

## MSCI Hedge Fund Indices - April 2007

### Early Reporting Funds

**New York** - May 14, 2007 - MSCI announced performance figures for early reporting funds in the MSCI Hedge Fund Composite and Process Group Indices. The performance figures for April are based on the returns of funds that have reported through May 11, 2007. 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	Early Reports		YTD 2007	Annual 2006	3 yr. Sharpe	% Reporting
	Apr-07	Mar-07				
<b>MSCI Hedge Fund Composite Index</b>	<b>1.7%</b>	<b>0.7%</b>	<b>4.2%</b>	<b>11.3%</b>	<b>1.31</b>	<b>65%</b>
<b>Process Groups</b>						
MSCI Directional Trading Index	2.0%	-0.8%	1.6%	7.6%	0.47	71%
MSCI Relative Value Index	0.8%	0.8%	3.4%	9.9%	1.12	68%
MSCI Security Selection Index	2.0%	1.2%	5.4%	13.2%	1.49	62%
MSCI Specialist Credit Index	1.4%	1.0%	5.0%	12.8%	3.19	61%
MSCI Multi-Process Group Index	1.9%	1.0%	6.0%	12.0%	1.95	64%
<b>Other Reference Indices</b>						
MSCI World Equity Index	<b>4.4%</b>	<b>1.8%</b>	<b>7.0%</b>	<b>20.0%</b>	<b>1.71</b>	<b>N/A</b>
MSCI World Sovereign Debt Index	<b>1.0%</b>	<b>0.2%</b>	<b>2.1%</b>	<b>6.2%</b>	<b>0.10</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 is measured with dividends reinvested.

For the month of April, the early reporting funds in the MSCI Hedge Fund Composite Index, an equal weighted index, posted a gain of 1.7% with 65% of the constituent funds reporting.

For the month of April, the MSCI World Equity Index gained 4.4% while the MSCI World Sovereign Debt Index gained 1.0%. 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** gained 2.0% for the month of April 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 Index** gained 0.8% for the month of April based on 68% of funds reporting. Relative Value strategies focus on spread relationships between pricing components of financial assets or commodities.

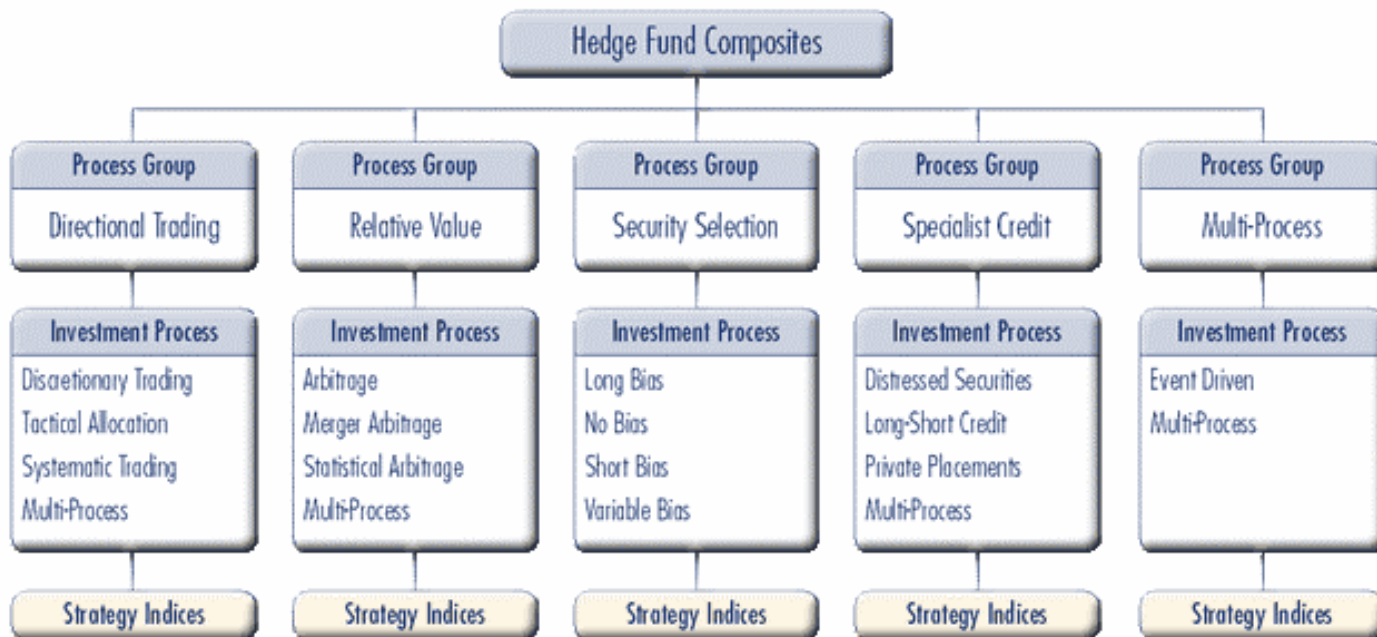
The **MSCI Security Selection Index** gained 2.0% for the month of April based on 62% of funds reporting. Security Selection managers combine long positions and short sales with the aim of benefiting from their ability in selecting investments while offsetting systematic market risks.

The **MSCI Specialist Credit Index** gained 1.4% for the month of April based on 61% of funds reporting. Specialist Credit funds seek to lend to credit-sensitive issuers.

The **MSCI Multi-Process Group Index** gained 1.9% for the month of April based on 64% 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 3,000 hedge funds. The MSCI Hedge Fund Indices are composed of more than 190 indices representing over \$300 billion in assets.

**MSCI Hedge Fund Indices – Index Structure**



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**About MSCI Barra**

MSCI Barra develops and maintains equity, hedge fund and REIT indices that serve as benchmarks for an estimated USD 3 trillion on a worldwide basis. MSCI Barra’s risk models and analytics products help the world’s largest investors analyze, measure and manage portfolio and firm-wide investment risk. MSCI Barra is headquartered in New York, with research and commercial offices around the world. Morgan Stanley, a global financial services firm and a market leader in securities, asset management, and credit services, is the majority shareholder of MSCI Barra, and Capital Group International, Inc. is the minority shareholder.

**For further information on MSCI Barra, please visit our web site at [www.msribarra.com](http://www.msribarra.com)**

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