

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Morgan Stanley Institutional Fund, Inc. - Global Real Estate Portfolio - Class I		2 Issuer's employer identification number (EIN) 20-5054292	
3 Name of contact for additional information Joel Slager		4 Telephone No. of contact 312-706-4706	5 Email address of contact msiptax.req@morganstanley.com
6 Number and street (or P.O. box if mail is not delivered to street address) of contact c/o Morgan Stanley tax, 400 S. LaSalle Street, 39th Floor		7 City, town, or post office, state, and Zip code of contact Chicago, IL 60605	
8 Date of action 12/17/2012		9 Classification and description Regulated Investment Company Class I outstanding common shares	
10 CUSIP number 61744J143	11 Serial number(s)	12 Ticker symbol MRLAX	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 I (Fund) paid out a total distribution on December 17, 2012 of \$0.338109 in which \$0.010939 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 I shares will be reduced by approximately \$0.010939 per share for the amount of nondividend distributions received by each Class I 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.**

