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press release

## MSCI Hedge Fund Indices Performance-April 2006

New York – May 23, 2006. 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.

### MSCI HEDGE FUND INDICES

	April	YTD	1 Year	3 yr Ann. Ret.	3 yr Std Dev.	3 yr Sharpe
MSCI Hedge Fund Composite Index <sup>SM</sup>	1.96%	7.38%	17.19%	11.57%	3.95%	2.30
MSCI Hedge Fund Composite Index - Asset Weighted <sup>SM</sup>	1.75%	6.84%	15.65%	10.67%	3.55%	2.31
<b>Process Groups</b>						
MSCI Directional Trading Index <sup>SM</sup>	3.05%	6.94%	17.90%	8.31%	5.84%	1.00
MSCI Relative Value Index <sup>SM</sup>	0.94%	4.38%	7.77%	4.42%	1.66%	1.17
MSCI Security Selection Index <sup>SM</sup>	1.91%	9.08%	22.07%	15.49%	5.26%	2.47
MSCI Specialist Credit Index <sup>SM</sup>	1.69%	5.88%	12.51%	14.39%	2.89%	4.12
MSCI Multi-Process Group Index <sup>SM</sup>	1.55%	6.91%	14.77%	13.02%	3.64%	2.89
<b>Geography</b>						
MSCI Hedge Fund Developed Markets Index <sup>SM</sup>	1.78%	6.72%	16.22%	10.64%	3.80%	2.14
MSCI Hedge Fund Emerging Markets Index <sup>SM</sup>	3.24%	10.29%	22.57%	19.22%	5.47%	3.06
MSCI Hedge Fund Global Markets Index <sup>SM</sup>	2.54%	10.78%	21.61%	15.18%	5.17%	2.45
MSCI Hedge Fund Europe Index <sup>SM</sup>	1.42%	8.37%	18.60%	10.91%	3.64%	2.32
MSCI Hedge Fund North America Index <sup>SM</sup>	1.44%	6.69%	15.36%	11.55%	4.11%	2.21
MSCI Hedge Fund Japan Index <sup>SM</sup>	-0.77%	-0.87%	21.97%	15.54%	7.37%	1.77
<b>Size</b>						
MSCI Hedge Fund Core Fund Composite Index <sup>SM</sup>	2.03%	7.42%	17.09%	11.02%	3.60%	2.37
MSCI Hedge Fund Small Fund Composite Index <sup>SM</sup>	1.83%	7.19%	17.07%	11.61%	4.20%	2.17
MSCI Hedge Invest Index <sup>†</sup>	1.57%	4.90%	10.83%	6.84%	2.98%	1.46

### MSCI EQUITY AND FIXED INCOME INDICES

MSCI World Equity Index <sup>SM</sup>	3.04%	9.84%	24.32%	21.12%	8.39%	2.22
MSCI World Sovereign Debt Index <sup>SM</sup>	2.37%	1.96%	-3.44%	5.00%	7.41%	0.34

Data is as of April 30th, 2006. 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. 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.

For the month of April, the MSCI Hedge Fund Composite Index<sup>SM</sup>, an equal weighted index, posted a gain of 1.96%. The MSCI World Equity Index<sup>SM</sup> and the MSCI World Sovereign Debt Index<sup>SM</sup> posted returns of 3.04% and 2.37% respectively. The MSCI Hedge Fund Database has grown to over 2,600 hedge funds and more than 190 indices representing more than \$270 billion in assets. Above 95% of the funds in the database reported performance as of this index calculation.

Among the process groups, the MSCI Directional Trading Index<sup>SM</sup> performed the best gaining 3.05%, followed by the MSCI Security Selection Trading Index<sup>SM</sup> which gained 1.91%. The MSCI Relative Value Index<sup>SM</sup> posted the lowest return gaining 0.94%.

For April under the MSCI Directional Trading Index<sup>SM</sup>, Systematic Trading funds and Discretionary Trading funds returned 4.29% and 1.45% respectively. Within the MSCI Relative Value Index<sup>SM</sup> Multi-process (RV) Funds posted the highest return for the month by gaining 1.29% while Arbitrage Funds posted the lowest return for the month gaining 0.85%.

Under the MSCI Security Selection Index<sup>SM</sup>, Long Bias funds and Variable Bias funds posted the highest return for the month by gaining 2.12%. No Bias funds posted the lowest return for the month by gaining 1.26%. Within the MSCI Specialist Credit Index<sup>SM</sup>, Distressed Securities outperformed Long-Short Credit funds with returns of 2.88% and 0.98% respectively.

Among geographic areas (Developed Markets, Emerging Markets & Global Markets), the MSCI Hedge Fund Emerging Markets, Index<sup>SM</sup> posted the highest return gaining 3.24%, while the MSCI Hedge Fund Japan Index<sup>SM</sup> performed the lowest return declining 0.77%. Within Developed Markets, the MSCI Hedge Fund North America Index<sup>SM</sup> posted the highest return gaining 1.44%, while the MSCI Hedge Fund Japan Index posted the lowest return declining 0.77%. Note: MSCI Hedge Fund indices are hedged to remove the effect of currency on fund performance.

In terms of hedge fund size, the MSCI Hedge Fund Directional Trading, Small funds Index<sup>SM1</sup> posted the highest return gaining 3.18% while the MSCI Hedge, Relative Value, Small funds Index<sup>SM1</sup> posted the lowest return gaining 0.64%. In terms of risk-adjusted returns, the MSCI Hedge Fund Specialist Credit, Core funds Index<sup>SM2</sup> had a higher Sharpe Ratio of 4.49, while the MSCI Hedge Fund Directional Trading, Core Index<sup>SM2</sup> had a Sharpe Ratio of 0.84.

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

The **MSCI Directional Trading Index<sup>SM</sup>** - MSCI defines Directional Trading strategies<sup>SM</sup> 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<sup>SM</sup>** - Relative Value strategies focus on spread relationships between pricing components of financial assets or commodities.

The **MSCI Security Selection Index<sup>SM</sup>** - 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<sup>SM</sup>** - Specialist Credit funds seek to lend to credit-sensitive issuers.

The **MSCI Multi-Process Group Index<sup>SM</sup>** - 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> Small Fund Composite Index comprises funds with assets greater than \$15mm but less than \$100mm.

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

**About MSCI Barra**

MSCI (www.msci.com) develops and maintains equity, fixed income, multi-asset class, REIT and hedge fund indices that serve as benchmarks for an estimated USD 3 trillion on a worldwide basis and owns Barra, Inc. (“Barra”). Barra (www.barra.com) analytics help the world’s largest investors analyze, measure and manage portfolio and firm-wide investment risk. MSCI Barra is headquartered in New York, with research and commercial offices around the world. 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 Group International, Inc. is the minority shareholder. MSCI Barra is a service mark of Morgan Stanley Capital International Inc. (“MSCI” or “MSCI Barra”).

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