas Falla had invested, directly or indirectly, in 5,000 (30 September 2008: 5,000) Sterling shares of the Company. Duncan Ford had invested, directly or indirectly, in 494,414 (30 September 2008: 100,000) Sterling shares and no (30 September 2008: 151,214) US\$ shares of the Company and John Le Prevost had invested, directly or indirectly, in 1,000 (30 September 2008: 1,000) Sterling shares of the Company.

### **Corporate Governance Statement**

As a closed-ended investment company incorporated in Guernsey, the Company was not in the year under review required to comply with the requirements of the Combined Code on Corporate Governance published by the Financial Reporting Council (the "Code"). However, with effect from 1 October 2008 the Company was required to comply with the UK Financial Services Authority's Transparency Rules DTR7 and in accordance with the requirements of DTR7, the Board of directors has resolved voluntarily to apply the Code. The Code is available for download from the Financial Reporting Council's web-site [www.frc.org.uk](http://www.frc.org.uk).

## DIRECTORS' REPORT (CONTINUED)

The Board meets formally at least four times a year. In addition to these scheduled meetings, the Board has met on an *ad hoc* basis and has consulted the Investment Manager regularly. The Directors are satisfied that they have been kept fully informed of the investment performance, financial and operational controls, and other matters relevant to the business of the Company. The Directors have, where necessary to the furtherance of their duties, taken independent professional advice at the expense of the Company. The risk management systems in relation to the financial reporting process are incorporated by reference in the Management Report on page 23.

The performance of the investments held by the Company over the reporting period and the outlook for the future are described in the Investment Manager's Report. The Company's financial position, its cash flows and liquidity position are set out in the financial statements. Its financial instruments and associated risks, including but not limited to its capital and risk management, and the details of the market, equity price, interest rate, currency, liquidity and credit risks are set out at note 7 to the financial statements.

The attendance record of Directors during the year is set out below.

Meetings attended	Quarterly Board Meetings	Ad hoc Board Meetings	Treasury share Committee Meetings	Conversion Committee Meetings	Audit Committee Meetings	Other Ad hoc Committee Meetings
No. of Meetings Held	4	5	2	11	3	2
Sir Andrew Large	1	1	0	0	1	0
Nicholas Falla	4	5	1	1	3	2
Duncan Ford	4	2	0	0	1	0
Cameron McPhail	3	3	0	0	1	1
John Le Prevost	4	4	1	10	1	0

The focus at Board meetings is a review of investment performance, marketing/investor relations, risk management, general administration and compliance, peer group information and industry issues. Board papers are circulated in advance, allowing Directors the opportunity to add agenda items they consider appropriate for Board discussion. Each Director is required to inform the Board of any potential or actual conflicts of interest prior to Board discussion. The committees of the Board are described later in this Directors' Report.

The Board evaluates its performance and the performance of individual Directors on an annual basis, and believes that the current mix of skills and experience of the Directors are appropriate to the requirements of the Company.

### Directors' Duties and Responsibilities

The Company is a member of the Association of Investment Companies ("AIC") and follows, where applicable, the AIC Code on Corporate Governance. A summary of the Directors' duties according to the AIC Code is set out below:

- Statutory obligations and public disclosure;
- Strategic matters and financial reporting;
- Oversight of management and personnel matters;
- Risk assessment and management, including reporting, monitoring, governance and control; and
- Other matters having a material effect on the Company.

## DIRECTORS' REPORT (CONTINUED)

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### Committees of the Board

The Board has created the committees disclosed below. The Board has not deemed it necessary to appoint a nomination or remuneration committee as, being comprised wholly of non-executive Directors, the whole Board considers these matters.

### The Management Engagement Committee

At the first meeting held on 29 November 2007, it was resolved that the Company would not have a separate Management Engagement Committee but the activities of the Management Committee will be carried out at the meetings of the full Board. The Directors do pay full regard to Conflicts of Interests and will, where appropriate, absent themselves from discussions and decisions where there is the potential for these to exist.

In the opinion of the Directors, no additional benefit could be gained for shareholders by changing the Company's Investment Manager and it is in the interests of shareholders as a whole to retain for the foreseeable future the Investment Manager on the terms agreed.

### Audit Committee

An Audit Committee, with defined terms of reference and duties considers *inter-alia*: (a) annual accounts, (b) auditors reports, and (c) terms of appointment and remuneration for the auditor (including overseeing the independency of the auditor, particularly as it relates to non-audit services). In addition the Audit Committee ensures that the Company maintains high standards of integrity, financial reporting and internal controls. The Board appointed the following as members: Nicholas Falla (Chairman), Dr Cameron McPhail, John Le Prevost and Duncan Ford.

### Treasury Share Committee

At a Board meeting held on 22 May 2008 the Board resolved that any one Guernsey resident director may form a Treasury Share Committee. The Committee is authorised to cancel shares held in treasury if it believes that shares held in treasury are likely to exceed 10% of the issued share capital of the Company.

### Conversion Committee

At a Board meeting held on 11 August 2008 the Board resolved that any one Guernsey resident director may form a Conversion Committee. The Committee is authorised to approve the monthly conversion ratios between share classes and to authorise applications for admission of new shares to any stock exchange the Company's shares are listed on.

### Internal Controls

The Directors review all controls including operations, compliance and risk management and not just internal financial controls and we report as follows.

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. The Board has developed a framework that is designed to identify, evaluate and manage the primary operating risks faced by the Company. The framework specifies an on-going review timetable that ensures at least an annual review of the Company's system of internal controls, including financial, operational, compliance and risk management.

## **DIRECTORS' REPORT (CONTINUED)**

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The Board has delegated to third parties the management of the Company's investment portfolio, the provision of custody services, the administration, registration and corporate secretarial functions (including the independent calculation of the Company's Net Asset Value), and the production of the Annual Financial Report which is independently audited. The Board retains accountability for the functions it delegates and is responsible for the systems of internal control. Formal contractual arrangements have been put in place between the Company and the providers of these services.

Compliance reports are provided at each quarterly Board meeting by the Secretary, Anson Fund Managers Limited.

John Le Prevost has been appointed the Company's Compliance Officer for the purposes of the Netherlands Authority for the Financial Markets.

The Company does not have a separate internal audit facility. All the Company's management and administration functions are delegated to independent third parties and in the Board's opinion there is therefore no need for the Company to have an internal audit function.

### **Corporate Responsibility**

The Company considers with the Investment Manager the ongoing concerns of investors on the basis of open and regular dialogue.

The Company keeps abreast of regulatory and statutory changes and responds as appropriate.

The Board assesses its performance on an annual basis based on the guidelines set out by the AIC and the Combined Code.

### **Relations with Shareholders**

The Investment Manager maintains a regular dialogue with institutional shareholders, the feedback from which is reported to the Board. In addition, the Investment Manager conducts continuous marketing, with the objectives of ensuring that shareholders remain fully informed as to the Company's investment process and performance and marketing the Company to potential investors.

The Board monitors the Company's trading activity on a regular basis and maintains contact with the Company's principal broker. Shareholder sentiment is gauged in part, by reviewing the relative discounts/premiums experienced by the Company's peer group.

The Company reports formally to shareholders four times per year. Additionally, current information is provided to shareholders on an ongoing basis through the Company's website and monthly newsletter. All holders of shares in the Company have the right to attend and vote at the general meetings, during which the Board and the Manager are available to discuss issues affecting the Company. Shareholders may also contact the Directors via the Secretary,

## **DIRECTORS' REPORT (CONTINUED)**

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### **Substantial Shareholdings**

As at the financial year end, the Company has not been notified of any significant holdings of shares in the Company.

As at the financial year end no director had a substantial interest in the Company's share capital.

### **Audit Information**

So far as each of the Directors is aware, there is no relevant audit information of which the Company's auditor is unaware, and each has taken all the steps he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Summary of the Investment Management Agreement**

Pursuant to the Investment Management Agreement dated 10 November 2006 between the Company and Marshall Wace, Marshall Wace has been appointed to manage and invest the investments of the Company in its discretion in pursuit of the Company's investment objective and policy.

The Investment Management Agreement contains provisions under which the Company exempts Marshall Wace from all liabilities and indemnifies Marshall Wace against all liabilities suffered by Marshall Wace in its capacity as investment manager except where due to the negligence, wilful default, fraud of or material breach of the Investment Management Agreement by Marshall Wace. Marshall Wace indemnifies the Company against all liabilities suffered by the Company as a result of negligence, wilful default, fraud of, or material breach of the Investment Management Agreement by, Marshall Wace.

In respect of its appointment as investment manager to the Company under the Investment Management Agreement, Marshall Wace is entitled to receive an investment management fee and a performance fee. No other fees are payable by the Company to Marshall Wace under the Investment Management Agreement save in circumstances where the Company terminates the Investment Management Agreement on less than 24 months' notice without cause, in which case the Company will pay an amount equal to the aggregate investment management fee which would otherwise have been paid to Marshall Wace during the 24 months following the date of such notice (such amount to be calculated by reference to the Net Asset Value of the Company as at the date of termination).

## **DIRECTORS' REPORT (CONTINUED)**

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### **Statement of Directors' Responsibility**

The Directors are responsible for the preparation of financial statements for each financial year which give a true and fair view of the Company's state of affairs as at the end of the year and the results of operations for the year then ended.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them on a consistent basis;
- make judgments and estimates that are reasonable and prudent; and,
- prepare the financial statements on the going concern basis unless it is not appropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008 (as amended). They are also responsible for the system of internal controls for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditor**

Ernst and Young LLP has expressed its willingness to continue in office as auditor. A resolution proposing its reappointment will be submitted at the forthcoming General Meeting to be held pursuant to Section 199 of The Companies (Guernsey) Law, 2008 (as amended).

By order of the Board

Cameron McPhail  
Chairman

Nicholas Falla  
Director

28 January 2010



## MANAGEMENT REPORT

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A description of important events which have occurred during the financial year and their impact on the performance of the Company as shown in the financial statements and uncertainties facing the Company is given in the Investment Manager's Report on pages 11 to 15 and is incorporated here by reference. A description of the principal risks and uncertainties facing the Company is given at note 7 to the financial statements.

Details of all related party transactions are given in note 10 to the financial statements.

### Going Concern

The Board considers that the Company is a going concern and on the expectation of the Directors that the Company will continue for the foreseeable future, the financial statements have been prepared on a going concern basis.

The Board conducts a rigorous and proportionate assessment of the Company's operational and financial risk with particular reference to:

- cash flow requirements;
- liquidity requirements;
- the liquidity of the underlying sub-trusts;
- the Company's debt position, which is currently debt free; and
- the continuing viability of the Company on a reduced net asset value and cost base.

The Company no longer has an automatic cash exit/buy back facility, and a cash exit remains at the discretion of the Directors to make such an offer. The Directors have no immediate plans to make a cash exit offer.

The only financial commitments of the Company are its ongoing fees and expenses stated in note 6 to the financial statements. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The Directors 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) the Management Report includes or incorporates by reference a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face.

John Le Prevost  
Director

Nicholas Falla  
Director

28 January 2010

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MW TOPS LIMITED**

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We have audited the Company's financial statements for the year ended 30 September 2009 which comprise the Balance Sheet, the Income Statement, the Statement of Changes in Net Assets Attributable to Participating shares, the Cash Flow Statement and the related Notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The Directors are responsible for the preparation of the financial statements in accordance with applicable Guernsey law as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with The Companies (Guernsey) Law, 2008. We also report to you if, in our opinion, the Company has not kept proper accounting records, if the financial statements are not in agreement with the accounting records, or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Background to the Company, Financial Highlights, Chairman's Statement, Background to the Investment Manager, Investment Manager's Report, Directors, Directors' Report, Management Report, and Company Information. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF MW TOPS LIMITED (CONTINUED)**

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**Opinion**

In our opinion the financial statements give a true and fair view, in accordance with International Financial Reporting Standards, of the state of the Company's affairs as at 30 September 2009 and of its loss for the year then ended and have been properly prepared in accordance with The Companies (Guernsey) Law, 2008.

Ernst & Young LLP

Guernsey

January 2010

# MW TOPS Limited (the “Company”)

## BALANCE SHEET

As at 30 September 2009

	Notes	2009 €	2008 €
<b>Assets</b>			
Cash and cash equivalents		16,572	1,916,196
Financial assets at fair value through profit or loss	4	156,894,633	1,063,305,461
Trade and other receivables		29,523	136,001
Total assets		156,940,728	1,065,357,658
<b>Liabilities</b>			
Financial liabilities at fair value through profit or loss	4	3,372,891	-
Investment management fee	6	255,693	1,560,590
Administration fees	6	9,820	10,240
Trade and other payables		147,147	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		3,785,551	130,572,198
Net Assets		153,155,177	934,785,460
<b>Net Assets Attributable to:</b>			
<b>Management shares</b>			
Share capital	9	2	2
<b>Participating shares</b>			
Other distributable reserves		317,237,909	1,060,039,850
Retained earnings		(164,082,734)	(125,254,392)
		153,155,177	934,785,460
	<b>Net Asset Value per share 30 Sept 2009</b>	<b>Number of shares in issue 30 Sep 2009</b>	<b>Net Asset Value 30 Sept 2009</b>
Euro Class Participating shares	€10.31	5,678,426	€58,541,594
Sterling Class Participating shares	£10.43	7,300,798	£76,174,104
US\$ Class Participating shares	\$10.17	1,618,575	\$16,467,763
Management shares	€1.00	2	€2
	<b>Net Asset Value per share 30 Sept 2008</b>	<b>Number of shares in issue 30 Sep 2008</b>	<b>Net Asset Value 30 Sept 2008</b>
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 on pages 26 to 57 were approved by the Board of Directors on 28 January 2010 and signed on its behalf by:

John Le Prevost  
Director

Nicholas Falla  
Director

See notes to the financial statements.

# MW TOPS Limited (the “Company”)

## INCOME STATEMENT

For the year ended 30 September 2009

	Note	2009 €	2008 €
<b>Investment income</b>			
Interest income		969,378	829,351
Net realised (loss)/gain on financial assets at fair value through profit or loss	4	(43,404,616)	50,309,110
Net realised gain/(loss) on foreign exchange	4	1,713,417	(91,029,868)
Net unrealised gain/(loss) on financial assets at fair value through profit or loss	4	30,619,599	(171,781,444)
Net unrealised (loss)/gain on foreign exchange	4	(20,158,547)	40,014,221
Total investment losses		(30,260,769)	(171,658,630)
<b>Expenses</b>			
Investment management fees	6	7,381,874	25,979,820
Other expenses	6	495,621	1,025,233
Interest expense		236,034	3,707,799
Directors' fees		140,299	202,888
Administration fees	6	113,242	184,233
Audit fees		86,143	63,205
Legal fees		71,134	172,576
Custodian fees		43,226	205,547
Total expenses		8,567,573	31,541,301
Net result attributable to participating shares		(38,828,342)	(203,199,931)
<b>Basic and Diluted earnings per share</b>			
		<b>2009</b>	<b>2008</b>
Euro Class Participating shares	5	€(0.50)	€(1.10)
Sterling Class Participating shares	5	£(3.27)	£(2.60)
US\$ Class Participating shares	5	\$1.77	\$(1.60)
Management shares		€0.00	€0.00

See notes to the financial statements.

# MW TOPS Limited (the “Company”)

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

For the year ended 30 September 2009

	Share Capital €	Other distributable Reserves €	Retained Earnings €	Total €
<b>EURO CLASS</b>				
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	-	68,453,795	-	68,453,795
Redemptions	-	(423,489,957)	-	(423,489,957)
Loss	-	-	(9,667,409)	(9,667,409)
Balance at 30 September 2009	2	77,677,929	(19,136,337)	58,541,594
<b>STERLING CLASS</b>				
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	-	45,202,734	-	45,202,734
Redemptions	-	(170,737,231)	-	(170,737,231)
Loss	-	-	(41,272,732)	(41,272,732)
Balance at 30 September 2009	-	215,193,123	(131,845,635)	83,347,488
<b>US\$ CLASS</b>				
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	-	(113,656,701)	-	(113,656,701)
Redemptions	-	(120,937,989)	-	(120,937,989)
Profit	-	-	12,111,799	12,111,799
Balance at 30 September 2009	-	24,366,857	(13,100,762)	11,266,095
<b>TOTAL</b>				
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	-	(172)	-	(172)
Redemptions	-	(715,165,177)	-	(715,165,177)
Loss	-	-	(38,828,342)	(38,828,342)
Balance at 30 September 2009	2	317,237,909	(164,082,734)	153,155,177

See notes to the financial statements.

# MW TOPS Limited (the “Company”)

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO PARTICIPATING SHARES (continued) For the year ended 30 September 2008

	Share Capital €	Other distributable Reserves €	Retained Earnings €	Total €
<b>EURO CLASS</b>				
Balance at 1 October 2007	2	831,247,362	65,835,603	897,082,967
Buy-back of shares	-	(261,502,966)	-	(261,502,966)
Conversion of shares	-	(125,839,276)	-	(125,839,276)
Loss	-	-	(75,304,531)	(75,304,531)
Balance at 30 September 2008	2	443,905,120	(9,468,928)	434,436,194
<b>STERLING CLASS</b>				
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	-	(114,031,272)	-	(114,031,272)
Conversion of shares	-	184,720	-	184,720
Loss	-	-	(101,128,799)	(101,128,799)
Balance at 30 September 2008	-	349,893,933	(90,572,903)	259,321,030
<b>US\$ CLASS</b>				
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	-	(51,006,508)	-	(51,006,508)
Conversion of shares	-	125,656,030	-	125,656,030
Loss	-	-	(26,766,601)	(26,766,601)
Balance at 30 September 2008	-	266,240,797	(25,212,561)	241,028,236
<b>TOTAL</b>				
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	-	(426,540,746)	-	(426,540,746)
Conversion of shares	-	1,474	-	1,474
Loss	-	-	(203,199,931)	(203,199,931)
Balance at 30 September 2008	2	1,060,039,850	(125,254,392)	934,785,460

See notes to the financial statements.

# MW TOPS Limited (the “Company”)

## CASH FLOW STATEMENT

For the year ended 30 September 2009

	2009 €	2008 €
<b>Cash flows from operating activities</b>		
Net result attributable to participating shares	(38,828,342)	(203,199,931)
<b>Adjustments to reconcile loss from ordinary activities to net cash used in operating activities:</b>		
Decrease in trade and other receivables	106,478	60,862
(Decrease)/increase in interest payable	(3,704,288)	3,704,288
Decrease in management fee payable	(1,304,897)	(1,093,331)
Decrease in administration fee payable	(420)	(3,217)
(Decrease)/increase in trade and other payables	(165,314)	178,158
Decrease in performance fee payable	-	(25,283,501)
Less movement in unrealised (gain)/loss on investments at fair value through profit or loss	(30,619,599)	171,781,444
Less unrealised (loss)/gain on forward foreign exchange	20,325,210	(40,180,265)
Less realised (loss)/gain on investments	43,404,616	(50,309,110)
<b>Net cash outflow from operating activities</b>	<b>(10,786,556)</b>	<b>(144,344,603)</b>
<b>Cash flows from investing activities:</b>		
Purchase of investments in financial assets	(314,144,993)	(155,881,761)
Sale of investments in financial assets	1,190,818,485	594,299,561
<b>Net cash inflow from investing activities</b>	<b>876,673,492</b>	<b>438,417,800</b>
<b>Cash flows from financing activities:</b>		
Sell-back of shares	-	121,056
Buy-back of share	(57,621,211)	(396,556,127)
Conversion of shares	(172)	1,474
Redemptions	(715,165,177)	-
Loan payable	(95,000,000)	95,000,000
<b>Net cash outflow from financing activities:</b>	<b>(867,786,560)</b>	<b>(301,433,597)</b>
Net decrease in cash and cash equivalents	(1,899,624)	(7,360,400)
Cash and cash equivalents at beginning of year	1,916,196	9,276,596
Cash and cash equivalents at end of year	16,572	1,916,196
<b>Supplementary cash flow information:</b>		
Cash received for interest	969,370	834,413
Cash paid for interest	3,940,322	3,511

See notes to the financial statements.



# MW TOPS Limited (the “Company”)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2009

### **1 ORGANISATION**

MW TOPS Limited 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. At the financial year end the Company invested substantially all of its assets in the following Sub-Trusts of the Marshall Wace TOPS Trust (the “Master Fund”): Sub-Trust H (Balanced Europe), Sub-Trust European TOPS and Sub-Trust N (Market Neutral), an umbrella unit trust established in the Cayman Islands on 11 October 2004. Sub-Trust H, Sub-Trust European TOPS 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 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 the share capital paid up on them.

The Company’s investment objective is to provide via the Master Fund 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 objective.

### **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, 2008.

## MW TOPS Limited (the “Company”)

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2009

#### **2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

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 First time adoption of International Financial Reporting Standards – cost of an investment in a subsidiary, jointly controlled entity or associate (amendments).* Effective for annual periods beginning on or after 1 January 2009.

*IFRS 1 First time adoption of International Financial Reporting Standards – additional exemptions for first-time adopters.* Effective for annual periods beginning on or after 1 January 2010.

*IFRS 2 (revised 2008) Share-based Payment.* Effective for annual periods beginning on or after 1 January 2009.

*IFRS 2 Share-based payments-group cash-settled share-based payment transactions.* Effective for annual periods beginning on or after 1 January 2010.

*IFRS 3 (revised 2008) Business Combinations.* Effective for annual periods beginning on or after 1 July 2009.

*IFRS 7 (revised March 2009) Financial Instruments: Disclosures.* Effective for annual periods beginning on or after 1 January 2009.

*IFRS 8 Operating segments.* Effective for annual periods beginning on or after 1 January 2009.

*IAS 1 (revised 2007) Presentation of Financial Statements.* Effective for annual periods beginning on or after 1 January 2009.

## MW TOPS Limited (the “Company”)

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2009

#### **2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

IAS 23 (revised 2007) *Borrowing costs*. Effective for borrowing costs relating to qualifying assets for which the commencement date of capitalisation is on or after 1 January 2009.

IAS 27 (revised 2008) *Consolidated and Separate Financial Statements*. Effective for annual periods beginning on or after 1 January 2009.

IAS 27 (amendment) *Consolidated and Separate Financial Statements*. Effective for annual periods beginning on or after 1 July 2009.

IAS 32 (revised 2008) *Financial Instruments: Presentation*. Effective for annual periods beginning on or after 1 January 2009.

IAS 39 (revised July 2008) *Financial Instruments: Recognition and Measurement*. Effective for annual periods beginning on or after 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.

## MW TOPS Limited (the “Company”)

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 September 2009

#### **2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

###### **(i) Classification**

The Company designates its financial assets and liabilities, except loans payable, 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:

###### **Financial instruments at fair value through profit or loss**

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 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.

## MW TOPS Limited (the “Company”)

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2009

#### **2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

###### **(iii) Subsequent measurement**

After initial measurement, the Company measures financial instruments which are classified as 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 cost using the effective interest method.

##### **(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.

## MW TOPS Limited (the “Company”)

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 September 2009

#### **2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **(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 year end. Share capital is valued at historic cost. Transactions during the year 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. Fluctuations in the value of foreign currency hedging instruments 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.

## MW TOPS Limited (the “Company”)

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2009

#### **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 at the 2013 and every seventh subsequent annual general meeting.

#### **3      SHARE BUY-BACK PAYABLE**

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

# MW TOPS Limited (the “Company”)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 September 2009

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

	Cost €	Appreciation / (Depreciation) €	2009 Fair Value €
<b>Financial assets at fair value through profit or loss</b>			
Hedge funds	147,762,603	9,132,030	156,894,633
Total held for trading	147,762,603	9,132,030	156,894,633

	Cost €	Depreciation €	2008 Fair Value €
<b>Financial assets at fair value through profit or loss</b>			
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

	2009 €	Net Assets %
<b>Schedule of investments</b>		
(Investment in Sub-Trusts divided by net assets of the Company)		
Marshall Wace TOPS Trust		
Marshall Wace TOPS Sub-Trust H	15,682,881	10.24%
Marshall Wace Sub Trust European TOPS	110,950,487	72.44%
Marshall Wace TOPS Sub-Trust N	30,261,265	19.76%
Total investment in Marshall Wace TOPS Trust	156,894,633	102.44%

	2008 €	Net Assets %
<b>Schedule of investments</b>		
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%



# MW TOPS Limited (the "Company")

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2009

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

	2009 €	2008 €
<b>Net loss on foreign exchange and financial assets at fair value through profit or loss</b>		
Net realised (loss)/gain on financial assets at fair value through profit or loss	(43,404,616)	50,309,110
Net realised gain/(loss) on foreign exchange	1,713,417	(91,029,868)
Net unrealised gain/(loss) on financial assets at fair value through profit or loss	30,619,599	(171,781,444)
Net unrealised (loss)/gain on foreign exchange	(20,158,547)	40,014,221
	<u>(31,230,147)</u>	<u>(172,487,981)</u>
	<b>2009 Fair Value €</b>	<b>2008 Fair Value €</b>
<b>Financial liabilities at fair value through profit or loss</b>		
Forward contracts	<u>(3,372,891)</u>	<u>-</u>
Total held for trading	<u>(3,372,891)</u>	<u>-</u>

### 5 BASIC EARNINGS PER SHARE

The basic earnings per each class of share is based on the net (loss)/gain for the year of loss £37,720,553 (2008: loss £79,694,752) and 11,538,744 (2008: 30,677,069) shares in the Sterling share class, €9,667,409 loss (2008: loss €75,304,531) and 19,482,572 (2008: 68,537,502) shares in the Euro share class and \$17,703,938 gain (2008: loss \$37,597,760) and 10,020,618 (2008: 23,507,310) shares in the US\$ share class, each being the weighted average number of shares of each class in issue during the year. 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, the liquidity enhancement programme and the cash exit offer during the year.

## MW TOPS Limited (the “Company”)

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 September 2009

#### **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 year amounted to €7,381,874 (2008: €25,979,820), of which €255,693 (2008: €1,560,590) were payable at 30 September 2009.

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 paid for the year amounted to €79,672 (2008: €100,275) of which €Nil (2008: €70,328) was payable at 30 September 2009.

##### **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”).

## MW TOPS Limited (the “Company”)

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 September 2009

#### **6 FEES AND EXPENSES (continued)**

##### **Performance fee (continued)**

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. Performance fees charged for the year amount to €Nil (2008: €Nil).

##### **Administrator and secretary**

The Administrator is paid an annual fee of approximately £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 €77,242 (2008: €102,103) of which €3,820 (2008: €7,240) was outstanding at the year 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 year amounted to €36,000 (2008: €36,000) of which €6,000 (2008: €3,000) was outstanding at the year end.

## MW TOPS Limited (the “Company”)

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 September 2009

#### **6 FEES AND EXPENSES (continued)**

##### **Operating expenses**

The Company is responsible for all other normal operating expenses, including audit, legal and regulatory 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.

As mentioned above, the Company invests substantially all of its assets in the units of three Sub-Trusts of the Master Fund namely Sub-Trust H (Balanced Europe), Sub-Trust European TOPS 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 the Master Fund. 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

## MW TOPS Limited (the “Company”)

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2009

#### **7 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**

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

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.

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 is normal to expect that actual losses (or gains) will have exceeded those calculated by the Investment Manager VaR models on more occasions than predicted.

## MW TOPS Limited (the “Company”)

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 September 2009

#### 7 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

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

Estimated VaR for each of the Sub-Trusts as at 30 September 2009 and 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.

	2009	2008
Sub-Trust European TOPS	5.71%	N/A
Sub-Trust H (Balanced Europe)	4.18%	N/A
Sub-Trust C (Opportunistic-Hedged)	5.05%	3.20%
Sub-Trust D (Fundamental-Hedged)	4.49%	2.60%
Sub-Trust N (Market Neutral)	2.08%	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.

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.

## MW TOPS Limited (the “Company”)

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2009

#### **7 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**

##### **Market risk (continued)**

The Investment Manager rebalances the holdings in the Sub-Trusts on an ad-hoc basis as deemed necessary. This was carried out twice in the accounting period under review. For the period 1 June to 31 July 2009 the ratio was set at 35% Sub-Trust A, 35% Sub-Trust B, 10% Sub-Trust H and 20% Sub-Trust N. A further rebalancing was carried out, and with effect from 1 August 2009 the ratio was set at 10% Sub-Trust H, 70% Sub-Trust European TOPS and 20% Sub-Trust N.

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 nor 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.

## MW TOPS Limited (the “Company”)

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2009

#### **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.



# MW TOPS Limited (the “Company”)

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2009

### 7 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

#### Currency risk (continued)

##### Concentration of direct currency exposure

2009	€	£	\$	Total
Assets	156,930,007	2,713	8,008	156,940,728
Liabilities	(3,785,551)	-	-	(3,785,551)
Net Assets	153,144,456	2,713	8,008	153,155,177
Effect of Forwards Foreign Exchange Contracts	(94,771,404)	83,487,767	11,283,637	-
Net exposure	58,373,052	83,490,480	11,291,645	153,155,177
2008	€	£	\$	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.

#### 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 through redemption in the Master Fund.

## MW TOPS Limited (the “Company”)

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 September 2009

#### **7 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**

##### **Liquidity risk (continued)**

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 30 September 2009 and 2008 were due to settle within one month.

Forward foreign exchange contracts are settled net, the net amounts receivable / (payable) at 30 September 2009 was €(3,372,891) payable (2008: €16,952,319 receivable). The gross amounts receivable and payable are disclosed in Note 8.

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

## MW TOPS Limited (the “Company”)

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2009

#### **7 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**

##### **Liquidity risk (continued)**

Fund, may adversely impact the value of its investments as well as the value of the shares. Shareholders could therefore also be adversely affected.

##### **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 30 September 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\$Nil and £Nil (30 September 2008: US\$152,490,000 and £91,920,000), Sub-Trust D US\$Nil and £Nil (30 September 2008: US\$152,490,000 and £91,920,000), Sub-Trust N US\$3,298,700 and £15,260,500 (30 September 2008: US\$33,890,000 and £20,430,000), Sub-Trust H US\$1,649,300 and £7,630,300 (30 September 2008: US\$Nil and £Nil) and Sub-Trust European TOPS US\$11,545,400 and £53,411,800 (30 September 2008: US\$Nil and £Nil).

## MW TOPS Limited (the “Company”)

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2009

#### **7 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**

##### **Credit risk (continued)**

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 Investment Manager's 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 €153,155,177 (2008: €934,785,460) and short-term debt of €Nil (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 forward contracts.

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

# MW TOPS Limited (the “Company”)

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2009

### 8 DERIVATIVE CONTRACTS (continued)

As of 30 September 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 Gain / (Loss) €
GBP	76,302,600	EUR	(86,651,117)	1 Oct 09	(3,163,350)
USD	16,493,400	EUR	(11,493,178)	1 Oct 09	(209,541)
					<u>(3,372,891)</u>

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
					<u>16,952,319</u>

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/year 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 14,597,799 (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.

## MW TOPS Limited (the “Company”)

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2009

#### **9 SHARE CAPITAL (continued)**

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 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.

## MW TOPS Limited (the “Company”)

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2009

#### **9 SHARE CAPITAL (continued)**

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 have 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.

At an extraordinary general meeting of all shareholders on 8 January 2009, shareholders voted in favour of the following resolutions amending the Articles to effect the following:

1. to delete the Discount Management Provisions of the Company and 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; and
2. 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 Board's opinion, ceases to be viable.

# MW TOPS Limited (the “Company”)

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2009

### 9 SHARE CAPITAL (continued)

Share capital transactions in the Company's shares for the year ended 30 September 2009, were as follows:

	Number of shares	Treasury shares
<b>Euro Class shares</b>		
Balance outstanding at the beginning of the year	45,789,776	4,624,620
Shares bought back	(1,275,899)	1,275,899
Shares converted	7,693,726	-
Share redemption and cancellation	(46,529,177)	-
Shares cancelled	-	(5,300,919)
Balance outstanding at the end of the year	5,678,426	599,600

	Number of shares	Treasury shares
<b>Sterling Class shares</b>		
Balance outstanding at the beginning of the year	21,302,908	2,167,420
Shares bought back	(811,359)	811,359
Shares converted	4,146,712	-
Share redemption and cancellation	(17,337,463)	-
Shares cancelled	-	(2,408,879)
Balance outstanding at the end of the year	7,300,798	569,900

	Number of shares	Treasury shares
<b>US\$ Class shares</b>		
Balance outstanding at the beginning of the year	36,117,560	1,949,395
Shares bought back	(1,129,245)	1,129,245
Shares converted	(16,141,569)	-
Share redemption and cancellation	(17,228,171)	-
Shares cancelled	-	(2,928,640)
Balance outstanding at the end of the year	1,618,575	150,000



# MW TOPS Limited (the “Company”)

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2009

### 9 SHARE CAPITAL (continued)

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

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

	<b>Number of shares</b>	<b>Treasury shares</b>
<b>Sterling Class shares</b>		
Balance outstanding at the beginning of the year	30,868,827	-
Shares sold back	6,823	-
Shares bought back	(8,961,599)	-
Shares converted	(611,143)	-
Shares held in treasury	-	8,954,776
Shares cancelled	-	(6,787,356)
	<hr/>	<hr/>
Balance outstanding at the end of the year	21,302,908	2,167,420

	<b>Number of shares</b>	<b>Treasury shares</b>
<b>US\$ Class shares</b>		
Balance outstanding at the beginning of the year	25,629,883	1,562,946
Shares sold back	2,600	-
Shares bought back	(7,605,302)	-
Shares converted	180,090,379	-
Shares held in treasury	-	7,602,702
Shares cancelled	-	(7,216,253)
	<hr/>	<hr/>
Balance outstanding at the end of the year	36,117,560	1,949,395

## MW TOPS Limited (the “Company”)

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2009

#### **10 RELATED PARTIES**

The members of the Board of Directors are shown on page 16 of the annual financial report.

John Le Prevost receives an annual fee of £22,000. Nicholas Falla (as chairman of the Audit Committee) receives an annual fee of £27,000. The Chairman receives an annual fee of £70,000. Duncan Ford has waived his right to payment of any fee by the Company.

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 year amounted to £119,000 (2008: £141,000) with £2,745 (2008: £4,851) payable at year end.

Duncan Ford is a partner of Marshall Wace LLP, the Investment Manager. During this year management fees of €7,381,874 (2008: €25,979,820) have been earned by Marshall Wace LLP, of which €255,693 (2008: €1,560,590) were payable at 30 September 2009.

John R Le Prevost is a director and controller of Anson Fund Managers Limited, the Company's Administrator and Secretary, and Anson Registrars Limited the Company's Registrar. Administrator fees charged for the period amounted to €77,242 (2008: €102,103)

As at 30 September 2009, Nicholas Falla had invested, directly or indirectly, in 5,000 (30 September 2008: 5,000) Sterling shares of the Company. Duncan Ford had invested, directly or indirectly, in 494,414 (30 September 2008: 100,000) Sterling shares and no (30 September 2008: 151,214) US\$ shares of the Company and John Le Prevost had invested, directly or indirectly, in 1,000 (30 September 2008: 1,000) Sterling shares of the Company.

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

## MW TOPS Limited (the “Company”)

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 September 2009

#### **10 RELATED PARTIES (continued)**

Principals of Marshall Wace LLP, the Investment Manager, have collectively invested directly, or indirectly, in Nil 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).

As at 30 September 2009, the Company held 6.6% of Sub-Trust N (Market Neutral), 60.4% of Sub Trust European TOPS and 9.0% of Sub-Trust H (Balanced Europe). These Sub-Trusts are managed by Marshall Wace LLP and are deemed related parties in accordance with IAS 24 Related Party Disclosures. 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 30 September 2009.

MW TOPS Limited (the “Company”)  
Registered in Guernsey No. 45728

**COMPANY INFORMATION**

<b>Directors</b>	Cameron McPhail Nicholas Falla Duncan Ford John Le Prevost Sir Andrew Large (resigned 25 February 2009)
<b>Investment Manager</b>	Marshall Wace LLP The Adelphi 1/11 John Adam Street London WC2N 6HT United Kingdom
<b>Registered Office</b>	Anson Place Mill Court La Charroterie St Peter Port Guernsey GY1 1EJ
<b>Registrar</b>	Anson Registrars Limited PO Box 426 Anson Place Mill Court La Charroterie St Peter Port Guernsey GY1 3WX
<b>Administrator and Secretary</b>	Anson Fund Managers Limited PO Box 405 Anson Place Mill Court La Charroterie St Peter Port Guernsey GY1 3GF
<b>Sub-Administrator</b>	Citi Hedge Fund Services (Ireland) Limited 1 George's Quay Plaza Dublin 2 Ireland
<b>Principal Bankers</b>	Royal Bank of Scotland International Limited Royal Bank Place 1 Gategny Esplanade St Peter Port Guernsey GY1 4BQ
<b>Auditors</b>	Ernst & Young LLP Royal Chambers St Julian's Avenue St Peter Port Guernsey GY1 4AF
<b>Paying Agent</b>	Kas Bank PO Box 24001 1000 C N Amsterdam The Netherlands

<b>Solicitors</b>	(as to English law) Herbert Smith LLP Exchange House Primrose Street London EC2A 2HS
<b>Advocates</b>	(as to Guernsey law) Carey Olsen 7 New Street St Peter Port Guernsey GY1 4BZ
<b>Legal Advisers</b>	(as to Netherlands law) Stibbe N V Stibbertoren Strawinsylaan 2001 1077 ZZ Amsterdam The Netherlands
<b>Corporate Broker</b>	RBS Hoare Govett Limited 250 Bishopsgate London EC2M 4AA

Further information regarding the Company can be found on its website at: [www.mwtops.eu](http://www.mwtops.eu).