

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name <b>Morgan Stanley Institutional Fund, Inc. - Global Real Estate Portfolio - Class H</b>		2 Issuer's employer identification number (EIN) <b>20-5054292</b>	
3 Name of contact for additional information <b>Joel Slager</b>		4 Telephone No. of contact <b>312-706-4706</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>		5 Email address of contact <b>msiptax.req@morganstanley.com</b>	
8 Date of action <b>12/17/2012</b>		7 City, town, or post office, state, and Zip code of contact <b>Chicago, IL 60605</b>	
10 CUSIP number <b>61756E701</b>		9 Classification and description <b>Regulated Investment Company Class I outstanding common shares</b>	
11 Serial number(s)		12 Ticker symbol <b>MSRHX</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 ▶ **For shareholders of record on December 14, 2012, Morgan Stanley Institutional Fund, Inc. - Global Real Estate Portfolio - Class H (Fund) paid out a total distribution on December 17, 2012 of \$0.315398 in which \$0.010204 was consider a nondividend distribution for tax purposes.**

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 shareholders' total basis in the Fund's Class H shares will be reduced by approximately \$0.010204 per share for the amount of nondividend distributions received by each Class H shareholder's as of the close of business December 17, 2012 (Ex-dividend date).**

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 Fund paid out a total of \$69,578,708 out of all share classes, of which \$2,250,914 was determined to be a return of capital, yielding a return of capital percentage of 3.235%. This percentage is multiplied by the total cash distributions per share to determine the return of capital per share.**

**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 distribution in excess of earnings and profits under IRC Section 301(c).**

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18 Can any resulting loss be recognized? ▶ N/A.

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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ Reportable tax year for this adjustment to the shareholder's basis is 2012.

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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 ▶ Joel Slager Date ▶ 2/14/2013  
Print your name ▶ Joel Slager 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.