

MSCI[®] press release

HEDGE FUND INDICES

MSCI Hedge Fund Indices - July 2003 - Early Reporting Funds

New York, August 13, 2003. MSCI announced performance figures for early reporting funds in the MSCI Hedge Fund Composite and Process Group IndicesSM. The performance figures for July are based on the returns of funds that have reported through August 12, 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		YTD**	Annual	3 yr.	%
	Jul-03	Jun-03	Jul-03	2002	Sharpe	Reporting
MSCI Hedge Fund IndicesSM						
MSCI Hedge Fund Composite IndexSM	0.1%	0.5%	8.1%	4.7%	1.25	60%
Process Groups						
MSCI Directional Trading Index SM	-1.8%	-1.6%	6.7%	13.4%	1.16	68%
MSCI Relative Value Index SM	-0.5%	0.1%	4.8%	8.3%	2.39	57%
MSCI Security Selection Index SM	1.2%	1.3%	9.5%	-0.2%	0.35	59%
MSCI Specialist Credit Index SM	0.6%	1.7%	11.7%	4.7%	1.79	58%
MSCI Multi-Process Group Index SM	0.6%	1.4%	10.6%	3.2%	1.27	53%
Other Reference Indices						
MSCI World Equity Index SM *	1.9%	1.6%	12.1%	-21.1%		
MSCI World Sovereign Debt Index SM *	-3.0%	-1.6%	4.0%	19.6%		

* All numbers presented for these indices are final.

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

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

For the month of July the early reporting funds in the **MSCI Hedge Fund Composite IndexSM**, an equal weighted index, are up 0.1% with 60% of funds reporting.

The MSCI World Equity IndexSM increased by 1.9% in July. The MSCI World Sovereign Debt IndexSM decreased by 3.0% in July while LIBOR returned 0.1% in July. 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** decreased by 1.8% for the month of July based on 68% 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** decreased by 0.5% in July based on 57% of funds reporting. Relative Value strategies focus on spread relationships between pricing components of financial assets or commodities.

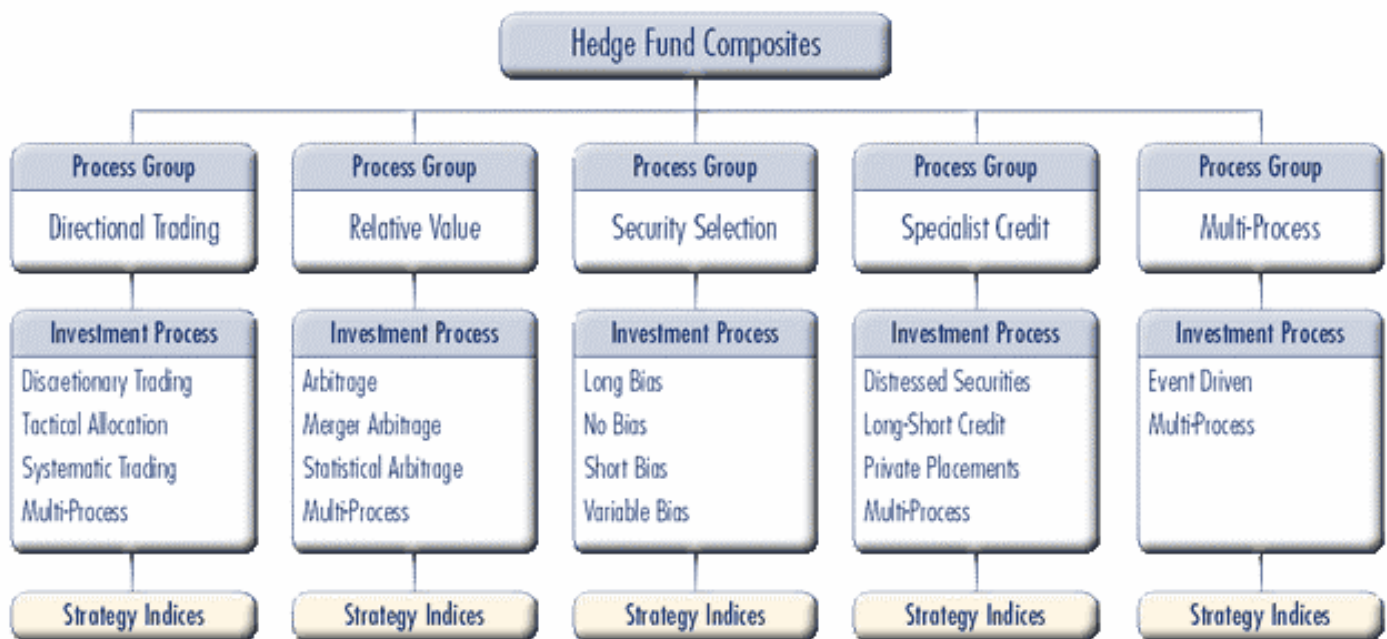
The **MSCI Security Selection IndexSM** increased in July with a return of 1.2% based on 59% of funds reporting. Security Selection managers combine long positions and short sales with the aim of benefiting from their ability in selecting investments while offsetting systematic market risks.

The **MSCI Specialist Credit IndexSM** increased by 0.6% in July based on 58% of funds reporting. Specialist Credit funds seek to lend to credit-sensitive issuers.

The **MSCI Multi-Process Group IndexSM** increased by 0.6% in July 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 IndicesSM contain more than 160 indices. More than 1,700 hedge funds have agreed to participate in the database and there are over 1,550 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:

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