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press release

MSCI Hedge Fund Indices Performance-May 2006

New York – June 26, 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

	May	YTD	1 Year	3 yr Ann. Ret.	3 yr Std Dev.	3 yr Sharpe
MSCI Hedge Fund Composite IndexSM	-1.27%	5.96%	14.78%	10.01%	3.95%	1.88
MSCI Hedge Fund Composite Index - Asset WeightedSM	-1.13%	5.74%	13.89%	9.44%	3.62%	1.89
Process Groups						
MSCI Directional Trading Index SM	-1.40%	5.19%	14.34%	6.27%	5.54%	0.66
MSCI Relative Value Index SM	0.55%	4.95%	8.58%	4.38%	1.65%	1.08
MSCI Security Selection Index SM	-2.43%	6.39%	17.85%	13.15%	5.46%	1.94
MSCI Specialist Credit Index SM	0.96%	6.95%	13.55%	13.63%	2.67%	4.14
MSCI Multi-Process Group Index SM	-0.90%	6.22%	13.64%	11.84%	3.71%	2.49
Geography						
MSCI Hedge Fund Developed Markets Index SM	-1.11%	5.47%	13.85%	9.13%	3.75%	1.75
MSCI Hedge Fund Emerging Markets Index SM	-2.72%	7.24%	18.54%	16.87%	5.88%	2.43
MSCI Hedge Fund Global Markets Index SM	-1.53%	9.06%	19.93%	13.61%	5.33%	2.07
MSCI Hedge Fund Europe Index SM	-2.05%	6.24%	15.89%	9.74%	4.01%	1.79
MSCI Hedge Fund North America Index SM	-0.75%	5.88%	13.38%	10.13%	4.00%	1.88
MSCI Hedge Fund Japan Index SM	-3.09%	-3.94%	18.48%	14.02%	7.78%	1.47
Size						
MSCI Hedge Fund Core Fund Composite Index SM	-1.16%	6.15%	15.01%	9.72%	3.67%	1.94
MSCI Hedge Fund Small Fund Composite Index SM	-1.32%	5.73%	14.45%	9.95%	4.17%	1.76
MSCI Hedge Invest Index[†]	-1.08%	3.76%	9.59%	5.57%	2.89%	1.03

MSCI EQUITY AND FIXED INCOME INDICES

MSCI World Equity IndexSM	-3.42%	6.09%	17.98%	17.53%	8.52%	1.75
MSCI World Sovereign Debt IndexSM	1.83%	3.83%	-0.19%	3.95%	7.14%	0.19

Data is as of May 31st, 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 May, the MSCI Hedge Fund Composite IndexSM, an equal weighted index, declined 1.27%. The MSCI World Equity IndexSM declined 3.42% and the MSCI World Sovereign Debt IndexSM gained 1.83%. The MSCI Hedge Fund Database has grown to over 2,700 hedge funds and more than 190 indices representing more than \$300 billion in assets. Above 95% of the funds in the database reported performance as of this index calculation.

Among the process groups, the MSCI Specialist Credit IndexSM performed the best gaining 0.96%, followed by the MSCI Relative Value IndexSM which gained 0.55%. The MSCI Security Selection IndexSM posted the lowest return declining 2.43%.

For May under the MSCI Directional Trading IndexSM, Discretionary Trading funds and Systematic Trading funds declined 1.88% and 1.19% respectively. Within the MSCI Relative Value IndexSM Arbitrage Funds posted the highest return for the month by gaining 0.80% while Merger Arbitrage Funds posted the lowest return for the month declining 0.01%.

Under the MSCI Security Selection IndexSM, Short Bias funds posted the highest return for the month by gaining 2.97%. Long Bias funds posted the lowest return for the month by declining 3.01%. Within the MSCI Specialist Credit IndexSM, Distressed Securities outperformed Long-Short Credit funds with returns of 1.60% and 0.38% respectively.

Among geographic areas (Developed Markets, Emerging Markets & Global Markets), the MSCI Hedge Fund North America, IndexSM posted the highest return declining 0.75%, while the MSCI Hedge Fund Japan IndexSM performed the lowest return declining 3.09%. 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 Specialist Credit, Core Index^{SM 2} posted the highest return gaining 1.26% while the MSCI Hedge, Security Selection, Core funds Index^{SM 2} posted the lowest return declining 2.56%. In terms of risk-adjusted returns, the MSCI Hedge Fund Specialist Credit, Core funds Index^{SM 2} had a higher Sharpe Ratio of 4.43, while the MSCI Hedge Fund Directional Trading, Core Index^{SM 2} had a Sharpe Ratio of 0.51.

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.

¹ Small Fund Composite Index comprises funds with assets greater than \$15mm but less than \$100mm.

² 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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For further information on MSCI indices or MSCI data, please visit our web site at www.msci.com or for Barra products; please visit our web site at www.barra.com

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