

## MSCI Hedge Fund Indices Performance

April 2008

**New York - May 27, 2008** - MSCI Barra, a leading provider of benchmark indices and risk management analytics products, announced today its April performance figures for the MSCI Hedge Fund Indices. Below is a summary of performance data for selected indices.

<b>MSCI HEDGE FUND INDICES</b>						
	<b>April</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 yr Ann. Ret.</b>	<b>3 yr Std Dev.</b>	<b>3 yr Sharpe</b>
<b>MSCI Hedge Fund Composite Index</b>	<b>1.45%</b>	<b>-2.26%</b>	<b>3.10%</b>	<b>9.24%</b>	<b>4.94%</b>	<b>0.90</b>
<b>MSCI Hedge Fund Composite Index - Asset Weighted</b>	<b>1.25%</b>	<b>-1.49%</b>	<b>4.04%</b>	<b>9.57%</b>	<b>4.62%</b>	<b>1.03</b>
<b>Process Groups</b>						
MSCI Directional Trading Index	0.52%	2.69%	10.45%	9.91%	5.43%	0.94
MSCI Relative Value Index	1.31%	-1.36%	1.26%	5.87%	2.34%	0.46
MSCI Security Selection Index	2.19%	-4.77%	1.51%	10.57%	6.88%	0.84
MSCI Specialist Credit Index	0.82%	-2.28%	-0.25%	7.92%	3.40%	0.92
MSCI Multi-Process Group Index	1.00%	-2.59%	0.85%	8.73%	4.70%	0.84
<b>Geography</b>						
MSCI Hedge Fund Developed Markets Index	1.43%	-1.22%	2.34%	8.32%	4.38%	0.80
MSCI Hedge Fund Emerging Markets Index	1.55%	-5.13%	6.87%	13.49%	7.79%	1.12
MSCI Hedge Fund Global Markets Index	1.48%	-4.87%	5.90%	12.95%	7.09%	1.15
MSCI Hedge Fund Europe Index	1.81%	-2.45%	-3.56%	8.04%	5.34%	0.61
MSCI Hedge Fund North America Index	1.70%	-2.35%	1.11%	8.19%	4.45%	0.76
MSCI Hedge Fund Japan Index	1.78%	-3.86%	-5.39%	3.72%	7.12%	-0.15
<b>Size</b>						
MSCI Hedge Fund Core Fund Composite Index	1.29%	-2.28%	3.02%	9.42%	4.96%	0.93
MSCI Hedge Fund Small Fund Composite Index	1.57%	-2.12%	3.60%	9.14%	4.87%	0.89
<b>MSCI EQUITY AND HEDGE INVEST INDICES</b>						
<b>MSCI World Equity Index</b>	<b>5.26%</b>	<b>-4.28%</b>	<b>-2.47%</b>	<b>12.36%</b>	<b>9.47%</b>	<b>0.87</b>
<b>MSCI Hedge Invest Index<sup>†</sup></b>	<b>0.67%</b>	<b>-3.24%</b>	<b>-2.79%</b>	<b>4.41%</b>	<b>4.56%</b>	<b>-0.09</b>
<b>3-Month US Treasury</b>	<b>0.12%</b>	<b>0.54%</b>	<b>3.25%</b>	<b>4.05%</b>	<b>0.31%</b>	<b>-2.44</b>

Data is as of April 30, 2008. All hedge fund indices listed above are equal weighted unless noted otherwise.

<sup>†</sup> MSCI Hedge Invest Index: Monthly returns are based upon performance from the last Tuesday in previous month until the last Tuesday in reported month. As with all historical performance data, it may not be used to predict future characteristics or performance of the index or relied on in making any investment decisions.

For the month of April, the MSCI Hedge Fund Composite Index, an equal weighted index, gained 1.45%. The MSCI World Equity Index gained 5.26%. The MSCI Hedge Fund Database has grown to over 3,500 hedge funds and more than 190 indices representing over \$360 billion in assets. More than 95% of the funds in the database reported performance as of this index calculation.

Among the process groups, the MSCI Security Selection Index performed the best by gaining 2.19%, followed by the MSCI Relative Value Index which gained 1.31%. The MSCI Directional Trading Index posted the lowest return by gaining 0.52%.

For April under the MSCI Directional Trading Index, Discretionary Trading funds gained 1.96% and Systematic Trading funds lost 0.64%. Within the MSCI Relative Value Index Merger Arbitrage funds posted the highest return for the month by gaining 1.84% while Multi-Process (RV) funds posted the lowest return for the month by gaining 0.21%.

Under the MSCI Security Selection Index, Long Bias funds posted the highest return for the month by gaining 2.83%. Short Bias<sup>1</sup> funds posted the lowest return for the month declining 3.44%. Within the MSCI Specialist Credit Index, Long-Short Credit funds outperformed Distressed Securities funds with returns of 1.20% and 0.70% respectively.

Among geographic areas (Developed Markets, Emerging Markets & Global Markets), the MSCI Hedge Fund Emerging Markets Index posted the highest return for the month by gaining 1.55%, while the MSCI Hedge Fund Developed Markets Index posted the lowest return by gaining 1.43%. Note: MSCI Hedge Fund indices are hedged to remove the effect of currency on fund performance.

In terms of hedge fund size, the MSCI Security Selection, Core Funds<sup>2</sup> posted the highest return for the month by gaining 2.19%, while the MSCI Directional Trading, Core Funds<sup>2</sup> posted the lowest return for the month by declining 0.21%.

In terms of risk-adjusted returns, the MSCI Discretionary Trading, Offshore, Diversified Developed Markets Funds Index had the highest 3 year Sharpe Ratio of 1.84 with a monthly return of 0.37%. The MSCI Japan, AW Funds Index had the lowest 3 year Sharpe Ratio of -0.62 with a return of 1.37% for the month.

Below is a brief description of the MSCI Hedge Fund Process Groups:

The **MSCI Directional Trading Index** - 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** - Relative Value strategies focus on spread relationships between pricing components of financial assets or commodities.

The **MSCI Security Selection Index** - 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** - Specialist Credit funds seek to lend to credit-sensitive issuers.

The **MSCI Multi-Process Group Index** - Multi-Process Group comprises funds that practice a strategy whereby a single investment process does not account for more than 80% of their risk capital.

<sup>1</sup> Short Bias of all Fund Sizes Indicative Index includes all short bias funds regardless of their level of asset under management.

<sup>2</sup> Core Fund Composite Index comprises funds with assets greater than \$100mm

## 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.

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

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