



press release

HEDGE FUND INDICES

MSCI HEDGE INVEST INDEXSM QUARTERLY REVIEW: NUMBER OF CONSTITUENT FUNDS INCREASES TO 120

London, January 4, 2005. MSCI, a leading provider of global equity, US equity, fixed income and hedge fund indices, has announced the results of the January Quarterly Index Review of the MSCI Hedge Invest Index, its hedge fund index containing funds with weekly liquidity. As a result of this quarterly review, the number of constituent funds in the index will increase to 120 from 109, currently the largest number of any investable hedge fund index. Changes resulting from the review will be implemented in the MSCI Hedge Invest Index as of the close of January 4, 2005.

Process Level Target Weights
for January 4, 2005 Rebalancing

Process	Target Weight	Number of constituents
Long Bias	22.38%	15
Arbitrage	18.89%	16
Systematic Trading	11.01%	23
No Bias	10.56%	14
Variable Bias	7.10%	12
Specialist Credit ex illiquid	6.46%	6
Discretionary Trading	6.21%	11
Event-Driven	4.70%	6
Statistical Arbitrage	3.90%	4
Merger Arbitrage	2.49%	6
Multi-Process(MPG)	2.16%	1
Multi-Process(RV)	2.11%	2
Multi-Process(DT)	1.21%	1
Short Bias	0.83%	3
Total	100.00%	120

The MSCI Hedge Invest Index was launched on July 15, 2003 with 64 constituent funds, in response to client demand for an index consisting of a diverse sample of hedge funds and representing a broad range of hedge fund strategies. The index constituent funds provide weekly liquidity. The index is constructed and maintained by MSCI according to the MSCI Investable Hedge Fund Index MethodologySM, using eligible managed accounts owned by Lyxor Asset Management, a subsidiary of the Société Générale Group. The index is designed to serve as the basis of a wide range of index linked financial products.

The MSCI Hedge Invest Index is reviewed quarterly (i) to attempt to insure appropriate weighting of the strategy weights of the investable hedge fund index taking into account changes to the strategy weights in the hedge fund universe, as represented by the broader MSCI Hedge Fund Composite IndexSM, (ii) to make additions to the investable hedge fund index of newly available funds on the managed account platform,

which meet the constituent eligibility criteria and (iii) to make deletions from the investable hedge fund index of constituents that no longer meet the ongoing eligibility criteria.

Further information on the index, including index history, is available at www.msci.com.

Notes for Editors:

The MSCI Hedge Invest Index is separate from the MSCI Hedge Fund IndicesSM and fund database. The MSCI Hedge Invest Index contains a set of hedge funds with weekly liquidity while the MSCI Hedge Fund Indices and fund database contains both open and closed funds. The MSCI Hedge Fund Indices and fund database was launched in July 2002 to provide extensive information on hedge funds and to assist investors in conducting peer group analysis and research. As with the MSCI Hedge Fund Indices and fund database, funds in the MSCI Hedge Invest Index are classified into investment strategies according to the comprehensive and detailed MSCI Hedge Fund Classification StandardSM.

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

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In June 2004, Morgan Stanley acquired Barra, a global leader in risk management technology for investment professionals. Barra's operations will be combined with MSCI to form MSCI Barra.