

## MSCI Hedge Fund Indices - August 2007

### Early Reporting Funds

**New York** - September 17, 2007 - MSCI announced performance figures for early reporting funds in the MSCI Hedge Fund Composite and Process Group Indices. The performance figures for August are based on the returns of funds that have reported through September 13, 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
	Aug-07	Jul-07				
<b>MSCI Hedge Fund Composite Index</b>	<b>-1.4%</b>	<b>0.2%</b>	<b>6.0%</b>	<b>11.3%</b>	<b>1.44</b>	<b>63%</b>
<b>Process Groups</b>						
MSCI Directional Trading Index	-2.5%	-0.5%	1.6%	7.6%	0.59	69%
MSCI Relative Value Index	-0.3%	0.2%	4.5%	9.9%	1.11	60%
MSCI Security Selection Index	-1.5%	0.7%	8.1%	13.2%	1.71	64%
MSCI Specialist Credit Index	-0.8%	-0.8%	5.6%	12.8%	2.56	52%
MSCI Multi-Process Group Index	-1.0%	0.7%	8.1%	12.0%	2.04	59%
<b>Other Reference Indices</b>						
MSCI World Equity Index	<b>-0.1%</b>	<b>-2.2%</b>	<b>6.7%</b>	<b>20.0%</b>	<b>1.63</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 August, the early reporting funds in the MSCI Hedge Fund Composite Index, an equal weighted index, posted a decline of 1.4% with 63% of the constituent funds reporting, while the MSCI World Equity Index declined 0.1%.

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** declined -2.5% for the month of August based on 69% 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** declined -0.3% for the month of August based on 60% of funds reporting. Relative Value strategies focus on spread relationships between pricing components of financial assets or commodities.

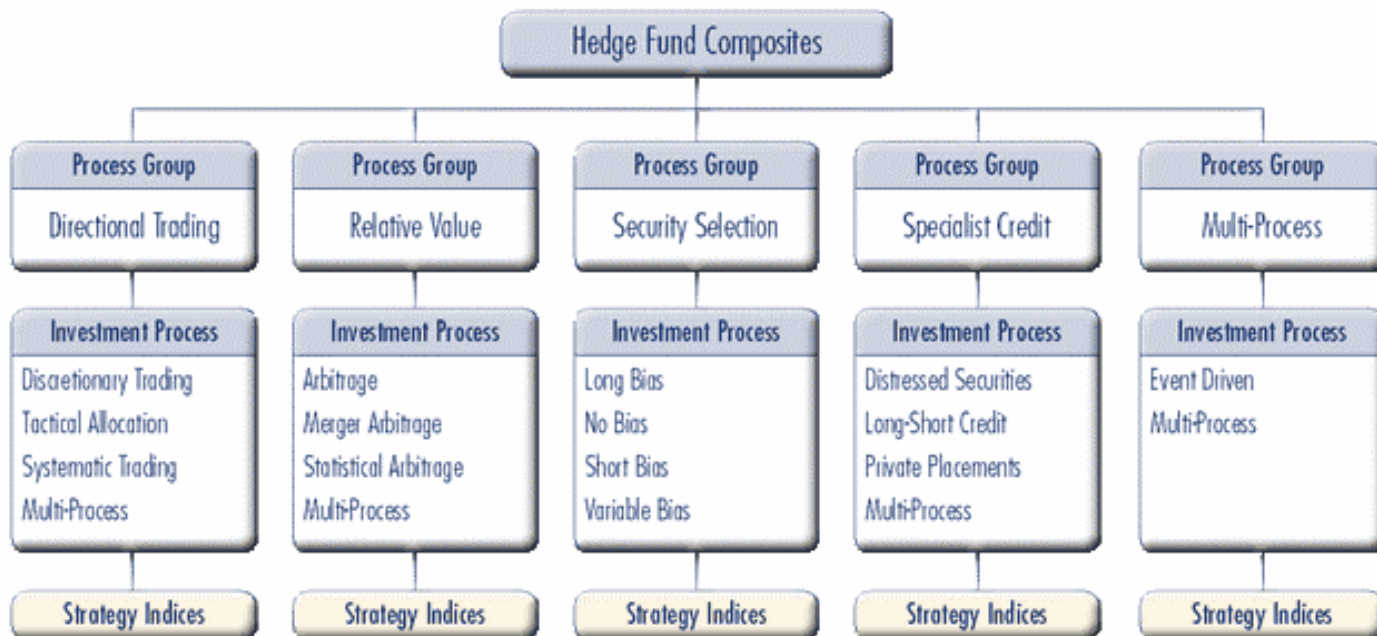
The **MSCI Security Selection Index** declined -1.5% for the month of August based on 64% of funds reporting. Security Selection managers combine long positions and short sales with the aim of benefiting from their ability in selecting investments while offsetting systematic market risks.

The **MSCI Specialist Credit Index** declined -0.8% for the month of August based on 52% of funds reporting. Specialist Credit funds seek to lend to credit-sensitive issuers.

The **MSCI Multi-Process Group Index** declined -1.0% for the month of August based on 59% 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 3,100 hedge funds. The MSCI Hedge Fund Indices are comprised of more than 190 indices representing over \$350 billion in assets.

**MSCI Hedge Fund Indices – Index Structure**



## 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, is the majority shareholder of MSCI Barra, and Capital Group International, Inc. is the minority shareholder.

MSCI Barra was recently voted "Index Provider of the Year" at the 2007 Global Pensions Magazine Awards.

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

### For media enquiries please contact:

Sally Todd   Clare Milton, Penrose Financial, London	+ 44.20.7786.4888
Pen Pendleton   Ann Taylor Reed, Abernathy MacGregor, New York	+ 1.212.371.5999

### MSCI Barra Global Client Service:

Aatish Suchak, MSCI Barra, London	+ 44.20.7618.2222
Izabella Goldenberg, MSCI Barra, New York	+ 1.212.762.5790
Jackson Wang, MSCI Barra, San Francisco	+ 1.415.576.2323
Alick Lei, MSCI Barra, Hong Kong	+ 852.2848.7333
Pavithra Ramasubban, MSCI Barra, Sydney	+ 61.2.9220.9333
Masao Ikeda, MSCI Barra, Tokyo	+ 813.5424.5470

This document and all of the information contained in it, including without limitation all text, data, graphs, charts (collectively, the "Information") is the property of MSCI Inc. ("MSCI"), Barra, Inc. ("Barra"), or their affiliates (including without limitation Financial Engineering Associates, Inc.) (alone or with one or more of them, "MSCI Barra"), or their direct or indirect suppliers or any third party involved in the making or compiling of the Information (collectively, the "MSCI Barra Parties"), as applicable, and is provided for informational purposes only. The Information may not be reproduced or disseminated in whole or in part without prior written permission from MSCI or Barra, as applicable. The Information may not be used to verify or correct other data, to create indices, risk models or analytics, or in connection with issuing, offering, sponsoring, managing or marketing any securities, portfolios, financial products or other investment vehicles based on, linked to, tracking or otherwise derived from any MSCI or Barra product or data. **Historical data and analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the Information constitutes an offer to sell (or a solicitation of an offer to buy), or a promotion or recommendation of, any security, financial product or other investment vehicle or any trading strategy, and none of the MSCI Barra Parties endorses, approves or otherwise expresses any opinion regarding any issuer, securities, financial products or instruments or trading strategies. None of the Information, MSCI Barra indices, models or other products or services is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.** The user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. In particular, historical data and analysis should not be taken as an indication or guarantee of any future performance, analysis or prediction. **NONE OF THE MSCI BARRA PARTIES MAKES ANY EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS WITH RESPECT TO THE INFORMATION (OR THE RESULTS TO BE OBTAINED BY THE USE THEREOF), AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, MSCI AND BARRA, EACH ON THEIR BEHALF AND ON THE BEHALF OF EACH MSCI BARRA PARTY, HEREBY EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF ORIGINALITY, ACCURACY, TIMELINESS, NON-INFRINGEMENT, COMPLETENESS, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) WITH RESPECT TO ANY OF THE INFORMATION.** Without limiting any of the foregoing and to the maximum extent permitted by law, in no event shall any of the MSCI Barra Parties have any liability regarding any of the Information for any direct, indirect, special, punitive, consequential (including lost profits) or any other damages even if notified of the possibility of such damages. The foregoing shall not exclude or limit any liability that may not be applicable law be excluded or limited. Any use of or access to products, services or information of MSCI or Barra or their subsidiaries requires a license from MSCI or Barra, or their subsidiaries, as applicable. MSCI, Barra, MSCI Barra, EAFE, Aegis, Cosmos, BarraOne, and all other MSCI and Barra product names are the trademarks, registered trademarks, or service marks of MSCI, Barra or their affiliates, in the United States and other jurisdictions. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and Standard & Poor's. "Global Industry Classification Standard (GICS)" is a service mark of MSCI and Standard & Poor's. The governing law applicable to these provisions is the substantive law of the State of New York without regard to its conflict or choice of law principles.