

# MSCI<sup>®</sup> press release

## HEDGE FUND INDICES

### MSCI Hedge Fund Indices - March 2003 - Early Reporting Funds

**New York, April 11, 2003.** MSCI announced performance figures for early reporting funds in the MSCI Hedge Fund Composite and Process Group Indices<sup>SM</sup>. The performance figures for March are based on the returns of funds that have reported through April 10, 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.

	Early Reports Mar-03	Feb-03	YTD** Mar-03	Annual 2002	3 yr. Sharpe	% Reporting
<b>MSCI Hedge Fund Indices<sup>SM</sup></b>						
<b>MSCI Hedge Fund Composite Index<sup>SM</sup></b>	<b>-0.4%</b>	<b>0.8%</b>	<b>1.8%</b>	<b>4.4%</b>	<b>0.55</b>	<b>55%</b>
<b>Process Groups</b>						
MSCI Directional Trading Index <sup>SM</sup>	-3.9%	4.0%	3.4%	13.4%	1.03	60%
MSCI Relative Value Index <sup>SM</sup>	0.6%	0.6%	2.8%	8.0%	2.46	53%
MSCI Security Selection Index <sup>SM</sup>	0.2%	-0.5%	0.1%	-0.7%	-0.39	55%
MSCI Specialist Credit Index <sup>SM</sup>	0.7%	1.1%	3.6%	3.9%	1.17	56%
MSCI Multi-Process Group Index <sup>SM</sup>	0.8%	-0.1%	1.9%	1.5%	0.69	53%
<b>Other Reference Indices</b>						
MSCI World Equity Index <sup>SM</sup> *	<b>-0.6%</b>	<b>-1.9%</b>	<b>-5.5%</b>	<b>-21.1%</b>		
MSCI World Sovereign Debt Index <sup>SM</sup> *	<b>0.3%</b>	<b>1.4%</b>	<b>3.2%</b>	<b>19.6%</b>		

\* All numbers presented for these indices are final.

\*\*Hedge fund year-to-date returns based upon January-February finals and March early reports.

For the month of March the early reporting funds in the **MSCI Hedge Fund Composite Index<sup>SM</sup>**, an equal weighted index, are down 0.4% with 55% of funds reporting.

The MSCI World Equity Index<sup>SM</sup> decreased by 0.6% in March. The MSCI World Sovereign Debt Index<sup>SM</sup> increased by 0.3% in March, while LIBOR increased by 0.1% in March. The performance of the MSCI Hedge Fund Composite Index is comprised of five Process Group Indices – the MSCI Directional Trading, Relative Value, Security Selection, Specialist Credit and Multi-Process Indices<sup>SM</sup>. These Process Group Indices are further subdivided into Investment Process Indices.

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

The **MSCI Directional Trading Index<sup>SM</sup>** decreased by 3.9% for the month of March based on 60% of funds reporting. 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 Index<sup>SM</sup>** increased by 0.6% in March based on 53% of funds reporting. Relative Value strategies focus on spread relationships between pricing components of financial assets or commodities.

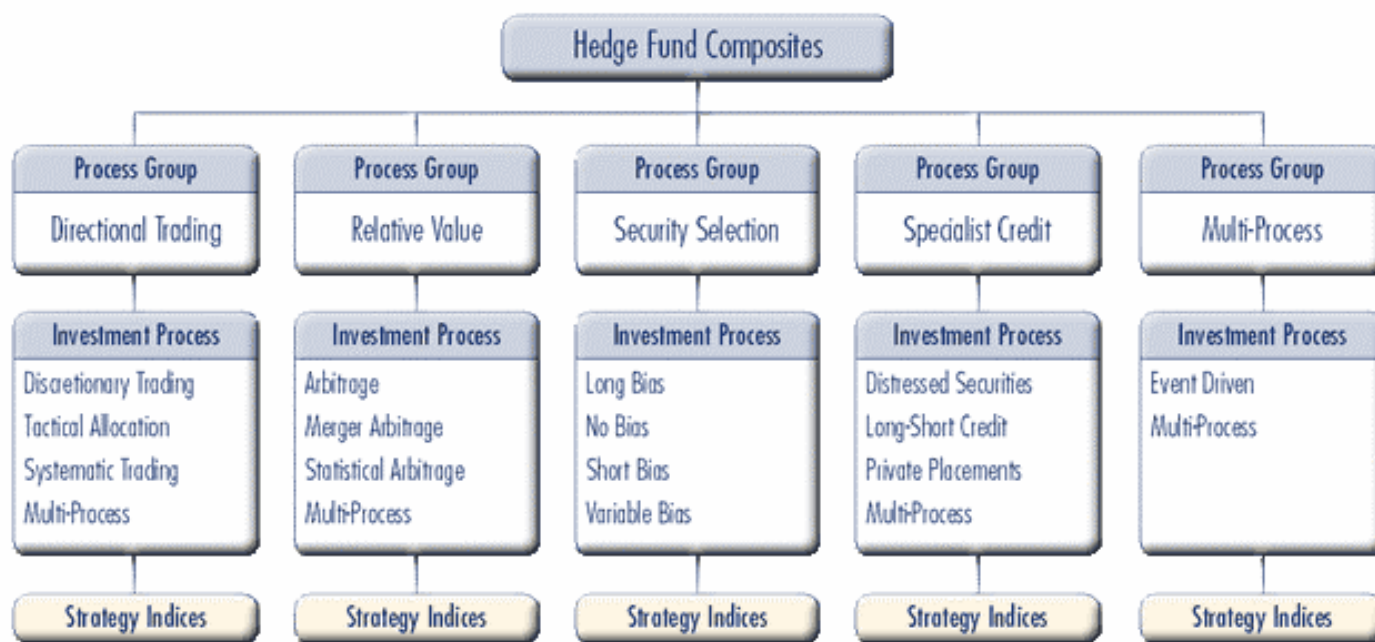
The **MSCI Security Selection Index<sup>SM</sup>** increased in March with a return of 0.2% based on 55% of funds reporting. Security Selection managers combine long positions and short sales with the aim of benefiting from their ability in selecting investments while offsetting systematic market risks.

The **MSCI Specialist Credit Index<sup>SM</sup>** increased by 0.7% in March based on 56% of funds reporting. Specialist Credit funds seek to lend to credit-sensitive issuers.

The **MSCI Multi-Process Group Index<sup>SM</sup>** increased by 0.8% in March based on 53% of funds reporting. 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 Indices<sup>SM</sup> contain more than 160 indices. More than 1,700 hedge funds have agreed to participate in the database and there are over 1,300 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](http://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

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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

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