

# MSCI<sup>®</sup> press release

## HEDGE FUND INDICES

### MSCI Hedge Fund Indices – November 2003 - Early Reporting Funds

**New York, December 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 November are based on the returns of funds that have reported through December 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.

MSCI Hedge Fund Indices <sup>SM</sup>	Early Reports		YTD** Nov-03	Annual 2002	3 yr. Sharpe	% Reporting
	Nov-03	Oct-03				
<b>MSCI Hedge Fund Composite Index<sup>SM</sup></b>	<b>0.7%</b>	<b>1.9%</b>	<b>12.5%</b>	<b>2.6%</b>	<b>1.80</b>	<b>62%</b>
<b>Process Groups</b>						
MSCI Directional Trading Index <sup>SM</sup>	-0.4%	1.6%	7.5%	11.0%	1.03	64%
MSCI Relative Value Index <sup>SM</sup>	0.5%	0.8%	6.3%	6.2%	3.04	59%
MSCI Security Selection Index <sup>SM</sup>	1.1%	2.7%	16.5%	-2.6%	0.81	62%
MSCI Specialist Credit Index <sup>SM</sup>	1.3%	1.9%	20.4%	4.8%	2.92	61%
MSCI Multi-Process Group Index <sup>SM</sup>	0.9%	1.9%	15.9%	0.9%	1.71	63%
<b>Other Reference Indices</b>						
MSCI World Equity Index <sup>SM</sup> *	<b>1.5%</b>	<b>5.9%</b>	<b>25.3%</b>	<b>-19.9%</b>		
MSCI World Sovereign Debt Index <sup>SM</sup> *	<b>1.7%</b>	<b>-0.5%</b>	<b>10.6%</b>	<b>19.6%</b>		

\* All numbers presented for these indices are final.

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

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

For the month of November the early reporting funds in the **MSCI Hedge Fund Composite Index<sup>SM</sup>**, an equal weighted index, are up 0.7% with 62% of funds reporting.

The MSCI World Equity Index<sup>SM</sup> increased by 1.5% in November. The MSCI World Sovereign Debt Index<sup>SM</sup> increased by 1.7% in November while LIBOR returned 0.1% in November. 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>** was down 0.4% for the month of November based on 64% 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 0.5% in November based on 59% of funds reporting. Relative Value strategies focus on spread relationships between pricing components of financial assets or commodities.

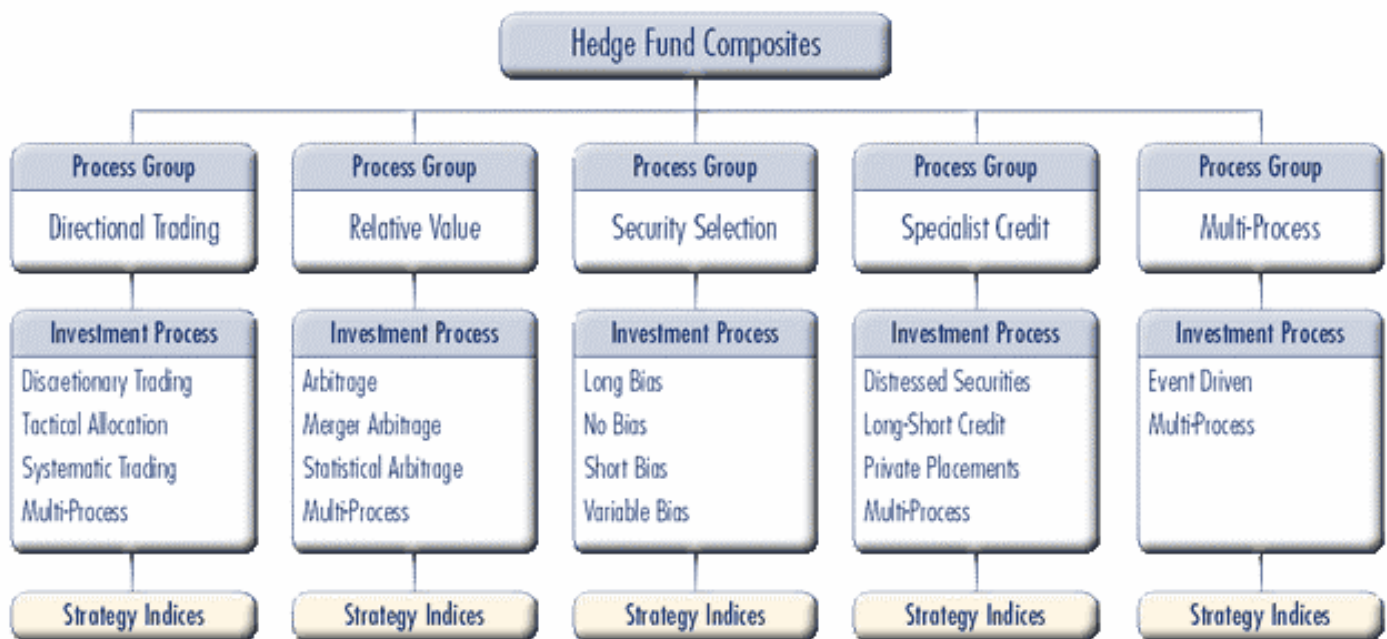
The **MSCI Security Selection Index<sup>SM</sup>** increased in November with a return of 1.1% based on 62% of funds reporting. Security Selection managers combine long positions and short sales with the aim of benefiting from their ability in selecting investments while offsetting systematic market risks.

The **MSCI Specialist Credit Index<sup>SM</sup>** increased by 1.3% in November based on 61% of funds reporting. Specialist Credit funds seek to lend to credit-sensitive issuers.

The **MSCI Multi-Process Group Index<sup>SM</sup>** increased by 0.9% in November based on 63% 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 190 indices. More than 1,800 hedge funds have agreed to participate in the database and there are over 1,600 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, please visit our web site at [www.msci.com](http://www.msci.com) or contact:**

<b>Dorsey Horowitz, MSCI, New York</b>	<b>+ 1 212 762 5790</b>
<b>Adrian Franken, MSCI, London</b>	<b>+ 44 20 7425 6660</b>
<b>Jammy Chan, MSCI, Hong Kong</b>	<b>+ 852 2848 6740</b>
<b>Olivia Vong, MSCI, Tokyo</b>	<b>+ 813 5424 5470</b>

<b>Daniel Guthrie/Beany McLean, Luther Pendragon, London</b>	<b>+ 44 20 7618 9100</b>
<b>Ed Rowley/Kayt Makosy, Abernathy MacGregor, New York</b>	<b>+ 1 212 371 5999</b>

---

**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, ACWI, EAFE, EMF 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.**