

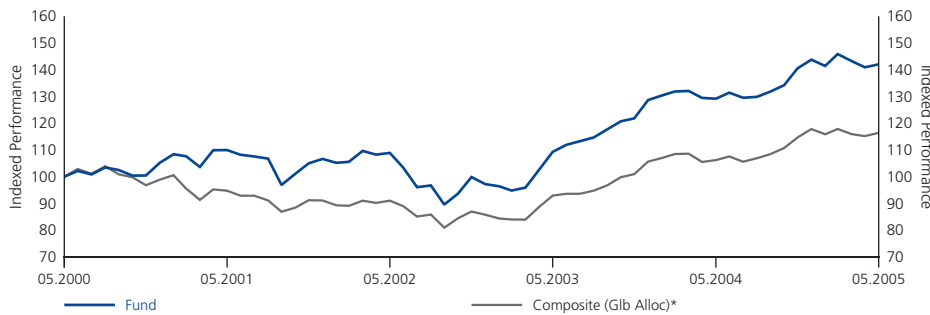
Global Allocation Fund

Performance to 31 May 2005

Risk Grading

Low High

A-Share Performance in US\$



Mixed Asset Fund	
Equity 	No Equity max/min
Bonds & Cash (Benchmark ratio) 	
Min/max permitted equity exposure 	
Asset Allocation Approach	Flexible allocation between geography, capitalisation and credit
Standard and Poor's Sector	AA Global Flexible

Awards & Ratings

S&P Fund Management Rating AAA

Summary of Investment Objective

The Fund seeks to maximise total return expressed in US dollars by investing globally in equities, debt and short-term securities of both corporate and governmental issuers with no prescribed limits. The Fund will generally seek to invest in securities that the manager believes are undervalued. The Fund may also invest in the equity securities of small and emerging growth companies, and a portion of its debt portfolio may be invested in high yield securities. Currency exposure is flexibly managed.

Cumulative Performance	1 Month %	3 Months %	6 Months %	1 Year %	3 Years %	5 Years %	Year To Date %	Annualised (5 Years) %
A Class	0.8	-2.6	1.1	10.0	30.5	42.1	-1.2	7.3
Composite (Glb Alloc)*	1.1	-1.2	1.6	9.7	28.1	16.8	-1.2	3.2
Quartile Ranking	1	1	1	2	2	1	1	1

Calendar Year Performance	2000 %	2001 %	2002 %	2003 %	2004 %
A Class	5.8	1.4	-8.8	32.4	11.7
Composite (Glb Alloc)*	-4.3	-7.8	-5.8	23.2	11.6

Fund Data

Status	Sub-Fund of Luxembourg SICAV
Fund Manager	Dennis Stattman
Launch Date	03.01.1997
Base Currency	US\$
Additional Dealing Currencies	€
Benchmark	Composite (Glb Alloc)*
S&P Sector	Asset Allocation Global Flexible
Total Fund Size (m)	US\$2,631.8
Codes	
ISIN	LU0072462426
Bloomberg Equity Ticker	MERGAALX
Reuters Page Id	MLIMI
Swiss Valoren Number	567972

Dealing & Prices

Dealing Information	
Trading Frequency	Daily, forward pricing basis
Settlement	Trade date + 3 days
Fees	
Initial Charge (A shares)	5
Annual Management Fee (A shares)	1.50
NAV	
A Class	28.39
12 Months High/Low NAV	
A Class	29.35/25.46

10 Largest Holdings

Security	%
EIB 4% 15 Jan 2007	1.5
Germany 5.0% 19 Aug 2005	1.3
EIB 6.125% 7 Dec 2005	1.1
US Treasury 3.625% 30 Apr 2007	1.0
General Electric	0.9
Pfizer	0.8
Reliance Industries	0.8
Millea Holdings	0.7
Mitsui Sumitomo Insurance	0.7
NRW 4.25% 16 Feb 2007	0.7
Total	9.5

Published NAV

www.mlinternational.com

Financial Times
Börsen-Zeitung
Het Financieel Dagblad

II Sole 24 Ore
South China Morning Post
Der Standard
VSD

Hong Kong Economic Times
Neue Zürcher Zeitung

*36% S&P 500 Composite; 24% FT/S&P Actuaries World (ex-US); 24% 5 Year US Treasury Note; 16% Citigroup Non-USD World Government Bond Index ■ On 23 January 2004 the MLIIIF USD Triple A 50 Fund and the MLIIIF USD Triple A 70 Fund merged into the MLIIIF Global Allocation Fund. Sources: Fund – Merrill Lynch Investment Managers Limited (MLIML), Indices – Datastream, MLIML, Quartiles – Standard & Poor's. ■ MLIML Risk Grading: Medium Risk (on a scale of Low, Medium, Medium/High and High). This grading applies to Funds with exposure to capital market risk but where any equity exposure is balanced by exposure to high-quality bonds. It should only be used for comparison with other Merrill Lynch International Investment Funds (MLIIF) and, in particular, should not be used in comparison with Funds not provided by MLIML. The grading is indicative of the level of risk of a particular Fund and is not supposed to be a guarantee of likely returns. If you are in any doubt as to the level of risk that you should take, you should seek Independent Advice. Issued by MLIML, authorised and regulated by the Financial Services Authority. ■ Performance is shown as at 31 May 2005 in US\$ on a NAV price basis with income reinvested. Prior to the introduction of single pricing on 4 February 2002, bid prices were used for Funds previously within the Mercury Selected Trust range. Performance figures are calculated net of annual fees. The above Fund data is for information only. The number of shares quoted for each fund are indicative and actual numbers may fall outside of the ranges shown. Issued by Merrill Lynch Investment Managers Limited, authorised and regulated by the Financial Services Authority. Most of the protections provided by the UK regulatory system, and compensation under the UK's Financial Services Compensation Scheme, will not be available. MLIIIF is an open-ended investment company established in Luxembourg. It is recognised under section 264 of the Financial Services & Markets Act 2000 and does not seek UK distributor status. Subscriptions in MLIIIF are valid only if made on the basis of the current Prospectus, the most recent financial reports and Key Features (UK investors only). A limited range of MLIIIF sub-funds have a distributor status. A share class that seeks to comply with UK Distributor Status requirements. Please contact the Manager for further information. **This document is being made available for you solely in your capacity as a professional investor or intermediary and should not be relied upon by any other persons.** Fluctuation may be particularly marked in the case of a higher volatility Fund and the value of an investment may fall suddenly and substantially. Investors should read the Special Risk Considerations in the Prospectus. Past performance is no guide to future performance. The value of investments and income from them can fluctuate and are not guaranteed. Rates of exchange may cause investments to go up or down. Investors may not get back the amount they invest. MLIIIF is only available for investment by non-US citizens who are not residents of the US. It is not offered for sale or sold in the US, its territories or possessions. The Funds are not registered for sale to the public in all jurisdictions. MLIML is a subsidiary of Merrill Lynch & Co., Inc. The Fund Manager's report represents the views of Merrill Lynch Investment Managers (Channel Islands) Limited, the Investment Manager of MLIIIF. The Investment Objective stated above is a summary of the main objectives of the Fund. Please refer to the MLIIIF prospectus for further details. Issued in Switzerland by the representative office, Merrill Lynch Investment Managers Limited (London), Zurich Branch, Stockenstrasse 23, CH-8039 Zurich, from where the Company's Prospectus, Articles of Association, Annual Report and Interim Report are available free of charge. Paying Agent in Switzerland is HSBC Private Bank (Suisse) S.A., Paradeplatz 5, CH-8002 Zurich. Issued in Hong Kong by Merrill Lynch Investment Managers (Asia) Limited. In Singapore, this information is issued by Merrill Lynch Investment Managers (Asia Pacific) Limited. The Fund is only available to sophisticated investors and not to the retail public in Singapore. This fact sheet is for information only and does not constitute an offer of shares in the company in Singapore. For your protection, telephone calls may be recorded.

Global Allocation Fund

continued

Fund Manager's Report as at 31 March 2005

Performance

The Fund outperformed its benchmark over the quarter.

Outperformance was largely attributable to effective stock selection in US and Asian equities. Fund performance also benefited from an overweight position in the energy sector, and a significant underweight in US Treasuries and sovereign debt.

Portfolio Changes

Over the quarter, the Fund's equity allocation decreased from 56% to 55% of net assets, reflecting a slight decrease in US and European equities which was partially offset by an increase in Asian equities. The Fund's allocation to fixed income rose from 20% to 21% of net assets as a result of a modest increase in its Canadian government holdings which was partially offset by a decrease in its Euro-denominated debt. The Fund reduced its overweights in both the energy and materials sectors due to profit taking within these sectors. The Fund's cash equivalent holdings remained essentially unchanged at 24% of net assets.

Current Positioning

Compared to its benchmark, the Fund's asset mix is slightly underweight equities, substantially underweight fixed income and overweight cash reserves. Within the equity segment, the Fund is underweight the US and Europe, and overweight Asia. The Fund maintains its overweight positions in the energy, materials, and telecommunication sectors, and remains underweight the consumer discretionary, healthcare, financials, technology, consumer staples, utilities and industrials sectors.

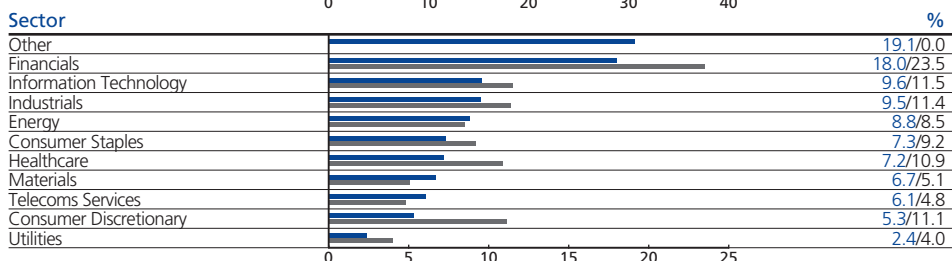
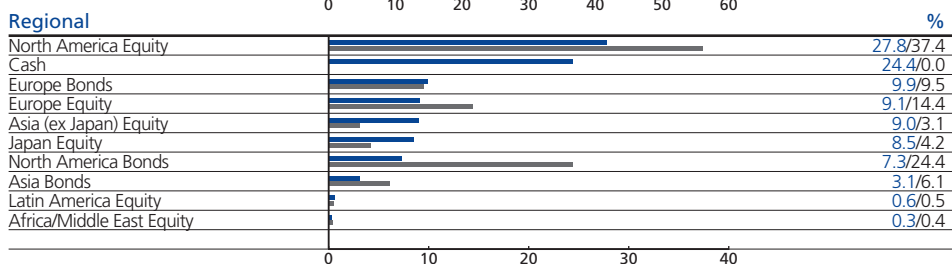
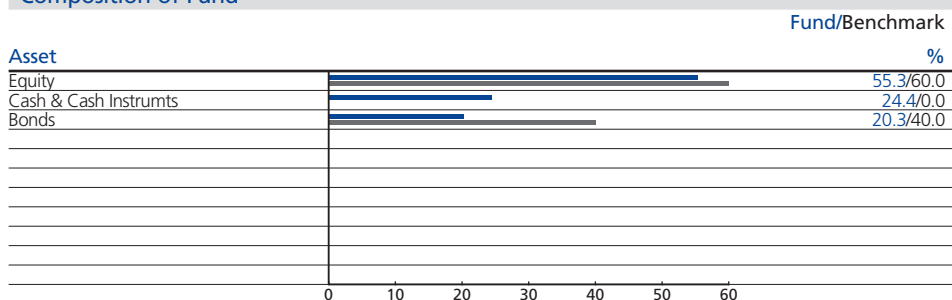
Fund Risk Statistics

	3 Years	5 Years	Since launch
Volatility (%)			
- Fund	11.6	11.4	11.0
- Benchmark*	8.7	9.0	9.4
Beta	1.27	1.13	0.97

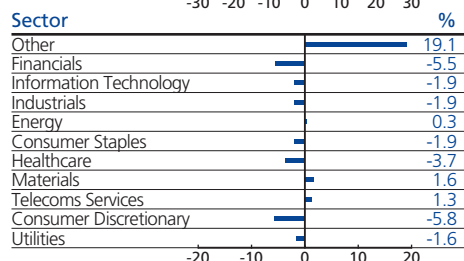
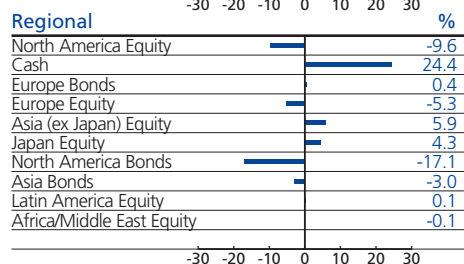
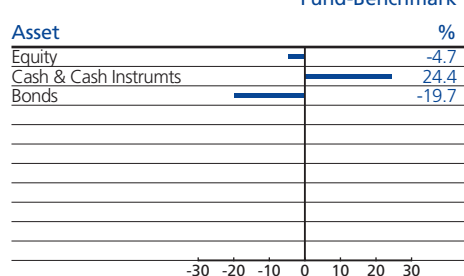
10 Largest Equity Holdings

	%
General Electric	0.9
Pfizer	0.8
Reliance Industries	0.8
AIG	0.7
Foster Wheeler	0.7
Microsoft	0.7
Millea Holdings	0.7
Mitsui Sumitomo Insurance	0.7
Citigroup	0.6
Computer Associates	0.5
Total	7.1

Composition of Fund



Asset Allocations Analysis – Active Position



*The Benchmark under Fund risk statistics for the Global Allocation Fund is Composite (Glb Alloc). 36% S&P 500 Composite; 24% FT/S&P Actuaries World (ex-US); 24% 5 Year US Treasury Note; 16% Citigroup Non-USD World Government Bond Index