

MSCI[®] press release

HEDGE FUND INDICES

MSCI Hedge Fund Indices - December 2002 - Early Reporting Funds

New York, January 15, 2003. MSCI announced performance figures for early reporting funds in the MSCI Hedge Fund Composite and Process Group IndicesSM. The performance figures for December are based on the returns of funds that have reported through January 14, 2003. The performance figures may change significantly as returns from additional funds are received. The proportion of funds that have reported to date in each index is shown.

Below is a summary of the performance data for selected indices.

MSCI Hedge Fund Indices	Early Reports		2002*	2001	3 yr. Sharpe	% Reporting
	December	November				
MSCI Hedge Fund Composite IndexSM	1.3%	1.1%	3.9%	5.9%	0.75	63.0%
Process Groups						
MSCI Directional Trading Index SM	5.1%	-1.0%	13.1%	8.3%	1.14	66.4%
MSCI Relative Value Index SM	1.8%	0.6%	7.4%	5.4%	1.96	60.4%
MSCI Security Selection Index SM	-0.5%	2.1%	-1.2%	3.4%	0.04	65.3%
MSCI Specialist Credit Index SM	1.9%	1.7%	4.2%	13.6%	1.31	50.0%
MSCI Multi-Process Group Index SM	-0.3%	1.8%	0.7%	9.7%	0.78	60.0%
Other Reference Indices						
MSCI World Equity Index SM **	-4.9%	5.3%	-21.1%	-17.8%		
MSCI World Sovereign Debt Index SM **	5.0%	0.1%	19.6%	-1.1%		

* based upon year-to-date November results and December early reports.

** All numbers presented for these indices are final.

For the month of December the early reporting funds in the **MSCI Hedge Fund Composite IndexSM** are up 1.3% with 63.0% of funds reporting. Based on the preliminary December figure the MSCI Hedge Fund Composite Index is up 3.9% for the full year 2002, which is less than the 5.9% gain in 2001.

The MSCI World Equity Index decreased by -4.9% in December bringing its year-to-date performance to -21.1%. The MSCI World Sovereign Debt Index increased by 5.0% in December, bringing its year-to-date return to 19.6%, while LIBOR increased by 0.1% in December, an increase of 1.8% year-to-date.

The performance of the MSCI Hedge Fund Composite Index, an equal weighted index, is comprised of five Process Group Indices – the MSCI Directional Trading, Relative Value, Security Selection, Specialist Credit and Multi-Process IndicesSM. These Process Group Indices are further subdivided into Investment Process and Strategy Indices.

Below is a brief description of the performance of select MSCI Hedge Fund Indices:

The **MSCI Directional Trading IndexSM** increased by 5.1% for the month of December based on 66.4% of funds reporting thus far. The MSCI Directional Trading Index is the best performing MSCI Process Group Index year-to-date at 13.1% based on early reporting funds. MSCI defines Directional Trading strategies as those based upon speculating on the direction of market prices of currencies, commodities, equities, and bonds in the futures and cash markets.

The **MSCI Relative Value IndexSM** increased by 1.8% in December based on 60.4% of funds reporting, which would bring its year-to-date performance to an estimated 7.4%. Relative Value strategies focus on spread relationships between pricing components of financial assets or commodities.

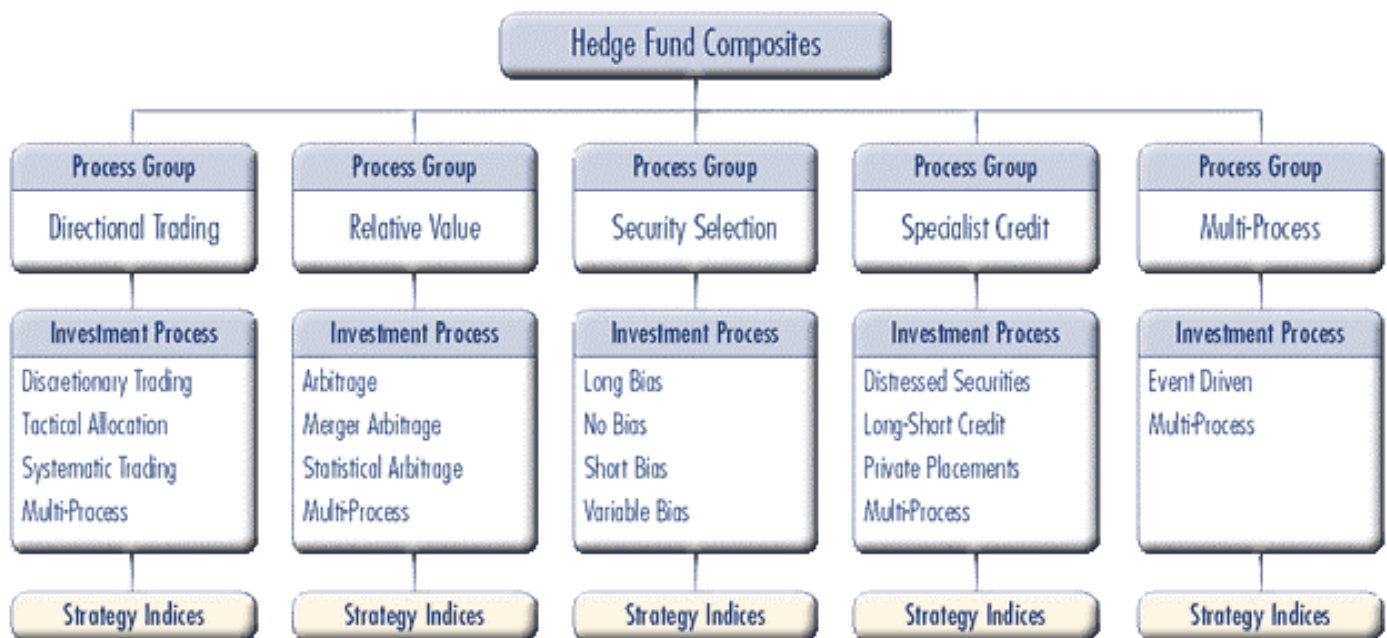
The **MSCI Security Selection IndexSM** decreased the most in December with a -0.5% loss based on 65.3% of funds reporting. Year-to-date this MSCI Process Group Index is down -1.2% based upon early reporting funds. Security Selection managers combine long positions and short sales with the aim of benefiting from their ability in selecting investments while offsetting systematic market risks.

The **MSCI Specialist Credit IndexSM** increased by 1.9% in December based on 50.0% of funds reporting, which would bring its year-to-date performance to 4.2%. Specialist Credit funds seek to lend to credit-sensitive issuers.

The **MSCI Multi-Process IndexSM** decreased by -0.3% in December based on 60.0% of funds reporting, which would bring its 2002 performance to 0.7%. The Multi-Process group comprises funds which practice a strategy whereby a single investment process does not account for more than 80% of their risk capital.

The MSCI Hedge Fund IndicesSM contain more than 160 indices. More than 1,600 hedge funds have agreed to participate in the database and there are over 1,100 hedge funds currently in the MSCI Hedge Fund Indices and database.

MSCI Hedge Fund Indices – Index Structure



For further information on MSCI indices or MSCI data, visit our web site at www.msci.com or contact:

Dorsey Horowitz, MSCI, New York	+ 1 212 762 5790
Stephen Dunning, MSCI, London	+ 44 20 7425 6660
Jammy Chan, MSCI, Hong Kong	+ 852 2848 6740
Taiki Kimura, MSCI, Tokyo	+ 813 5424 5470

Daniel Guthrie/Emma Leeds, Luther Pendragon, London	+ 44 20 7618 9100
Ed Rowley/Steve Bruce, Abernathy MacGregor, New York	+ 1 212 371 5999

This information is the property of Morgan Stanley Capital International Inc. (MSCI). It is provided for informational purposes only, and is not a recommendation to participate in any particular trading strategy. The information may not be used to verify or correct data, or any compilation of data or index or in the creation of any indices. Nor may it be used in the creating, writing, offering, trading, marketing or promotion of any financial instruments or products. This information is provided on an "as is" basis. Although MSCI shall obtain information from sources which MSCI considers reliable, neither MSCI, its affiliates nor any other party involved in the making or compiling of the information guarantees the accuracy and/or the completeness of any of this information. Neither MSCI, its affiliates nor any other party involved in the making or compiling of the information makes any representation or warranty, express or implied, as to the results to be obtained by any person or entity from any use of this information, and the user of this information assumes the entire risk of any use made of this information. Neither MSCI, its affiliates nor any other party involved in the making or compiling of the information makes any express or implied warranties, and MSCI, its affiliates and any other party involved in the making or compiling of the information hereby expressly disclaim all warranties of merchantability or fitness for a particular purpose with respect to any of this information. Without limiting any of the foregoing, in no event shall MSCI, its affiliates or any other party involved in the making or compiling of the information have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Morgan Stanley Capital International, MSCI and all other service marks referred to herein are the exclusive property of MSCI and its affiliates. All MSCI indices are the exclusive property of MSCI and may not be used in any way without the express written permission of MSCI.

MSCI is a leading provider of global indices and benchmark related products and services to investors worldwide. Morgan Stanley, a global financial services firm and a market leader in securities, asset management, and credit services, is the majority shareholder of MSCI, and The Capital Group Companies, Inc., a global investment management group, is the minority shareholder.

MSCI Client Service can be reached on:

London	+44 20 7425 6660	New York	+1 212 762 5790	Tokyo	+813 5424 5470
Frankfurt	+49 69 2166 5325	San Francisco	+1 415 576 2323	Hong Kong	+852 2848 6740

And at a further thirteen locations around the world.