

MSCI[®] press release

HEDGE FUND INDICES

MSCI Hedge Fund Indices – January 2004 - Early Reporting Funds

New York, February 12, 2004. MSCI announced performance figures for early reporting funds in the MSCI Hedge Fund Composite and Process Group IndicesSM. The performance figures for January are based on the returns of funds that have reported through February 11th, 2004. 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 performance data for selected indices.

	Early Reports		Annual	3 yr.	%
	Jan-04	Dec-03	2003	Sharpe	Reporting
MSCI Hedge Fund IndicesSM					
MSCI Hedge Fund Composite IndexSM	1.5%	1.8%	14.7%	1.83	62%
Process Groups					
MSCI Directional Trading Index SM	0.8%	2.8%	10.6%	0.96	71%
MSCI Relative Value Index SM	0.8%	0.4%	6.7%	3.10	61%
MSCI Security Selection Index SM	2.0%	1.9%	18.8%	0.76	61%
MSCI Specialist Credit Index SM	2.5%	1.8%	24.0%	3.06	52%
MSCI Multi-Process Group Index SM	1.6%	2.0%	18.3%	1.75	56%
Other Reference Indices					
MSCI World Equity Index SM	1.6%	6.3%	33.1%		
MSCI World Sovereign Debt Index SM	0.4%	3.9%	15.0%		

Data as of February 12, 2004.

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

The MSCI World Equity IndexSM is measured without dividends reinvested.

For the month of January the early reporting funds in the **MSCI Hedge Fund Composite IndexSM**, an equal weighted index, are up 1.5% with 62% of funds reporting.

The MSCI World Equity IndexSM increased by 1.6% in January while the MSCI World Sovereign Debt IndexSM increased by 0.4%. 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** was up 0.8% for the month of January based on 71% 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** rose 0.8% in January based on 61% of funds reporting. Relative Value strategies focus on spread relationships between pricing components of financial assets or commodities.

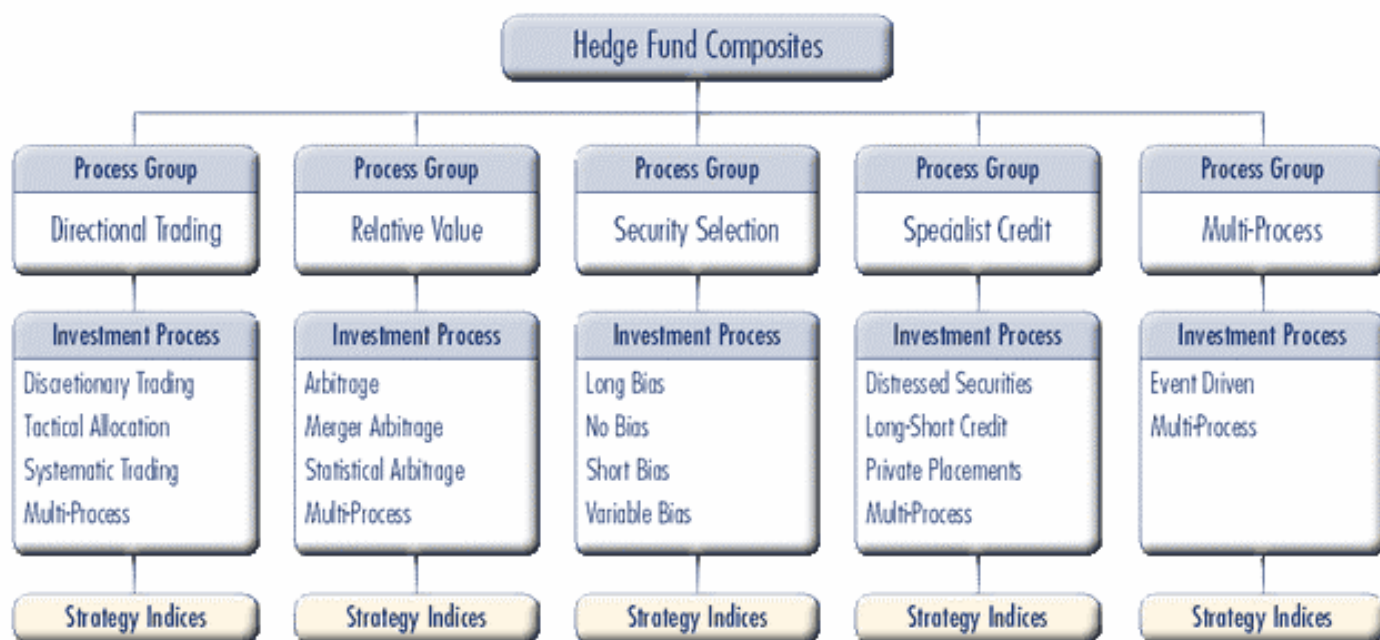
The **MSCI Security Selection IndexSM** increased in January with a return of 2.0% based on 61% of funds reporting. Security Selection managers combine long positions and short sales with the aim of benefiting from their ability in selecting investments while offsetting systematic market risks.

The **MSCI Specialist Credit IndexSM** increased by 2.5% in January based on 52% of funds reporting. Specialist Credit funds seek to lend to credit-sensitive issuers.

The **MSCI Multi-Process Group IndexSM** increased by 1.6% in January 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 Database has grown to over 1,700 hedge funds. The MSCI Hedge Fund Indices are composed of more than 190 indices representing more than \$197 billion in assets.

MSCI Hedge Fund Indices – Index Structure



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

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