

MSCI[®] press release

HEDGE FUND INDICES

MSCI Hedge Fund Indices – November 2004 - Early Reporting Funds

New York, December 13, 2004. MSCI announced performance figures for early reporting funds in the MSCI Hedge Fund CompositeSM and Process Group IndicesSM. The performance figures for November are based on the returns of funds that have reported through December 10th, 2004. The performance figures may change significantly as returns from additional funds are received. Below is a summary of performance data for selected indices.

MSCI Hedge Fund Indices SM	Early Reports		YTD	Annual	3 yr.	%
	Nov-04	Oct-04	Nov-04	2003	Sharpe	Reporting
MSCI Hedge Fund Composite IndexSM	2.4%	0.7%	5.2%	14.7%	1.91	63%
Process Groups						
MSCI Directional Trading Index SM	3.4%	2.0%	2.5%	10.6%	0.96	76%
MSCI Relative Value Index SM	0.7%	-0.1%	2.1%	6.3%	2.60	68%
MSCI Security Selection Index SM	2.8%	0.5%	6.1%	19.1%	1.18	58%
MSCI Specialist Credit Index SM	2.0%	1.2%	10.6%	24.2%	2.99	65%
MSCI Multi-Process Group Index SM	2.8%	1.0%	8.7%	18.9%	2.04	51%
Other Reference Indices						
MSCI World Equity Index SM	5.3%	2.4%	10.5%	33.1%	0.29	N/A
MSCI World Sovereign Debt Index SM	3.6%	2.9%	8.4%	15.0%	1.48	N/A

All hedge fund indices listed above are equal weighted and are expressed in US dollars. The MSCI World Equity IndexSM is measured with dividends reinvested.

For the month of November, the early reporting funds in the MSCI Hedge Fund Composite Index, an equal weighted index, returned 2.4% with 63% of funds reporting.

The MSCI World Equity IndexSM went up by 5.3% in November while the MSCI World Sovereign Debt IndexSM posted a gain of 3.6%. 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 IndicesSM.

Below is a brief description of the performance of select MSCI Hedge Fund Indices:

The **MSCI Directional Trading IndexSM** increased by 3.4% for the month of November based on 76% 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 0.7% in November based on 68% of funds reporting. Relative Value strategies focus on spread relationships between pricing components of financial assets or commodities.

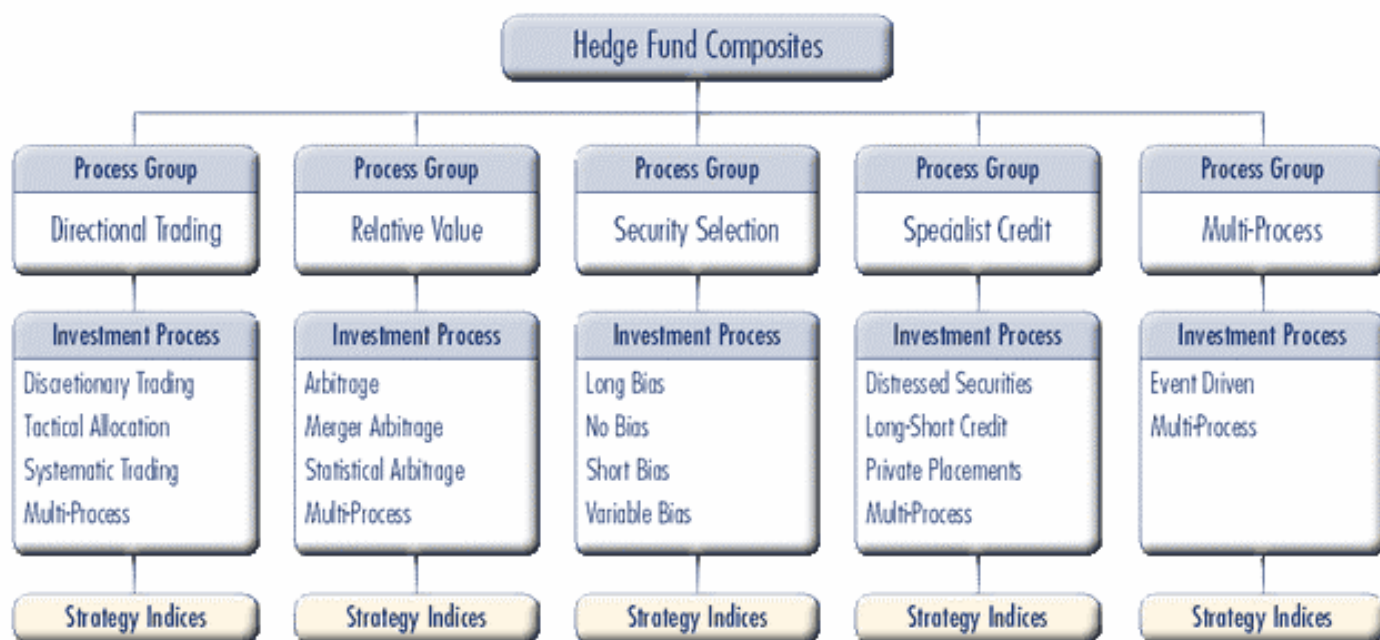
The **MSCI Security Selection IndexSM** increased by 2.8% in November based on 58% of funds reporting. Security Selection managers combine long positions and short sales with the aim of benefiting from their ability in selecting investments while offsetting systematic market risks.

The **MSCI Specialist Credit IndexSM** increased by 2.0% in November based on 65% of funds reporting. Specialist Credit funds seek to lend to credit-sensitive issuers.

The **MSCI Multi-Process Group IndexSM** increased by 2.8% in November based on 51% 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 1,900 hedge funds. The MSCI Hedge Fund Indices are composed of more than 190 indices representing more than \$240 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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In June 2004, Morgan Stanley acquired Barra, a global leader in risk management technology for investment professionals. Barra's operations will be combined with MSCI to form MSCI Barra.