

MSCI[®] press release

HEDGE FUND INDICES

MSCI Hedge Fund Indices Estimated Performance Figures - October 2002

New York, November 15, 2002. MSCI announced today that it has begun calculating mid-month estimated performance figures for the MSCI Hedge Fund Composite and Process Group IndicesSM. Below is summary performance data for these indices.

MSCI Hedge Fund Indices SM	2001	September Final	October Estimate*	2002 YTD October*	3 yr. Sharpe	% Reporting
MSCI Hedge Fund Composite IndexSM	5.5%	-0.4%	0.2%	1.4%	1.03	65.4%
Process Groups						
MSCI Directional Trading Index SM	7.7%	2.7%	-2.8%	8.5%	1.13	65.1%
MSCI Relative Value Index SM	4.8%	0.6%	0.5%	5.0%	1.79	63.6%
MSCI Security Selection Index SM	3.0%	-2.0%	1.0%	-2.9%	0.49	68.0%
MSCI Specialist Credit Index SM	13.5%	-0.9%	1.1%	1.5%	1.25	64.3%
MSCI Multi-Process Group Index SM	10.3%	-1.5%	0.8%	-1.2%	0.96	52.0%
Other Reference Indices						
	2001	September Final	October Final	2002 YTD October		
MSCI World Equity Index SM	-17.8%	-11.1%	7.3%	-21.1%		
MSCI World Sovereign Debt Index SM	-1.1%	1.1%	-0.4%	13.8%		

*The figures shown for October are based on the performance of funds which have reported through November 13, 2002. These estimates are subject to change as performance figures from additional funds are received. The proportion of funds that have reported to date in each index is shown. However, the returns have been calculated assuming 100% of the funds in each investment process have reported.

The **MSCI Hedge Fund Composite Index** increased by an estimated 0.2% for the month of October based on available mid-month data, bringing its estimated year-to-date performance to 1.4%.

As a point of comparison for the performance of hedge funds versus other investment areas, the MSCI World Equity Index increased by 7.3% in October, bringing its year-to-date performance to -21.1%. Conversely, the MSCI World Sovereign Debt Index declined by -0.4% in October, but remains up 13.8% year-to-date.

The performance of the MSCI Hedge Fund Composite Index, an equal weighted index, can be further analyzed by reviewing the five Process Group Indices that comprise it – the MSCI Directional Trading, Relative Value, Security Selection, Specialist Credit and Multi-Process Indices. These Process Group Indices are further subdivided into Investment Process and Strategy Indices, allowing for more refined peer group comparison, and performance and risk analysis.

The **MSCI Directional Trading Index** declined by an estimated -2.8% for the month of October based on available mid-month data. The MSCI Directional Trading Index remains the best performing MSCI Process Group IndexSM year-to-date with an estimated 8.5% performance.

The **MSCI Relative Value Index** increased an estimated 0.5% in October based on available mid-month data, bringing its year-to-date performance to an estimated 5.0%.

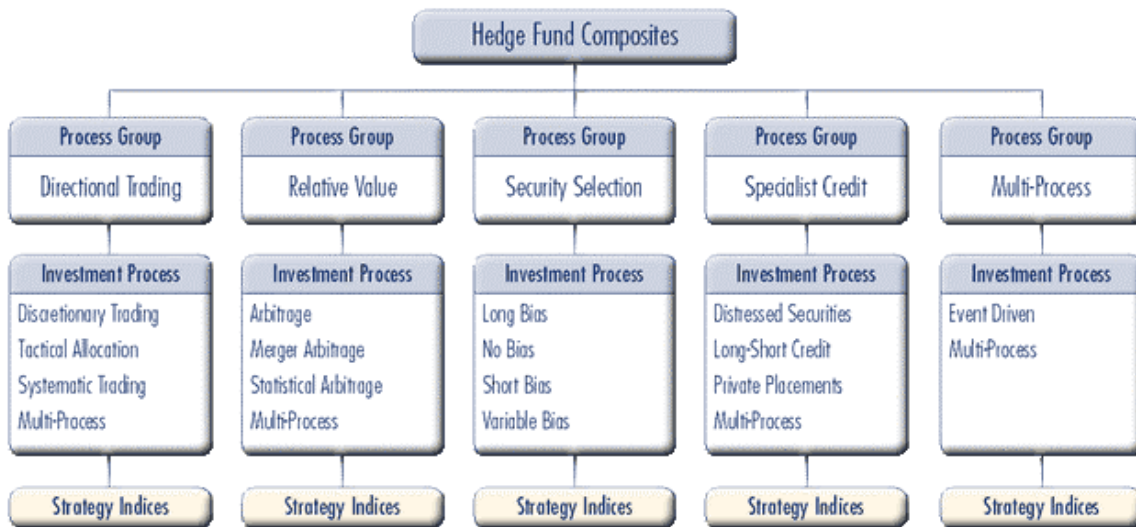
The **MSCI Security Selection Index** remains the worst performing MSCI Process Group Index on a year-to-date basis with an estimated -2.9% return. This index was up an estimated 1.0% in the month of October based on available mid-month data.

The **MSCI Specialist Credit Index** increased by an estimated 1.1% in October based on available mid-month data, after falling -0.9% in September. However, on a year-to-date basis this index is estimated to be up 1.5%.

The estimated returns indicate that several hedge fund strategy indices, which had established trends over recent months, experienced reversals in October. The MSCI Systematic Trading IndexSM, previously one of the strongest performers, was the driver behind the estimated underperformance of the MSCI Directional Trading Index in October. Within the MSCI Security Selection Index, the MSCI Long Bias and MSCI Short Bias IndicesSM reversed their performance once again. The MSCI Short Bias Index had its first down month since the spring, and the MSCI Long Bias Index ended a negative streak to become the best performing investment process index in October, according to estimated figures.

The MSCI Hedge Fund Indices and fund database contain more than 150 indices. More than 1,600 hedge funds have agreed to participate in the database and there are over 1,100 hedge funds currently in the database to date.

MSCI Hedge Fund Indices – Index Structure



For further information on MSCI indices or MSCI data, visit our web site at www.msci.com or contact:

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