

## MW TOPS Limited

### MW TOPS Ltd Assets Under Management (AUM)

€ 1,383,187,065

MW TOPS Ltd Performance	January 2008 NAV	January 2008 Return	% Performance Since Inception (Net) <sup>1</sup>	31 January 2008 Share Price	Total Number of Shares in Issue <sup>2</sup>
Confirmed Euro NAV	10.34	-3.63%	3.38%	9.65	76,318,947
Confirmed USD NAV	10.46	-3.43%	4.64%	9.90	21,434,636
Confirmed GBP NAV	10.46	-3.52%	4.62%	10.05	31,517,738

<sup>1</sup> Based on an opening NAV of 10.00 and includes issuance costs of approximately 1% of NAV. Trading in the fund began on 13 December 2006

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

Holdings	Unit Price <sup>1</sup>	Units held by MW TOPS Ltd	Value of Units Held
TOPS Sub-trust C (Opportunistic-hedged)	172.03	4,309,187	€ 741,307,710.60
TOPS Sub-trust D (Fundamental-hedged)	160.03	4,556,005	€ 729,087,701.80

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

Note: The above data is confirmed as at 31 January 2008

### MW TOPS Ltd Performance Since Launch

Since the launch of MW TOPS Limited on the 8 December 2006, the NAV per share of the Euro share class has risen by +3.38% while the US Dollar and Sterling share classes have risen +4.64% and +4.62% respectively. This is against the background of a -3.48% fall in the European equity market (as measured by the MSCI AC Daily TR Net Europe Local Index).

The underlying stock alpha since launch, achieved by the European TOPS sub-strategies Sub-trust C (Opportunistic-hedged) and Sub-trust D (Fundamental-hedged), adjusted for net market exposure, is therefore 9.99% gross and 7.78% gross respectively. Underlying markets have of course been disappointing and therefore the return attributable to market exposure has been negative, weighing on the overall returns of the vehicle.

The investment performance of the European TOPS strategies is made up of three components: beta, stock alpha and market timing alpha. The contribution of beta will vary over time, but over a market cycle we expect it to make a meaningful positive contribution. Stock alpha should be, and has been, more consistent, and has performed broadly in line with expectations since launch.

Market timing alpha should make a gradual contribution over a market cycle and we have seen a positive contribution over the past 14 months. In particular, we have seen a significantly lower market exposure over the past 3 months, when markets have been falling, than in the first 9 months, when they were in positive territory.

### Share Price Performance - London Listing

In contrast to the underlying NAV, the share price performance has been a source of frustration, particularly in recent weeks.

In terms of discount to NAV, the shares performed broadly in line with the sector during 2007 (source: UBS). However, the discount has widened at the beginning of 2008 to levels which we regard as unacceptable. To the extent that this can be attributed to a misunderstanding of the performance characteristics of the vehicle, we shall seek to address investor concerns.

We shall also be taking broader measures to address the discount. Specifically, the Company has recently announced its intention to seek a dual listing on the London Stock Exchange, which should generate new demand for the shares and also align the listing more accurately with the geographical share ownership.

### Allocation to Market Neutral TOPS

Following the launch of Market Neutral TOPS on 1 November 2007, the Investment Manager has decided to allocate ca. 10% of the assets of MW TOPS Limited to this new strategy. Market Neutral TOPS is an evolution of the Balanced TOPS strategy, which operated within the European TOPS applications for the 13 month period, 1 October 2006 - 31 October 2007, with an average gross capital allocation of ca. 7%. Market Neutral TOPS employs new optimisation techniques and higher gross gearing (ca. 400%) to target double digit net returns without any dependence on market direction. The strategy's return profile has minimal correlation to both European TOPS and equity markets and therefore its inclusion within MW TOPS Limited brings differentiated benefits and enhances the risk-adjusted returns.

## European TOPS - Strategy Commentary from the Investment Manager

At times of stress, we are often asked to explain the dynamics influencing the behaviour of the TOPS portfolios. Whilst investors often focus on the net and gross exposures, the impact of compositional effects thus far (and notably during the last 7 months) have tended to outweigh the impact of directional changes. As dispersion (and volatility) rise, we have benefited from sizeable short alpha from contributor ideas and from a greater ability to generate returns through the speedy manipulation of sector exposure. During January, the strategies generated positive alpha of +1.79% in Sub-trust C (Opportunistic-hedged) and +1.13% in Sub-trust D (Fundamental-hedged), driven equally by stock selection and by sector (and country) selection. This highlights an important characteristic of TOPS - alpha generation is a more reliable driver of return than beta management at times of market inflection. This reality has led us to progressively increase the alpha-rich components within the strategies at the expense of the latent beta which resides, to varying degrees, around the world. Likewise, our launch of the Market Neutral TOPS strategy is a logical consequence of investing in these alpha extraction techniques.

As a corollary, it is all too easy (and logical, one could argue) to bemoan the impact of beta and to deny its importance in the portfolio construction process. However, throughout the history of the TOPS strategy (dating back to 2001), the ability of contributors to 'hug' the market (on both the upside and downside) has had a meaningfully positive impact for our investors, albeit over the market cycle. As such, the net market exposure band targeted for the underlying strategies (ie. -20% to +60%) are self imposed limits to highlight the flexibility in our process and to curtail excesses where necessary.

In the context of this narrative, the net market exposure is determined by the interaction of contributor inputs with our optimisation process and during the month of January portfolio net market exposure fell by roughly 10% to 47% from a high of 63.06% in May 07. There are three factors driving this: contributors are progressively becoming more bearish as evidenced by the increased number of short ideas received during January. Secondly, in terms of our volatility framework, our net exposure may be hedged at times of excessive volatility (both realised and predicted) as dictated by reference to the 6-8% volatility target for the portfolio. Thirdly, in terms of our market neutral allocation, we continue to see this grow which serves to reduce naked elements of market risk.

In conjunction with this process, there are several forces competing to determine the gross exposure of the underlying strategies:

Firstly, challenging market conditions will broadly see levels of contributor activity (and hence portfolio turnover) rise, while the number of names within their virtual portfolios will fall, tending to lower gross. This is the 'automatic stabiliser' within the behavioural patterns of the contributors. Secondly, our deployment of hedge instruments to maintain the strategies within their prescribed volatility bands will generally lead to a rise in gross exposure (in headline terms). Finally, continued allocations to market neutral strategies will tend to push the gross higher.

These dynamics, which determine net and gross exposures, combined with the evolving composition of our underlying portfolio serve to reduce risk and to restrict draw-downs in a very efficient manner.

## European TOPS Strategy Performance - January 2007

The European market fell -11.67% as measured by the MSCI Europe\* during January. This was the largest recorded drop since September 2002. Amidst this environment, the TOPS strategies benefited from relatively conservative risk levels on entering the month and from the rapid response of contributors to the changing market environment. These factors, combined with the optimisation and portfolio construction techniques, resulted in a satisfactory month for the European TOPS strategies delivering positive alpha of +1.79% in Sub-trust C (Opportunistic-hedged) and +1.13% in Sub-trust D (Fundamental-hedged). The overall net return per share of MW TOPS Limited was -3.63% (Euro NAV)

Concerns regarding the possibility of a US recession rapidly evolved into an analysis of the consequences of negative growth for the global economy. These fears, combined with the increasing problems within the credit markets and concerns over the monoline insurers led to an emergency intra meeting 75bps Fed rate cut, on 22 January, followed by a further 50bps cut on the 30 January.

By mid-month the portfolio held a flat position across the Financials (albeit with significant gross exposure to the sector) and this situation remains. Another incremental theme was profit taking in the Oil & Gas names, broadly in favour of a greater weighting toward Utilities. These compositional changes were accompanied by a general reduction in the overall portfolio net market exposures as contributors continued to add new short names to their virtual portfolios. Activity levels were high as the TOPS contributors took advantage of market dislocations to capture intra-day and shorter-term opportunities. This was particularly the case in the Opportunistic TOPS strategy.

Across the two European TOPS hedged portfolios (Sub-trust C and Sub-trust D), the number of stock shorts continue to rise and averaged 619 during January. During the month the short book produced a gross return of +11.75% on short capital compared to a gross loss of -10.25% on long capital.

Sector hedges, both long and short, as well as negative net exposure in Chemicals and Consumer Durables and good stock picking in Food & Beverage drove performance in January. Utilities, Industrials, and Financials detracted the most from gains.

Short positions in Deutsche Bank and Societe Generale generated significant returns this month as well as long exposure to M&A names such as Xstrata. Conversely, long positions in Continental AG, easyJet and Siemens detracted from returns.

The European Emerging Markets sub-strategy, which forms ca. 3.5% of the capital allocated within MW TOPS Limited, was penalised from its exposure to Russia and Turkey, particularly in Financials and Oil & Gas stocks. Losses in Gazprom, Unified Energy and Lukoil holdings detracted from returns despite notable stock specific performance from short positions in CEZ in the Czech Republic, Sanlam in South Africa, and long exposure to Anglo Platinum that benefited from structural shortages in electricity in South Africa.

\*MSCI AC Daily TR Net Europe Local Index



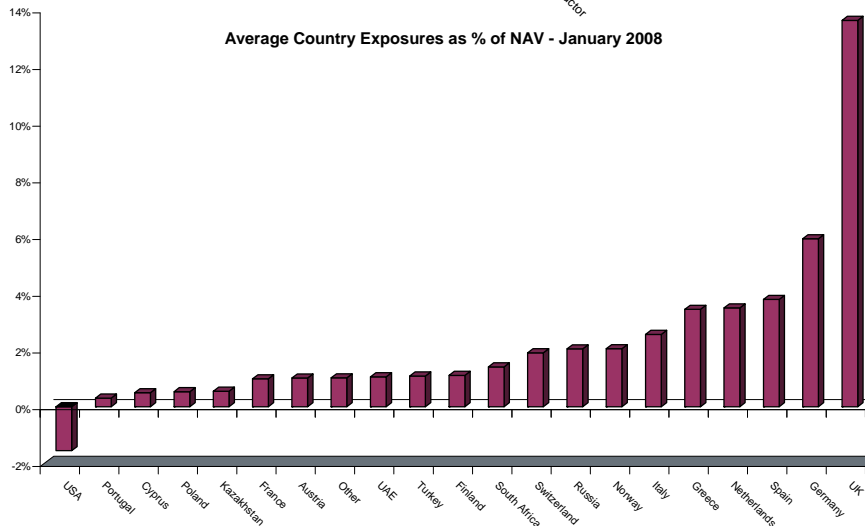
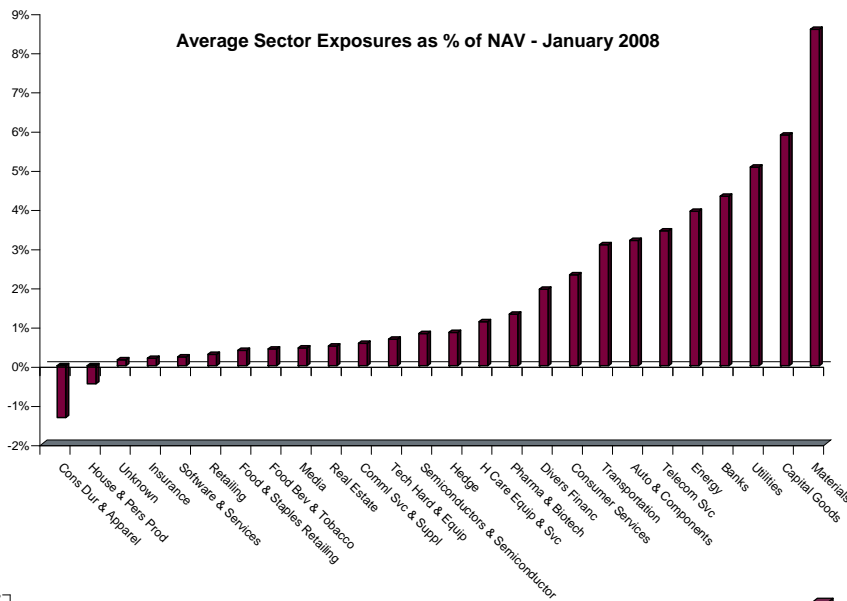
Monthly Portfolio Exposures and Characteristics

		Sub-Trust C (Opportunistic-hedged)	Sub-Trust D (Fundamental-hedged)
Monthly Exposure Data	Average NME (as % of NAV)	44.92%	45.11%
	Average GME (as a %of NAV)	149.88%	123.27%
Contributor Characteristics	Turnover (Monthly)	3.41	1.86
	Number of Contributors	589	1416
	Average Holding Period (Days)	70	192
	Average Ideas/Contributor	4.51	3.35
Portfolio Characteristics	No. Longs*	659	619
	No. Shorts*	319	300
	No. Positions*	978	919

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

Note: Gross and net market exposures are calculated as an average for the month and exclude the effect of shareholder cash flows prior to their allocation

Sector and Country Net Exposures



Liquidity Profile

Month End Liquidity Bands	% of Invested Portfolio	Month End Liquidity Bands	% of Invested Portfolio
<b>Sub-Trust C (Opportunistic-hedged)</b>		<b>Sub-Trust D (Fundamental-hedged)</b>	
0-1 Day	89.38%	0-1 Day	92.51%
1-3 Days	7.14%	1-3 Days	4.18%
>3 Days	3.30%	>3 Days	3.10%
Other	0.17%	Other	0.20%
<b>Total</b>	<b>100.00%</b>	<b>Total</b>	<b>100.00%</b>

These tables show the portfolios' estimated liquidity profile based on trading a third of the average 20-day daily liquidity Financial Instruments for which the liquidity profile is not available or not known are included in "Other".

Single Stocks: No single stock position exceeded 3% of NAV during the month

MW TOPS Limited (the "Company") is a closed-ended investment company registered and incorporated in Guernsey on 25 October 2006 under number 45728.

The Company's investment objective is to provide consistent absolute returns primarily derived through trading in equities of companies incorporated in or whose principal operations are in Europe (including Eastern Europe).

The Company seeks to achieve this by investing in funds managed by Marshall Wace LLP ("MW") which themselves utilise MW's Trade Optimised Portfolio System ("TOPS").

The TOPS investment process comprises a framework of proprietary applications and models which seeks to capture, appraise, optimise and act upon the investment ideas of contributors from the brokerage community and to aggregate them in a dynamic portfolio construction process.

	<u>Bloomberg Ticker</u>	<u>Reuters Ticker</u>
Euro Share Class	TOPSE NA	TOPSE.AS
Sterling Share Class	TOPS NA	TOPS.AS
US\$ Share Class	TOPU NA	TOPSU.AS

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