

**Report of Organizational Actions  
 Affecting Basis of Securities**

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name <b>Morgan Stanley International Fund - Class B</b>		2 Issuer's employer identification number (EIN) <b>13-4055187</b>	
3 Name of contact for additional information <b>Rob Creaney</b>	4 Telephone No. of contact <b>312-706-4706</b>	5 Email address of contact <b>msiptax.reg@morganstanley.com</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>c/o Morgan Stanley tax, 400 S. LaSalle Street, 39th Floor</b>		7 City, town, or post office, state, and Zip code of contact <b>Chicago, IL 60605</b>	
8 Date of action <b>10/26/2012</b>	9 Classification and description <b>Regulated Investment Company Class B outstanding common shares</b>		
10 CUSIP number <b>61746F206</b>	11 Serial number(s)	12 Ticker symbol <b>INLBX</b>	13 Account number(s)

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On October 26, 2012, Morgan Stanley International Fund ("Target") merged into Morgan Stanley Institutional Fund, Inc. Active International Allocation Portfolio ("Survivor") in a tax-free reorganization. Pursuant to the terms of the merger, common shares of Target were exchanged for common shares of Survivor.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **The Target shareholders' total basis in the Survivor shares received is the same as their total basis in the old Target shares. For each Class B share of Target held (INLBX), shareholders received 1.000559 Class H shares of Survivor (MSAHX). Alternatively, each Survivor share received in the reorganization will have a basis equal to 99.944131% of the Target shares surrendered.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **The per share basis calculations are based on the respective net asset values ("NAVs") of the Target and Survivor shares as of the close of business on the merger date of 10/26/2012. These NAVs are determined based on the market value of the underlying securities held by the funds. The NAV of Target's Class B shares was \$11.28 per share and the NAV of Survivor's Class H shares was \$11.27 per share on 10/26/2012.**

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ \_\_\_\_\_

The transaction described herein is a tax-free reorganization under IRC Sections 354(a)(1) and 368(a)(1).

The aggregate basis of the Survivor shares received equals the aggregate basis in the Target shares exchanged under IRC Section 358(a)(1).

18 Can any resulting loss be recognized? ▶ No.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ \_\_\_\_\_

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature ▶  Date ▶ 11/9/11

Print your name ▶ Rob Creaney Title ▶ Assistant Treasurer

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.