

Quarterly Factsheet for Institutional investors only - 31 March 2014

EUR A (acc) Strategy: Equity Market Neutral Net Asset Value per Share: €121.22¹ Monthly performance: (1.00)%¹ Year to Date: 0.26%¹

INVESTMENT OBJECTIVE

The Marshall Wace TOPS UCITS Fund (Market Neutral) seeks to deliver consistent absolute returns by capturing the alpha resident within investment banks, research boutiques and local brokers worldwide via proprietary optimization and risk management techniques. The Fund aims to generate an annualised return (after payment of fees and expenses) of 8% with low volatility target of 3%-5%.

FUND DESCRIPTION

The Marshall Wace TOPS UCITS Fund (Market Neutral) offers investors access to the unique Market Neutral TOPS strategy with the benefits of limited exposure to systematic risk. MW TOPS is a unique investment process which captures the idea flow of approximately 1,200 individuals worldwide in real time. Through proprietary optimisation techniques and robust risk management processes, the MW TOPS European portfolios³ have delivered consistently strong performance since July 2002 with high success ratios and minimal sectoral, country or market cap risk. MW TOPS has a proven track record of alpha generation in a variety of market conditions. Marshall Wace has been operating a successful market neutral strategy within the European TOPS applications since October 2006.

FUND COMMENTARY

Equity Market Overview and Fund Performance

During Q1 2014 the Fund* returned +0.26% net, compared with the HFRX Equity Market Neutral Index which returned +2.09%. The strategy maintained its targeted low volatility at just 2.23% over the quarter (based on daily data), while that of the equity market*** was higher at 12.37% and the volatility of the Fund's peer universe** was 2.40%. The minor gains for the Fund were broadly distributed across both country and sector. While the majority of sectors and countries contributed positively to performance, we would normally aim to produce positive alpha and returns in closer to 75-80% of all sectors. This lower than usual breadth of positive contributors is in part reflective of the uncommon set of circumstances which presented themselves in the first quarter, including the Crimean/Russian crisis, during which the Fund had a small long position, and a sharp rally in peripheral banks, where the Fund was generally short. For the 12 months to end March 2014, the Fund's* risk-return profile has been very strong, with a Sharpe ratio of 1.67 (based on daily data).

The sectors where the greatest returns were generated for the Fund over the quarter were Pharmaceuticals & Biotechnology, Real Estate and Food & Staples Retailing. Meanwhile, positions in Banks, Software & Services and Materials most heavily detracted from performance.

Notable country winners include Japan, France and Switzerland. Conversely, exposure to Russia, Turkey and Ireland detracted from returns. The Fund remains highly diversified and liquid, with over 97% of investments able to be liquidated in a single trading day as at the end of March.

The correlation of the Fund's* daily returns to those of the market*** was positive over the quarter at 0.109. Since the Fund's* inception, correlation has been minimal at just 0.005. The Fund* has returned +21.22% net overall since inception, significantly outperforming its peers and the equity market and with a much lower volatility; the HFRX Equity Market Neutral Index and MSCI AC Daily TR Net Europe Local Index have fallen -7.89% and gained +5.79% respectively over the same period.

Market Environment

March was a month of mean reversion in markets, and this also applied to the performance of the Fund. Mean reversions of this kind happen periodically in equity markets and typically reflect overcrowding. They also imply a reversion in alpha generation as stocks and themes that have delivered positive alpha reverse. The last such alpha correction was in August 2011, which also combined with a beta correction. On this occasion it has taken place, so far, against a background of stable or rising markets (with the exception of Japan and the NASDAQ). Providing a single explanation for the rapid rotation in recent weeks is not straightforward. While market commentators have pointed to Yellen's testimony on 19 March (and the subsequent move in US two-year rates) as the proximate cause, the reality is more complex. In short, developed equity markets are in the middle of their historic ranges in terms of valuations, and have been driven by strong flows in the last 9 months. These inflows have masked underlying risks to global economies and spurred on the relentless acceleration in sectors such as internet technology and biotech. As flows have slowed and concerns have bubbled to the surface, rapid rotation away from growth stocks and wide spread de-risking across markets has commenced.

As at 31 March 2014, the gross market exposure of the Fund stood at 237.32% with a net market exposure of 0.80%.

As we move into Q2 and look more broadly at markets, the reality is that there are both risks and opportunities around the world, with notable potential risks to the downside in each region. In the US, the indications are that policy makers are seeking to be as accommodative as possible, but recent data, and yields in the bond market, suggest that economic growth (weather aside) will likely disappoint

¹ The performance figures contained herein are net of fees. The returns shown are based on share class EUR A (acc) and therefore such historical information does not represent actual returns that an investor in share classes other than EUR A (acc) may receive but is for information purposes to illustrate the performance of the Marshall Wace TOPS UCITS Fund (Market Neutral) (the "Fund") and should be interpreted accordingly. Past performance is not an indication of future performance or actual realised returns on an investment in the Funds (which may be affected by a number of factors including, but not limited to, applicable fees and the timing of subscriptions and redemption in the Fund).

² The Euro OverNight Index Average, overnight rate computed as a weighted average of all overnight unsecured lending transactions in the interbank market, initiated within the euro area by the contributing panel banks.

³ Inception of European TOPS: July 2002; inception of Americas TOPS: February 2005; inception of Asian TOPS: June 2006; inception of Global TOPS: May 2007; inception of Market Neutral TOPS: November 2007

Past performance is not indicative of future results.

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MARSHALL WACE

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FUND COMMENTARY

compared to the lofty expectations held at the beginning of the year by many. The housing and jobs market are a source for continuing concern and evidence on a pick-up in capex is limited. In Europe, the key economic indicators are perhaps marginally better than expected, and the structural underweight among investors means that this region, and particularly the periphery, has outperformed in Q1. Nonetheless, if we strip out hopes that the ECB will engage in unconventional measures (or even QE) in Q2 or Q3 to eliminate deflationary concerns, the outlook for recovery remains broadly muted. Likewise, in Asia there are risks with both China and Japan delivering the growth that people have hoped for.

Against this backdrop, the Funds' risk profile has been relatively cautious. The gross market exposure has reduced over the quarter; however our contributors remain nimble and opportunistic and our central belief is that the recent rotation will provide a good environment for alpha extraction. While our exposures are currently consistent with our Alpha Regime Indicator at its mid-point, we do stand willing to increase risk as the environment improves.

* Share Class A Acc. Euro (inception date: 28 December 2007)

** As measured by the HFRX Equity Market Neutral Index

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

HISTORICAL MONTHLY RETURNS¹ (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2014	1.04	0.23	(1.00)	-	-	-	-	-	-	-	-	-	0.26
2013	1.76	0.89	1.20	0.18	(0.22)	1.26	0.92	(0.56)	(0.56)	1.69	(0.04)	0.84	7.57
2012	1.60	(0.17)	0.70	(1.18)	(0.73)	0.45	1.73	1.23	1.51	1.15	0.73	(1.03)	6.08
2011	1.38	0.34	0.24	0.31	0.27	(0.07)	0.52	(2.27)	0.77	0.63	0.57	0.76	3.46
2010	0.57	0.22	0.46	0.27	(1.74)	(0.96)	0.28	(0.20)	0.25	0.56	(0.07)	0.70	0.30
2009	1.70	0.31	0.74	0.21	1.08	0.61	(0.12)	0.75	1.74	(0.42)	(0.32)	0.30	6.76
2008	0.76	2.22	(1.55)	0.48	1.99	2.60	(3.31)	(0.97)	(7.07)	(0.68)	0.47	1.06	(4.34)
2007	-	-	-	-	-	-	-	-	-	-	-	(0.02)	(0.02)

Based on unaudited month-end valuations. Source: Bank of America Merrill Lynch

AVAILABLE SHARE CLASSES

Share Class	ISIN	BBG	SEDOL	NAV
EUR A (acc)	LU0333226230	MLISMWA LX Equity	B57H9N4	121.22
GBP A (inc)	LU0333226669	MLISMWD LX Equity	B2Q6XS4	119.23
EUR B (acc)	LU0333226826	MLISMBC LX Equity	B2QN136	119.06
EUR A (inc)	LU0333226586	MLISMAA LX Equity	B57H9P6	123.13
GBP A (acc)	LU0333226404	MLISMBA LX Equity	B4N3RP7	not invested
USD A (acc)	LU0333226313	MLISMCA LX Equity	B5ZRPY3	119.08
EUR B (inc)	LU0333227394	n/a	B4N3RT1	102.36
GBP B (acc)	LU0333227121	MLISMWU LX Equity	B2QN158	120.49
GBP B (inc)	LU0333227477	MLISMBD LX Equity	B2Q6YF8	119.36
USD B (acc)	LU0333227048	MLISMWB LX Equity	B2QN0Q2	121.88

Source: Bank of America Merrill Lynch

ACCOUNT EXPOSURE (%)

Long	119.06	Short	(118.26)
Gross	237.32	Net	0.80

Source: Bank of America Merrill Lynch

FUND vs INDEX BENCHMARK RETURN STATISTICS (%)

	Fund	EONIA ²	HFRX Equity Market Neutral Index
Annualised Ret.	3.18	1.02	(1.35)
Standard dev.	3.89	0.19	4.28
Downside dev.	3.88	0	3.18
Max drawdown	(12.36)	0	(14.58)

Based on official weekly valuations.

Source: Bank of America Merrill Lynch

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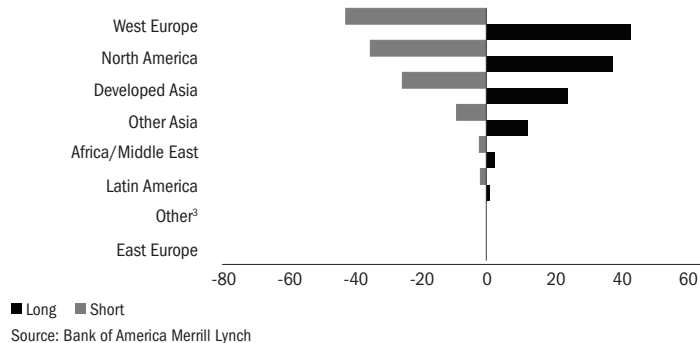
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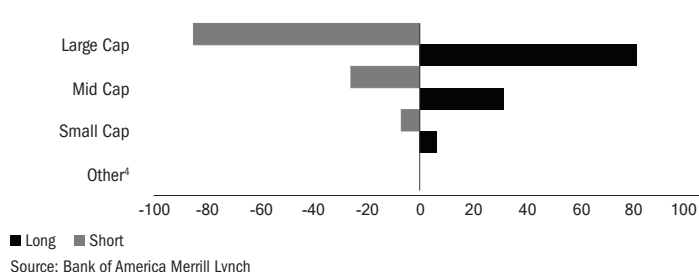
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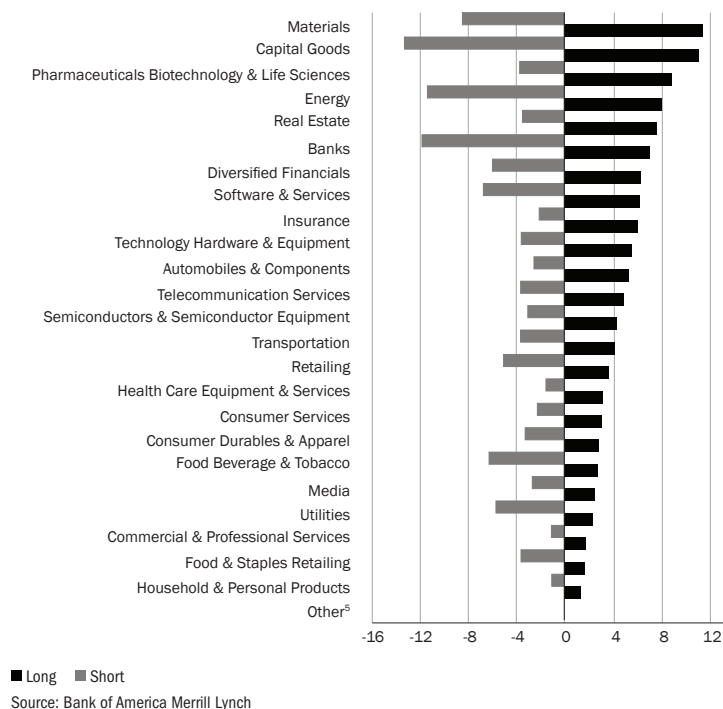
GEOGRAPHIC ANALYSIS (%)



MARKET CAPITALISATION ANALYSIS (%)



SECTOR ANALYSIS (%)



FUND CHARACTERISTICS

Base Currency	EUR
Inception Date	23 November 2007
Redemption/Subscription Frequency	Daily
Redemption/Subscription Notice Period	2 banking days
Management Fee Class A Shares	1.75% p.a.
Management Fee Class B Shares	1.50% p.a.
Performance Fee Class A Shares	25% above EONIA benchmark ²
Performance Fee Class B Shares	20% above High Water Mark
Fund's Assets Under Management	EUR 1,478,960,073
Minimum Investment	€/\$/£ 1,000,000

FUND MANAGEMENT

Investment Manager	Marshall Wace LLP
Sponsor	Merrill Lynch International
Auditor	Price Waterhouse Coopers S.à r.l
Custodian	State Street Bank Luxembourg S.A.
Administrator	State Street Bank Luxembourg S.A.

FUND CONTACTS

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² The performance fee provided is that of the E share class which is open for new investment.

³ Positions with no specific region category.

⁴ Options, warrants, rights and financial instruments for which market capitalisation profile is not available or not known are included in "Other"

⁵ Positions with no specific sector category

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Definitions: **Small Cap** - Companies with a Market Capitalisation of between €0-1 billion. **Medium Cap** - Companies with Market Capitalisation of between €1-5 billion. **Large Cap** - Companies with Market Capitalisation of above €5 billion. **Annualised Return** - The rate of return that would occur on average per year given a cumulative multi-year return or a fractional year return and taking into account compounding and discounting. **Standard deviation** - The square root of the mean of the squared deviations of members of a population from their mean. The most widely used measurement of variation about a mean, and, for many purposes, a proxy for risk. **Downside Deviation** - A measure of the risk of not achieving a **Minimum Acceptable Return (MAR)**. Downside Deviation is similar to standard deviation in concept and calculation. Standard Deviation measures positive and negative variations about the mean value; however, Downside Deviation measures only variations that fall below the MAR threshold value. In effect Downside Deviation distinguishes downside (bad) variation from upside variation and tracks only the downside component. Calculation of the Downside Deviation involves taking the root mean square of the negative difference between the MAR and the data points over a specified period. **Maximum Drawdown** - The largest overall drop in the Fund's value which occurred in a given period before it returned to its previous high.

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