

MSCI[®] press release

HEDGE FUND INDICES

MSCI Hedge Fund Indices – May 2004 - Early Reporting Funds

New York, June 14, 2004. MSCI announced performance figures for early reporting funds in the MSCI Hedge Fund CompositeSM and Process Group IndicesSM. The performance figures for May are based on the returns of funds that have reported through June 14th, 2004. The performance figures may change significantly as returns from additional funds are received. Below is a summary of performance data for selected indices.

	Early Reports		YTD	Annual	3 yr.	%
MSCI Hedge Fund Indices SM	May-04	Apr-04	May-04	2003	Sharpe	Reporting
MSCI Hedge Fund Composite IndexSM	-0.6%	-1.3%	1.5%	14.7%	1.62	58%
Process Groups						
MSCI Directional Trading Index SM	-1.0%	-4.2%	-0.5%	10.7%	0.81	53%
MSCI Relative Value Index SM	-0.4%	0.0%	1.2%	6.4%	2.57	67%
MSCI Security Selection Index SM	-0.7%	-1.2%	1.7%	18.9%	0.82	56%
MSCI Specialist Credit Index SM	0.0%	0.5%	3.9%	24.7%	2.96	56%
MSCI Multi-Process Group Index SM	-0.4%	-0.7%	3.0%	19.2%	1.56	54%
Other Reference Indices						
MSCI World Equity Index SM	0.9%	-2.0%	1.4%	33.1%		
MSCI World Sovereign Debt Index SM	0.8%	-4.3%	-1.7%	15.0%		

All hedge fund indices listed above are equal weighted and are expressed in US dollars.
The MSCI World Equity IndexSM is measured with dividends reinvested.

For the month of May, the early reporting funds in the MSCI Hedge Fund Composite Index, an equal weighted index, returned -0.6 % with 58% of funds reporting.

The MSCI World Equity IndexSM increased by 0.9% in May while the MSCI World Sovereign Debt IndexSM rose by 0.8%. 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 IndicesSM. These Process Group Indices are further subdivided into Investment Process IndicesSM.

Below is a brief description of the performance of select MSCI Hedge Fund Indices:

The **MSCI Directional Trading IndexSM** decreased by 1.0% for the month of May based on 53% 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 IndexSM** decreased by 0.4% in May based on 67% of funds reporting. Relative Value strategies focus on spread relationships between pricing components of financial assets or commodities.

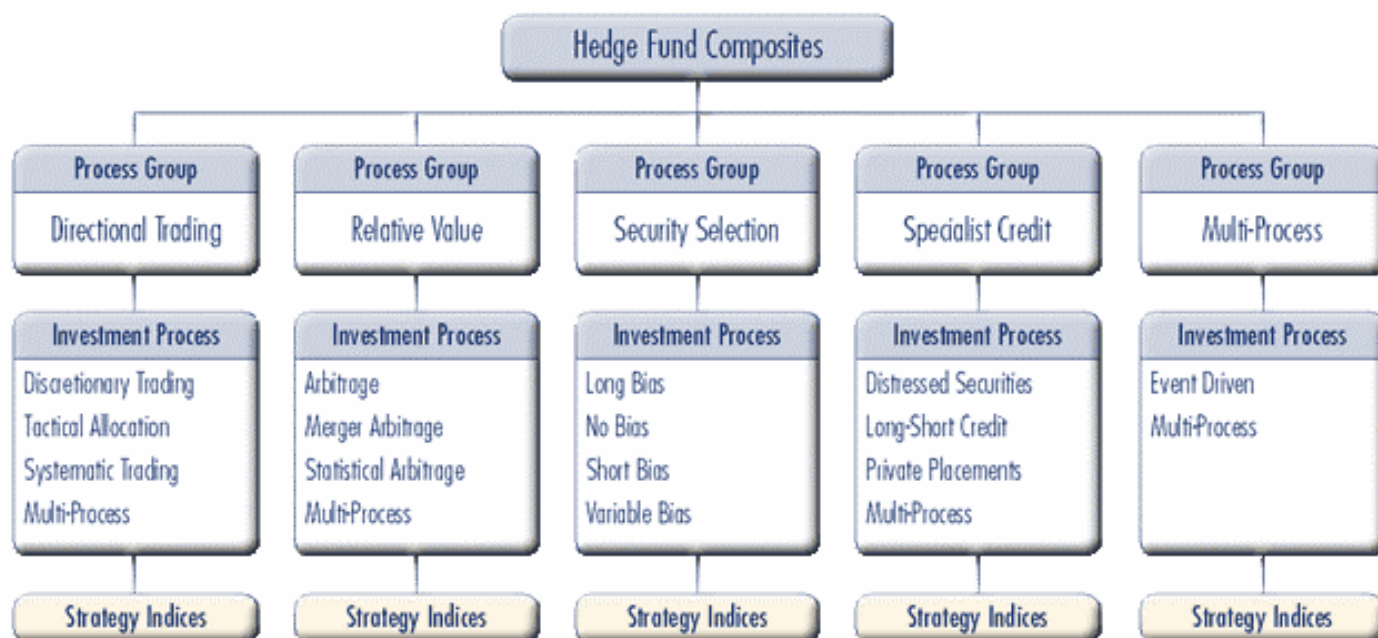
The **MSCI Security Selection IndexSM** decreased by 0.7% in May based on 56% of funds reporting. Security Selection managers combine long positions and short sales with the aim of benefiting from their ability in selecting investments while offsetting systematic market risks.

The **MSCI Specialist Credit IndexSM** remained flat in May, returning 0.0% based on 56% of funds reporting. Specialist Credit funds seek to lend to credit-sensitive issuers.

The **MSCI Multi-Process Group IndexSM** decreased by 0.4% in May based on 54% 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 1,700 hedge funds. The MSCI Hedge Fund Indices are composed of more than 190 indices representing more than \$200 billion in assets.

MSCI Hedge Fund Indices – Index Structure



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

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