



press release

MSCI Hedge Fund Indices – May 2006 - Early Reporting Funds

New York, June 14, 2006. 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 13, 2006. The performance figures may change significantly, as returns from additional funds are received. Below is a summary of performance data for selected indices.

MSCI Hedge Fund Indices SM	Early Reports			Annual 2005	3 yr. Sharpe	% Reporting
	May-06	Apr-06	YTD			
MSCI Hedge Fund Composite IndexSM	-1.2%	2.0%	6.1%	8.1%	1.98	65%
Process Groups						
MSCI Directional Trading Index SM	-1.3%	2.9%	5.4%	7.1%	0.71	77%
MSCI Relative Value Index SM	0.7%	0.9%	5.1%	2.7%	1.15	64%
MSCI Security Selection Index SM	-2.3%	2.0%	6.6%	10.8%	2.04	62%
MSCI Specialist Credit Index SM	1.1%	1.8%	7.2%	7.6%	4.35	60%
MSCI Multi-Process Group Index SM	-1.1%	1.7%	5.9%	8.0%	2.55	64%
Other Reference Indices						
MSCI World Equity Index SM	-3.4%	3.0%	6.1%	9.5%	1.83	N/A
MSCI World Sovereign Debt Index SM	1.8%	2.4%	3.8%	-6.9%	0.20	N/A

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 IndexSM, an equal weighted index, posted a decline of 1.2% with 65% of the constituent funds reporting.

For the month of May, the MSCI World Equity IndexSM declined 3.4% and the MSCI World Sovereign Debt IndexSM gained 1.8%. The performance of the MSCI Hedge Fund Composite IndexSM is comprised of five Process Group Indices: the MSCI Directional Trading, Relative Value, Security Selection, Specialist Credit and Multi-Process Indices.

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

The **MSCI Directional Trading IndexSM** declined 1.3% for the month of May based on 77% 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** gained 0.7 % for the month of May based on 64% of funds reporting. Relative Value strategies focus on spread relationships between pricing components of financial assets or commodities.

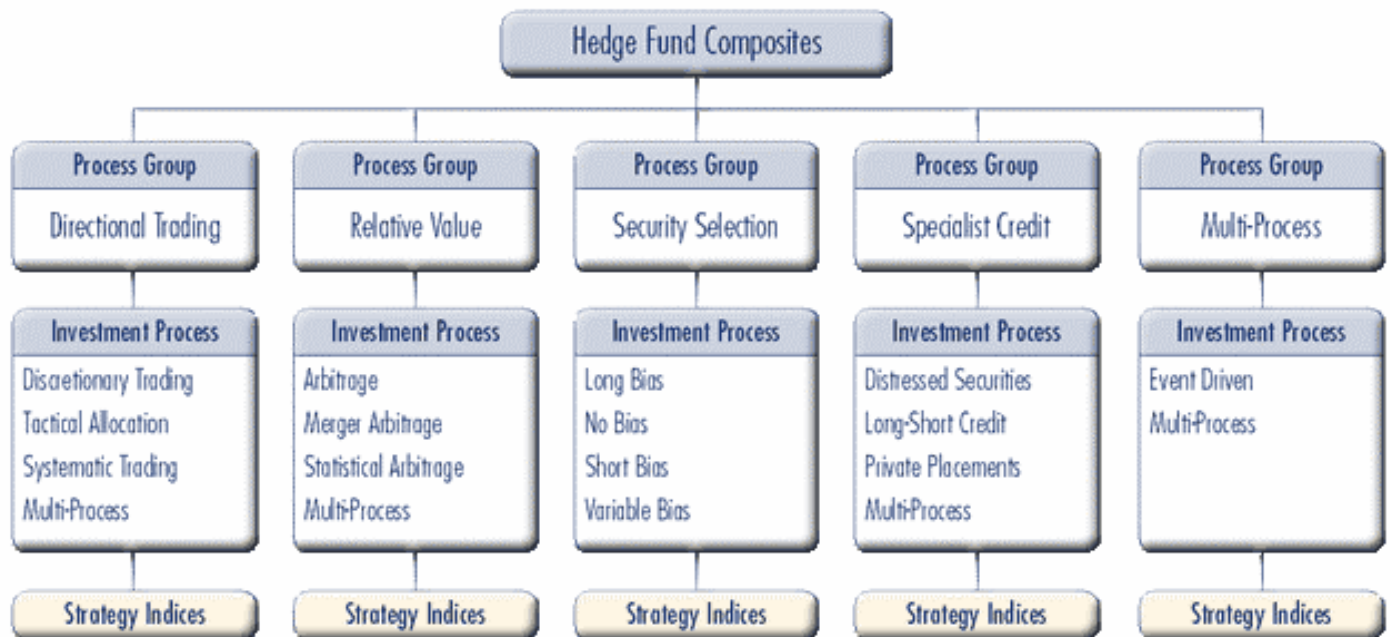
The **MSCI Security Selection IndexSM** declined 2.3% for the month of May based on 62% of funds reporting. Security Selection managers combine long positions and short sales with the aim of benefiting from their ability in selecting investments while offsetting systematic market risks.

The **MSCI Specialist Credit IndexSM** gained 1.1% for the month of May based on 60% of funds reporting. Specialist Credit funds seek to lend to credit-sensitive issuers.

The **MSCI Multi-Process Group IndexSM** declined 1.1% for the month of May based on 64% 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 2,600 hedge funds. The MSCI Hedge Fund Indices are composed of more than 190 indices representing more than \$270 billion in assets.

MSCI Hedge Fund Indices – Index Structure



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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