

MSCI[®] press release

HEDGE FUND INDICES

MSCI Hedge Fund Indices Performance – January 2005

New York, February 24, 2005. MSCI announced today its January 2005 performance figures for the MSCI Hedge Fund IndicesSM. Below is a summary of performance data for selected indices.

MSCI HEDGE FUND INDICES						
	January	2005	2004	3 yr Ann. Ret.	3 yr Std Dev.	3 yr Sharpe
MSCI Hedge Fund Composite Index - Equal Weighted SM	-0.46%	-0.46%	6.64%	7.60%	3.48%	1.74
MSCI Hedge Fund Composite Index - Asset Weighted SM	-0.23%	-0.23%	7.23%	7.43%	3.00%	1.96
Process Groups						
MSCI Directional Trading Index SM	-2.50%	-2.50%	2.74%	7.45%	7.50%	0.79
MSCI Relative Value Index SM	0.15%	0.15%	2.84%	4.89%	1.32%	2.53
MSCI Security Selection Index SM	-0.11%	-0.11%	8.09%	7.79%	5.48%	1.14
MSCI Specialist Credit Index SM	0.31%	0.31%	13.27%	13.44%	4.02%	2.96
MSCI Multi-Process Group Index SM	0.21%	0.21%	10.54%	9.47%	3.96%	2.00
Asset Class						
MSCI Hedge Fund Equity Index SM	0.02%	0.02%	7.52%	6.93%	4.42%	1.22
MSCI Hedge Fund Fixed Income Index SM	0.63%	0.63%	10.46%	11.39%	2.22%	4.45
MSCI Hedge Fund Diversified Index SM	-1.68%	-1.68%	5.52%	8.55%	5.41%	1.30
Geography						
MSCI Hedge Fund Developed Markets Index SM	-0.63%	-0.63%	6.33%	7.07%	3.39%	1.63
MSCI Hedge Fund Emerging Markets Index SM	1.08%	1.08%	12.36%	14.86%	5.18%	2.57
MSCI Hedge Fund Global Markets Index SM	0.26%	0.26%	6.36%	8.81%	4.32%	1.68
MSCI Hedge Fund Europe Index SM	1.54%	1.54%	5.57%	4.00%	2.73%	0.90
MSCI Hedge Fund North America Index SM	-0.66%	-0.66%	7.70%	7.61%	4.41%	1.38
MSCI Hedge Fund Japan Index SM	0.87%	0.87%	8.43%	10.52%	6.51%	1.38
Domicile						
MSCI Offshore Hedge Fund Composite Index SM	-0.11%	-0.11%	5.89%	6.86%	2.81%	1.89
MSCI Onshore Hedge Fund Composite Index SM	-0.84%	-0.84%	7.35%	8.09%	4.28%	1.53
MSCI Hedge Invest Index [†]	-0.32%	-0.32%	3.23%	5.34%	2.83%	1.34
MSCI EQUITY AND FIXED INCOME INDICES						
MSCI World Equity Index SM	-2.25%	-2.25%	14.72%	7.24%	14.89%	0.38
MSCI World Sovereign Debt Index SM	-1.46%	-1.46%	10.17%	14.98%	7.56%	1.78

Data is as of January 31, 2004. All hedge fund indices listed above are equal weighted unless noted otherwise.

† MSCI Hedge Invest Index: MTD returns are based upon performance from the last Tuesday in previous month until the last Tuesday in reported month. 2004 returns are from December 30, 2003 through December 28, 2004. Pro forma historical performance data for the period before July 15, 2003, relies on significant assumptions, and is provided for illustration purposes only. 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.

Hedge funds started 2005 down 0.46% for the month of January according to the MSCI Hedge Fund Composite IndexSM, an equal weighted index. The MSCI World Equity IndexSM and the MSCI World Sovereign Debt IndexSM, both were down losing 2.25% and 1.46% respectively. The MSCI Hedge Fund Database has grown to over 2,000 hedge funds and more than 190 indices representing more than \$260 billion in assets. Over 98% of the funds in the database reported performance as of January's index calculation.

For the month of January, The MSCI Directional Trading IndexSM posted the largest loss of 2.50% among process groups. Under MSCI Directional Trading IndexSM, Systematic funds posted a loss of 3.94% while Discretionary funds posted a loss of 0.41%.

Despite the 2.25% decline for equity markets, the MSCI Security Selection IndexSM posted a loss of only 0.11%. Short Bias funds did well in the down markets gaining 2.47%, while Long Bias funds declined 0.52%. The MSCI Specialist Credit IndexSM was the best performing process group gaining 0.31%.

Consistent with Specialist Credit, the MSCI Hedge Fund Fixed Income IndexSM gained 0.63% while the MSCI Hedge Fund Currencies IndexSM posted a loss of 2.56%.

By geography, the MSCI Hedge Fund Europe IndexSM posted the largest gain of 1.54% followed by the MSCI Hedge Fund Emerging Markets IndexSM and the MSCI Hedge Fund Japan IndexSM, which gained 1.08% and 0.87% respectively. The MSCI Hedge Fund North America IndexSM posted a loss of 0.66%. Note: MSCI Hedge Fund indices are hedged to remove the effect of currency on fund performance.

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

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

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

The **MSCI Multi-Process Group IndexSM** - 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.

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

Amy Davidson, MSCI, New York	+ 1 212 762 5790
Guillermo Bénédict, MSCI, London	+ 44 20 7425 6660
Jammy Chan, MSCI, Hong Kong	+ 852 2848 6740
Olivia Vong, MSCI, Tokyo	+ 813 5424 5470
Ed Rowley/Patrick Linehan, Abernathy MacGregor, New York	+ 1 212 371 5999

The information contained in this document, including all text, data, graphs, charts and all other information (collectively, the "Information") is the property of Morgan Stanley Capital International Inc. (MSCI) and is provided for informational purposes only. Any use of MSCI indices, data or other information requires a license from MSCI. The Information may not be used to verify or correct other data, to create indices, or in connection with offering, sponsoring, managing or marketing any securities, portfolios, financial instruments or products. None of the Information constitutes an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy, and MSCI does not endorse, approve or otherwise express any opinion regarding any issuer, securities, financial instruments or products or trading strategies that may be described or mentioned herein. Further, none of the Information 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 it. **NEITHER MSCI, ANY OF ITS AFFILIATES OR ANY OTHER THIRD PARTY INVOLVED IN MAKING OR COMPILING ANY OF THE INFORMATION MAKES ANY EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS WITH RESPECT TO THE INFORMATION (OR THE RESULTS TO BE OBTAINED BY THE USE THEREOF), AND MSCI, ITS AFFILIATES AND EACH SUCH OTHER THIRD PARTY HEREBY EXPRESSLY DISCLAIM 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, in no event shall MSCI, any of its affiliates or any other third party involved in making or compiling any of the Information have any liability regarding any of the Information for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Morgan Stanley Capital International, MSCI®, ACWI, EAFE® and all other service marks referred to herein are the exclusive property of MSCI or its affiliates. All MSCI indices are the exclusive property of MSCI and may not be used in any way without the express written permission of MSCI.

About MSCI

MSCI (www.msci.com) is a leading provider of equity, fixed income and hedge fund indices, and related products and services. MSCI estimates that over USD 3 trillion is benchmarked to its indices on a worldwide basis. MSCI is headquartered in New York, with research and commercial offices around the world. In 2004, MSCI acquired Barra, Inc. (www.barra.com), a global leader in delivering risk analytics, performance measurement and attribution systems and services to managers of portfolio and firm-wide investment risk. Morgan Stanley, a global financial services firm and a market leader in securities, asset management, and credit services, is the majority shareholder of MSCI, and Capital International Inc., part of the global investment management group of The Capital Group Companies, Inc., is the minority shareholder.