

# MSCI<sup>®</sup> press release

## HEDGE FUND INDICES

### MSCI Hedge Fund Indices – March 2005 - Early Reporting Funds

New York, April 13, 2005. MSCI announced performance figures for early reporting funds in the MSCI Hedge Fund Composite<sup>SM</sup> and Process Group Indices<sup>SM</sup>. The performance figures for February are based on the returns of funds that have reported through April 12<sup>th</sup>, 2005. 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 <sup>SM</sup>	Early Reports		YTD	Annual	3 yr.	%
	Mar-05	Feb-05	Mar-05	2004	Sharpe	Reporting
<b>MSCI Hedge Fund Composite Index<sup>SM</sup></b>	<b>-0.5%</b>	<b>1.4%</b>	<b>0.4%</b>	<b>6.7%</b>	<b>1.72</b>	<b>60%</b>
<b>Process Groups</b>						
MSCI Directional Trading Index <sup>SM</sup>	-0.5%	0.7%	-2.2%	3.0%	0.91	68%
MSCI Relative Value Index <sup>SM</sup>	-0.1%	0.3%	0.3%	2.8%	2.26	62%
MSCI Security Selection Index <sup>SM</sup>	-0.9%	2.1%	1.0%	8.1%	1.09	56%
MSCI Specialist Credit Index <sup>SM</sup>	0.4%	1.3%	2.0%	13.2%	2.93	53%
MSCI Multi-Process Group Index <sup>SM</sup>	-0.2%	2.0%	2.0%	10.5%	1.98	62%
<b>Other Reference Indices</b>						
MSCI World Equity Index <sup>SM</sup>	<b>-1.9%</b>	<b>3.2%</b>	<b>-1.1%</b>	<b>14.7%</b>	<b>0.33</b>	<b>N/A</b>
MSCI World Sovereign Debt Index <sup>SM</sup>	<b>-1.3%</b>	<b>0.1%</b>	<b>-3.1%</b>	<b>10.2%</b>	<b>1.64</b>	<b>N/A</b>

All hedge fund indices listed above are equal weighted and are expressed in US dollars. The MSCI World Equity Index<sup>SM</sup> is measured with dividends reinvested.

For the month of March, the early reporting funds in the MSCI Hedge Fund Composite Index, an equal weighted index, posted a loss of 0.5% with 60% of the constituent funds reporting.

For the month of March, the MSCI World Equity Index<sup>SM</sup> and the MSCI World Sovereign Debt Index<sup>SM</sup> posted losses of 1.9% and 1.3% respectively. 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.

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

The **MSCI Directional Trading Index<sup>SM</sup>** decreased by 0.5% for the month of March 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 Index<sup>SM</sup>** decreased by 0.1% in March based on 62% of funds reporting. Relative Value strategies focus on spread relationships between pricing components of financial assets or commodities.

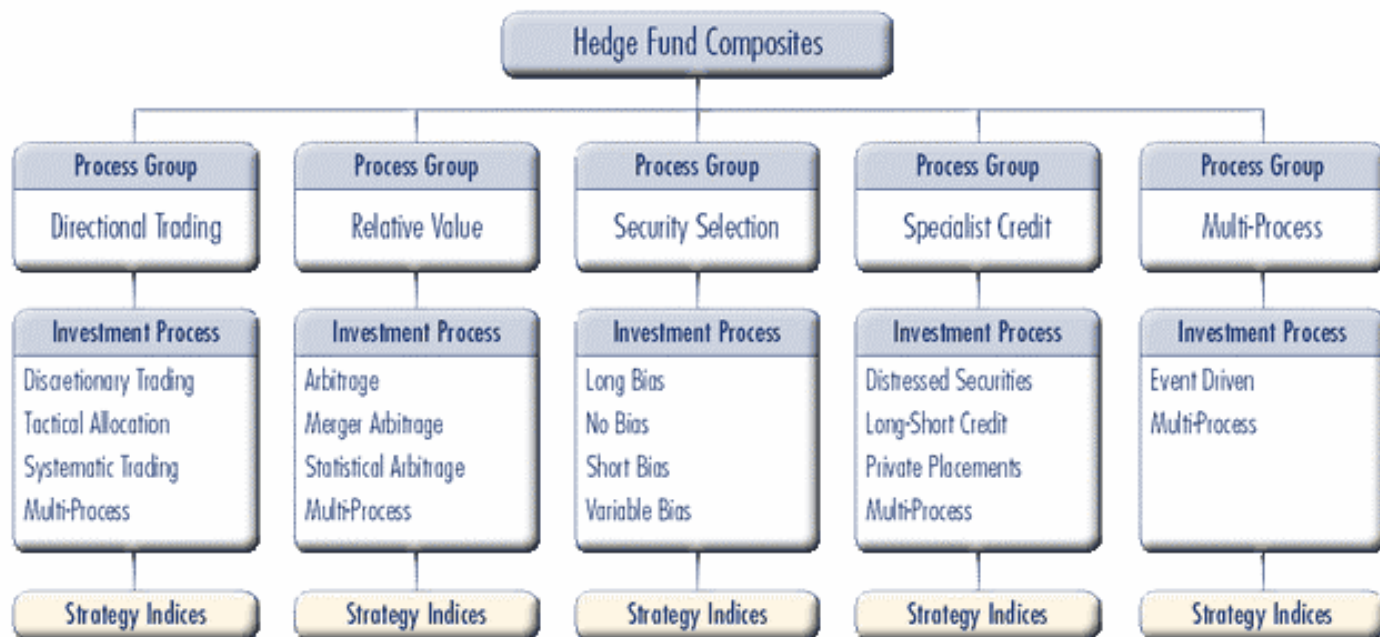
The **MSCI Security Selection Index<sup>SM</sup>** decreased by 0.9% in March based on 56% of funds reporting. Security Selection managers combine long positions and short sales with the aim of benefiting from their ability in selecting investments while offsetting systematic market risks.

The **MSCI Specialist Credit Index<sup>SM</sup>** increased by 0.4% in March based on 53% of funds reporting. Specialist Credit funds seek to lend to credit-sensitive issuers.

The **MSCI Multi-Process Group Index<sup>SM</sup>** decreased by 0.2% in March based on 62% 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 2,000 hedge funds. The MSCI Hedge Fund Indices are composed of more than 190 indices representing more than \$260 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](http://www.msci.com) or contact:

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About MSCI

MSCI ([www.msci.com](http://www.msci.com)) is a leading provider of equity, fixed income and hedge fund indices, and related products and services. MSCI estimates that over USD 3 trillion is benchmarked to its indices on a worldwide basis. MSCI is headquartered in New York, with research and commercial offices around the world. In 2004, MSCI acquired Barra, Inc. ([www.barra.com](http://www.barra.com)), a global leader in delivering risk analytics, performance measurement and attribution systems and services to managers of portfolio and firm-wide investment risk. 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 Capital International Inc., part of the global investment management group of The Capital Group Companies, Inc., is the minority shareholder.