

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name		<b>2</b> Issuer's employer identification number (EIN)	
Morgan Stanley Institutional Liquidity Funds - Tax-Exempt Portfolio		30-6067223	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
Michael Conklin	312-706-4706	msiptax.reg@morganstanley.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact		<b>7</b> City, town, or post office, state, and Zip code of contact	
c/o Morgan Stanley Tax, 440 S. LaSalle Street, 39th Floor		Chicago, IL, 60605	
<b>8</b> Date of action		<b>9</b> Classification and description	
See Attached Schedule		Common Stock Dividends	
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)
See Attached Schedule	N/A	See Attached Schedule	N/A

**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 ▶ The Issuer paid monthly distributions to common stock shareholders during calendar year 2016. All or part of such distributions constitute a non-taxable return of capital.

**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 quantitative effect of the distributions reported as a return of capital on a per share basis are set forth in the attached schedule.

**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 ▶ Issuer's current and accumulated earnings were compared to distributions paid during the fiscal year ended October 31, 2016. The non-taxable return of capital represents the amount of distributions paid during the taxable fiscal year ended October 31, 2016 in excess of issuer's current and accumulated earnings and profits under IRC Section 316.

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Internal Revenue Code Section 301(c)(2) and Section 316

Multiple horizontal lines for listing applicable Internal Revenue Code sections and subsections.

18 Can any resulting loss be recognized? ▶ Not applicable.

Multiple horizontal lines for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The reportable year is fiscal year ending October 31, 2016

Multiple horizontal lines for providing other information necessary to implement the adjustment.

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 ▶ 8/20/18

Print your name ▶ Michael Conklin 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.

Morgan Stanley Institutional Liquidity Funds - Tax-Exempt Portfolio  
 EIN: 30-6067223  
 Form 8937 Attachment

CUSIP	TICKER SYMBOL	RECORD DATE	PAYABLE DATE	TOTAL DISTRIBUTION PER SHARE	NONDIVIDEND RETURN OF CAPITAL
61747C840	MTXXX	01/29/2018	01/29/2018	0.000008494	0.000003310
61747C824	MXSXX	01/29/2018	01/29/2018	0.000007153	0.000002788
61747C475	MXIXX	01/29/2018	01/29/2018	0.000008897	0.000002688
61747C665	MXAXX	01/29/2018	01/29/2018	0.000007153	0.000002788
61747C657	MADXX	01/29/2018	01/29/2018	0.000008500	0.000003313
61747C632	MXPXX	01/29/2018	01/29/2018	0.000008481	0.000003305
61747C426	MTMXX	01/29/2018	01/29/2018	0.000008495	0.000003311
CUSIP	TICKER SYMBOL	RECORD DATE	PAYABLE DATE	TOTAL DISTRIBUTION PER SHARE	NONDIVIDEND RETURN OF CAPITAL
61747C840	MTXXX	02/29/2018	02/29/2018	0.000007968	0.000003105
61747C824	MXSXX	02/29/2018	02/29/2018	0.000006603	0.000002573
61747C475	MXIXX	02/29/2018	02/29/2018	0.000006253	0.000002437
61747C665	MXAXX	02/29/2018	02/29/2018	0.000006603	0.000002573
61747C657	MADXX	02/29/2018	02/29/2018	0.000007975	0.000003108
61747C632	MXPXX	02/29/2018	02/29/2018	0.000007971	0.000003106
61747C426	MTMXX	02/29/2018	02/29/2018	0.000007968	0.000003105
CUSIP	TICKER SYMBOL	RECORD DATE	PAYABLE DATE	TOTAL DISTRIBUTION PER SHARE	NONDIVIDEND RETURN OF CAPITAL
61747C840	MTXXX	03/31/2018	03/31/2018	0.000038601	0.000015044
61747C824	MXSXX	03/31/2018	03/31/2018	0.000028803	0.000010446
61747C475	MXIXX	03/31/2018	03/31/2018	0.000014162	0.000005519
61747C665	MXAXX	03/31/2018	03/31/2018	0.000009203	0.000003587
61747C657	MADXX	03/31/2018	03/31/2018	0.000008494	0.000003310
61747C632	MXPXX	03/31/2018	03/31/2018	0.000008489	0.000003312
61747C426	MTMXX	03/31/2018	03/31/2018	0.000010462	0.000004089
CUSIP	TICKER SYMBOL	RECORD DATE	PAYABLE DATE	TOTAL DISTRIBUTION PER SHARE	NONDIVIDEND RETURN OF CAPITAL
61747C840	MTXXX	04/29/2018	04/29/2018	0.000156852	0.000061129
61747C824	MXSXX	04/29/2018	04/29/2018	0.000118336	0.000046118
61747C475	MXIXX	04/29/2018	04/29/2018	0.000072448	0.000028235
61747C665	MXAXX	04/29/2018	04/29/2018	0.000034336	0.000013362
61747C657	MADXX	04/29/2018	04/29/2018	0.000009220	0.000003204
61747C632	MXPXX	04/29/2018	04/29/2018	0.000009217	0.000003202
61747C426	MTMXX	04/29/2018	04/29/2018	0.000033587	0.000013090
CUSIP	TICKER SYMBOL	RECORD DATE	PAYABLE DATE	TOTAL DISTRIBUTION PER SHARE	NONDIVIDEND RETURN OF CAPITAL
61747C840	MTXXX	05/10/2018	05/11/2018	0.002180000	0.000849600
61747C824	MXSXX	05/10/2018	05/11/2018	0.002180000	0.000849600
61747C475	MXIXX	05/10/2018	05/11/2018	0.002180000	0.000849600
61747C665	MXAXX	05/10/2018	05/11/2018	0.002180000	0.000849600
61747C657	MADXX	05/10/2018	05/11/2018	0.002180000	0.000849600
61747C632	MXPXX	05/10/2018	05/11/2018	0.002180000	0.000849600
61747C426	MTMXX	05/10/2018	05/11/2018	0.002180000	0.000849600
61747C840	MTXXX	05/31/2018	05/31/2018	0.000163115	0.000063570
61747C824	MXSXX	05/31/2018	05/31/2018	0.000124468	0.000046508
61747C475	MXIXX	05/31/2018	05/31/2018	0.000076960	0.000029954
61747C665	MXAXX	05/31/2018	05/31/2018	0.000037968	0.000014660
61747C657	MADXX	05/31/2018	05/31/2018	0.000009488	0.000003308
61747C632	MXPXX	05/31/2018	05/31/2018	0.000009502	0.000003313
61747C426	MTMXX	05/31/2018	05/31/2018	0.000037032	0.000014432
CUSIP	TICKER SYMBOL	RECORD DATE	PAYABLE DATE	TOTAL DISTRIBUTION PER SHARE	NONDIVIDEND RETURN OF CAPITAL
61747C840	MTXXX	08/30/2018	08/30/2018	0.000174684	0.000068071
61747C824	MXSXX	08/30/2018	08/30/2018	0.000138198	0.000053859
61747C475	MXIXX	08/30/2018	08/30/2018	0.000092317	0.000035978
61747C665	MXAXX	08/30/2018	08/30/2018	0.000054188	0.000021122
61747C657	MADXX	08/30/2018	08/30/2018	0.000008217	0.000003202
61747C632	MXPXX	08/30/2018	08/30/2018	0.000008218	0.000003203
61747C426	MTMXX	08/30/2018	08/30/2018	0.000053222	0.000020742
CUSIP	TICKER SYMBOL	RECORD DATE	PAYABLE DATE	TOTAL DISTRIBUTION PER SHARE	NONDIVIDEND RETURN OF CAPITAL
61747C840	MTXXX	07/29/2018	07/29/2018	0.000172434	0.000067202
61747C824	MXSXX	07/29/2018	07/29/2018	0.000132802	0.000051678
61747C475	MXIXX	07/29/2018	07/29/2018	0.000085320	0.000033251
61747C665	MXAXX	07/29/2018	07/29/2018	0.000045802	0.000017850
61747C657	MADXX	07/29/2018	07/29/2018	0.000008503	0.000003314
61747C632	MXPXX	07/29/2018	07/29/2018	0.000008488	0.000003308
61747C426	MTMXX	07/29/2018	07/29/2018	0.000045380	0.000017886
CUSIP	TICKER SYMBOL	RECORD DATE	PAYABLE DATE	TOTAL DISTRIBUTION PER SHARE	NONDIVIDEND RETURN OF CAPITAL
61747C840	MTXXX	08/31/2018	08/31/2018	0.000245856	0.000095816
61747C824	MXSXX	08/31/2018	08/31/2018	0.000206401	0.000080440
61747C475	MXIXX	08/31/2018	08/31/2018	0.000158882	0.000061920
61747C665	MXAXX	08/31/2018	08/31/2018	0.000119601	0.000046811
61747C657	MADXX	08/31/2018	08/31/2018	0.000047721	0.000018598
61747C632	MXPXX	08/31/2018	08/31/2018	0.000008482	0.000003298
61747C426	MTMXX	08/31/2018	08/31/2018	0.000118914	0.000048344
CUSIP	TICKER SYMBOL	RECORD DATE	PAYABLE DATE	TOTAL DISTRIBUTION PER SHARE	NONDIVIDEND RETURN OF CAPITAL
61747C840	MTXXX	09/30/2018	09/30/2018	0.000401410	0.000156439
61747C824	MXSXX	09/30/2018	09/30/2018	0.000382798	0.000141391
61747C475	MXIXX	09/30/2018	09/30/2018	0.000317461	0.000123722
61747C665	MXAXX	09/30/2018	09/30/2018	0.000278798	0.000108654
61747C657	MADXX	09/30/2018	09/30/2018	0.000201901	0.000078696
61747C632	MXPXX	09/30/2018	09/30/2018	0.000027690	0.000010791
61747C426	MTMXX	09/30/2018	09/30/2018	0.000278931	0.000108708
CUSIP	TICKER SYMBOL	RECORD DATE	PAYABLE DATE	TOTAL DISTRIBUTION PER SHARE	NONDIVIDEND RETURN OF CAPITAL
61747C840	MTXXX	10/31/2018	10/31/2018	0.000454579	0.000177161
61747C824	MXSXX	10/31/2018	10/31/2018	0.000413800	0.000161298
61747C475	MXIXX	10/31/2018	10/31/2018	0.000300415	0.000117079
61747C665	MXAXX	10/31/2018	10/31/2018	0.000271000	0.000105615
61747C657	MADXX	10/31/2018	10/31/2018	0.000488642	0.000190436
61747C632	MXPXX	10/31/2018	10/31/2018	0.000057603	0.000022449
61747C426	MTMXX	10/31/2018	10/31/2018	0.000326676	0.000127314
CUSIP	TICKER SYMBOL	RECORD DATE	PAYABLE DATE	TOTAL DISTRIBUTION PER SHARE	NONDIVIDEND RETURN OF CAPITAL
61747C840	MTXXX	11/30/2018	11/30/2018	0.000292254	0.000000000
61747C824	MXSXX	11/30/2018	11/30/2018	0.000246400	0.000000000
61747C657	MADXX	11/30/2018	11/30/2018	0.000173706	0.000000000
61747C426	MTMXX	11/30/2018	11/30/2018	0.000168911	0.000000000
CUSIP	TICKER SYMBOL	RECORD DATE	PAYABLE DATE	TOTAL DISTRIBUTION PER SHARE	NONDIVIDEND RETURN OF CAPITAL
61747C840	MTXXX	12/30/2018	12/30/2018	0.000382234	0.000000000
61747C824	MXSXX	12/30/2018	12/30/2018	0.000336799	0.000000000
61747C426	MTMXX	12/30/2018	12/30/2018	0.000254828	0.000000000