



# press release

## HEDGE FUND INDICES

### MSCI Hedge Fund Index Pari Passu Methodology Change

**New York, April 26, 2004** MSCI, a leading provider of equity, fixed income and hedge fund indices, is changing its treatment of Pari Passu funds in its Equal Weighted Hedge Fund Index family. Pari passu funds are defined as funds within the same fund management organization which are managed alike, but differ due to fee, base currency, domicile or other non-investment related factors.

Funds will now be asset weighted within pari passu groups, and the pari passu groups will be equally weighted within their respective indices. Managers will maintain an equal weight within each index by investment strategy, but this share will now reflect the aggregated performance of all their pari passu funds within a strategy. This approach results in pari passu weighted funds comprising the equally weighted indices.

In anticipation of this change to the calculation logic, MSCI has made enhancements to the MSCI Hedge Fund Subscriber Site. This enhancement will greatly improve our clients' ability to identify assets a manager is running in like strategies. Clients will now be able to view the aggregated assets of pari passu funds by fund management organization and investment process.

"Although pari passu funds are managed identically, they may possess unlike return streams for a multitude of reasons such as differences in fees or base currency. Asset weighting pari passu funds provides a more robust measure of the hedge fund opportunity set, and allows clients to view a management company's strategy assets without having to rely on assets weighted indices" said Daniel Coker, Head of Hedge Fund Research and Operations for MSCI.

For further information on MSCI indices or MSCI data, please visit our web site at [www.msci.com](http://www.msci.com) or contact:

Amy Davidson, MSCI, New York  
Sara Corsaro, MSCI, London  
Jammy Chan, MSCI, Hong Kong  
Olivia Vong, MSCI, Tokyo

+ 1 212 762 5790  
+ 44 20 7425 6660  
+ 852 2848 6740  
+ 813 5424 5470

Daniel Guthrie/Beany McLean, Luther Pendragon, London  
Ed Rowley/Kayt Makosy, Abernathy MacGregor, New York

+ 44 20 7618 9100  
+ 1 212 371 5999

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