

MSCI[®] press release

HEDGE FUND INDICES

MSCI Hedge Fund Indices - May 2003 - Early Reporting Funds

New York, June 12, 2003. MSCI announced performance figures for early reporting funds in the MSCI Hedge Fund Composite and Process Group IndicesSM. The performance figures for May are based on the returns of funds that have reported through June 11, 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 May-03	Apr-03	YTD** May-03	Annual 2002	3 yr. Sharpe	% Reporting
MSCI Hedge Fund IndicesSM						
MSCI Hedge Fund Composite IndexSM	3.6%	1.9%	7.4%	4.3%	1.17	61%
Process Groups						
MSCI Directional Trading Index SM	5.2%	1.2%	10.5%	13.6%	1.28	69%
MSCI Relative Value Index SM	1.2%	0.9%	4.8%	8.1%	2.67	58%
MSCI Security Selection Index SM	4.3%	2.655%	7.0%	-0.8%	0.25	59%
MSCI Specialist Credit Index SM	2.6%	2.649%	9.1%	4.0%	1.69	62%
MSCI Multi-Process Group Index SM	3.5%	2.4%	7.9%	2.9%	1.25	56%
Other Reference Indices						
MSCI World Equity Index SM *	5.5%	8.6%	8.3%	-21.1%		
MSCI World Sovereign Debt Index SM *	4.4%	1.2%	9.0%	19.6%		

* All numbers presented for these indices are final.

**Hedge fund year-to-date returns based upon January-April finals and May early reports.

All hedge fund indices listed above are equal weighted and are expressed in US dollars unless noted otherwise.

For the month of May the early reporting funds in the **MSCI Hedge Fund Composite IndexSM**, an equal weighted index, are up 3.6% with 61% of funds reporting.

The MSCI World Equity IndexSM increased by 5.5% in May. The MSCI World Sovereign Debt IndexSM increased by 4.4% in May, while LIBOR returned 0.1% in May. 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 IndicesSM. 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 IndexSM** increased by 5.2% for the month of May based on 69% 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 IndexSM** increased by 1.2% in May based on 58% of funds reporting. Relative Value strategies focus on spread relationships between pricing components of financial assets or commodities.

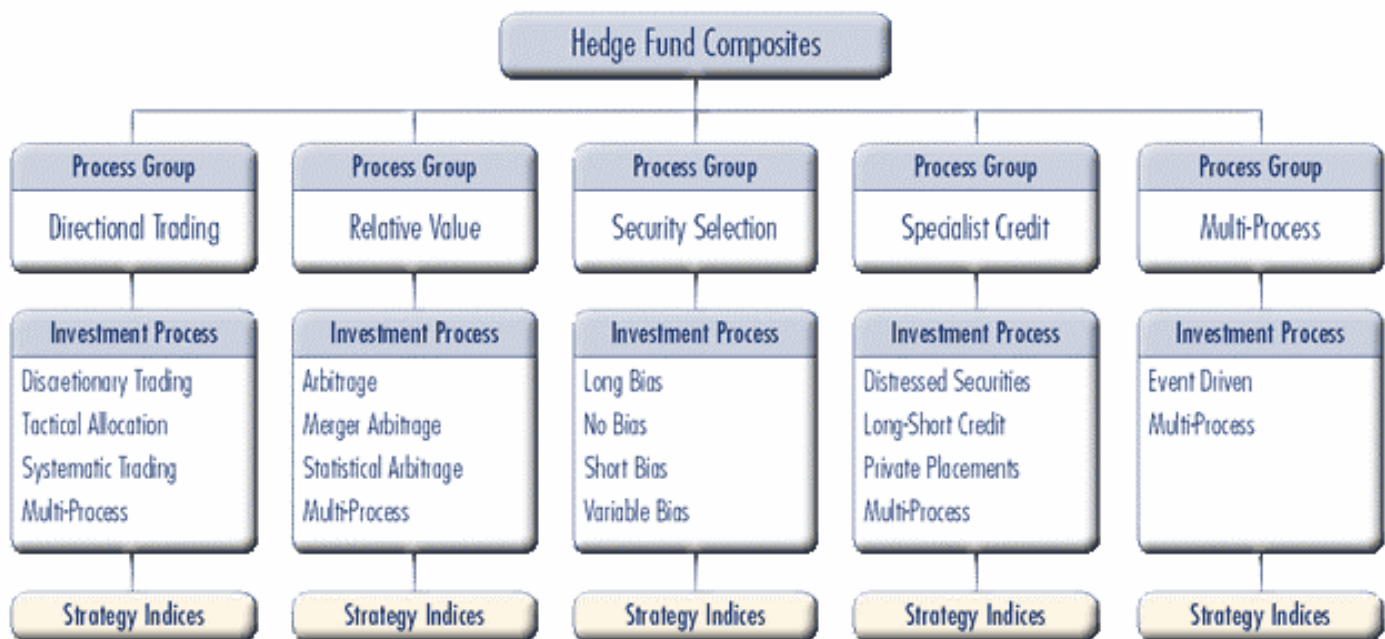
The **MSCI Security Selection IndexSM** increased in May with a return of 4.3% based on 59% of funds reporting. Security Selection managers combine long positions and short sales with the aim of benefiting from their ability in selecting investments while offsetting systematic market risks.

The **MSCI Specialist Credit IndexSM** increased by 2.6% in May based on 62% of funds reporting. Specialist Credit funds seek to lend to credit-sensitive issuers.

The **MSCI Multi-Process Group IndexSM** increased by 3.5% in May based on 56% 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 IndicesSM contain more than 160 indices. More than 1,700 hedge funds have agreed to participate in the database and there are over 1,400 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

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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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