

MSCI Hedge Invest Indices

Investable and representative hedge fund indices with weekly liquidity

The MSCI Hedge Invest Indices are designed to be both investable and to reflect the overall structure and composition of the hedge fund universe.

The composite-level MSCI Hedge Invest Index includes funds from a wide range of hedge fund investment strategies available on a third party hedge fund platform. Eight strategy-level indices subdivide the MSCI Hedge Invest Index and are based on the following clearly defined investment processes:

- Systematic Trading
- Discretionary Trading
- Long Bias
- Variable Bias
- Equity Non-Directional
- Event-Driven and Merger Arbitrage
- Convertible and Equity Arbitrage
- Fixed Income

Each investable hedge fund index contains funds with weekly liquidity and is designed to be licensed for use as the basis for tradable investment products.

Key Features

Diversified and Representative

- As of the July 2008 Quarterly Index Review, the number of funds in the MSCI Hedge Invest Index decreased to 141.
- Strategies in the composite index are weighted by taking into account their weights in the hedge fund universe using the broader MSCI Hedge Fund Composite Index generated from the MSCI Hedge Fund Indices and Database as a reference.
- Specific concentration rules limit individual fund exposure in the composite and the strategy indices.
- Strategy-level indices seek to reflect the relative importance of processes and sub-strategies within the particular subset of the hedge fund universe they represent.

Weekly Liquidity

- Weekly constituent fund liquidity and index capacity rules facilitate the creation of tracker funds and other financial products that aim to replicate index returns.

Transparent

- The index methodology is objective, rules-based and fully disclosed.
- Constituent information is made available to qualified investors.

MSCI Hedge Invest Indices – Index Specifications

Constituent Fund Calculation Date	Weekly, as of Tuesday close
Index Publication	Daily (indicative) and weekly (actual) each Friday by noon Eastern Standard Time
Full Index Review	Quarterly (implemented on first Tuesday of January, April, July and October)
Announcements of Changes	In the week prior to implementation
Index Calculation Currency	USD

Hedge Fund Platform

The MSCI Hedge Invest Indices contain only open funds that have committed to liquidity and capacity terms with Lyxor Asset Management. Funds eligible for the indices are based on certain managed accounts owned by Lyxor Asset Management, a subsidiary of the Société Générale Group, and advised by external hedge fund managers. Lyxor Asset Management is responsible for establishing each individual fund on the Lyxor platform, conducting initial due diligence, monitoring the investment mandate of each hedge fund manager and the provision of fund valuations independent of each fund's external advisor.

For a detailed description of the index features and construction rules, please see the *MSCI Investable Hedge Fund Index Methodology*, available from MSCI Barra at www.msclubarra.com

CONTACT US

Americas
1.888.588.4567
Amsterdam
+ 31.20.462.1382
Atlanta
+ 1.404.949.4529
Boston
+ 1.617.856.8716
Cape Town
+ 27.21.683.3245
China Netcom
10800.852.1032
China Telecom
10800.152.1032
Chicago
+ 1.312.706.4999
Dubai
+971.4.683.4861
Frankfurt
+ 49.69.2166.5325
Geneva
+ 41.22.817.9800
Hong Kong
+ 852.2848.7333
London
+ 44.20.7618.2222
Madrid
+ 34.91.700.7275
Milan
+ 39.027.633.5429
Montreal
+ 1.514.847.7506
New York
+ 1.212.762.5790
Paris
0800.91.59.17
San Francisco
+ 1.415.576.2323
São Paulo
+ 5511.3048.6080
Singapore
+ 65.6834.6777
Sydney
+ 61.2.9033.9300
Tokyo
+ 813.5424.5470
Toronto
+ 1.416.943.8390
Zurich
+ 41.44.220.9300



MSCI Hedge Invest Strategy Indices

The objective of the strategy indices is to represent the performance characteristics of a sample of hedge funds from clearly defined investment processes as represented on the same hedge fund platform and contained in the composite MSCI Hedge Invest Index. Below are the eight MSCI investable hedge fund strategy indices. Note that the number of funds included in each index is expected to grow as the platform expands.

Strategy Indices	Investment Segment	Bloomberg Ticker	Reuters RIC	Number of Funds	Inception Date
MSCI Hedge Invest Systematic Trading Index	Systematic Trading - Currencies, Fixed Income, Diversified	MSHIST <Index>	.MSHIST	23	July 15, 2003
MSCI Hedge Invest Discretionary Trading Index	Discretionary Trading - Commodities, Equities, Diversified	MSHIDT <Index>	.MSHIDT	10	January 6, 2004
MSCI Hedge Invest Long Bias Index	Long Bias - North America, Europe, Japan, Asia ex Japan, Diversified	MSHILB <Index>	.MSHILB	23	July 15, 2003
MSCI Hedge Invest Variable Bias Index	Variable Bias - North America, Europe, Japan, Diversified	MSHIVB <Index>	.MSHIVB	21	July 6, 2004
MSCI Hedge Invest Equity Non-Directional Index	Statistical Arbitrage - North America, Europe, Diversified No Bias - North America, Europe, Japan, Diversified	MSHIEN <Index>	.MSHIEN	11	July 15, 2003
MSCI Hedge Invest Convertible and Equity Arbitrage Index	Convertible Arbitrage, Equity Arbitrage	MSHICB <Index>	.MSHICB	12	July 15, 2003
MSCI Hedge Invest Event-Driven and Merger Arbitrage Index	Event-Driven, Merger Arbitrage	MSHIED <Index>	.MSHIED	15	July 15, 2003
MSCI Hedge Invest Fixed Income Index	Specialist Credit ex Illiquid, Fixed Income MBS, Multi-process (MPG) Fixed Income	MSHIFI <Index>	.MSHIFI	17	January 4, 2005

Licensing

A highly recognized global brand, the most comprehensive range of equity, REIT and hedge fund indices and over 35 years of experience make MSCI Indices an excellent choice for licensing.

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About MSCI Barra

MSCI Barra is a leading provider of investment decision support tools to investment institutions worldwide. MSCI Barra products include indices and portfolio risk and performance analytics for use in managing equity, fixed income and multi-asset class portfolios.

The company's flagship products are the MSCI International Equity Indices, which are estimated to have over USD 3 trillion benchmarked to them, and the Barra risk models and portfolio analytics, which cover 56 equity and 46 fixed income markets. MSCI Barra is headquartered in New York, with research and commercial offices around the world. Morgan Stanley, a global financial services firm, is the majority shareholder of MSCI Barra.

About Lyxor Asset Management

Lyxor Asset Management is a specialist asset manager dedicated to structured funds activities, including management of alternative investment funds. According to Lyxor Asset Management, as of November 2007, it managed a total of EUR 73 billion, of which EUR 26 billion were in Alternative Investments. Lyxor Asset Management is a wholly-owned subsidiary of the Société Générale Group.

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