

Morgan Stanley Institutional Funds Traditional IRA Distribution Form

Use this form to conduct distributions from a Traditional or SEP IRA. YOU SHOULD CONSULT A TAX ADVISOR AS TO THE TAX CONSEQUENCES OF THIS DISTRIBUTION. If you have questions, or for more information, you may contact our Client Relations department at 1.800.548.7786

INSTRUCTIONS

1. Please complete sections 1-9.
2. If you are removing excess contributions, please complete only sections 1, 2, 5, 8-10.
3. For death distributions, please complete only sections 1, 3-9.

Mail completed form to:

Regular Mail
Morgan Stanley Funds
P.O. Box 219804
Kansas City, MO 64121

Overnight Delivery
Morgan Stanley Funds
430 West 7th Street
Kansas City, MO 64105

1. Information About IRA Owner (please print clearly)

Name ▶ <i>first, middle, last</i>	
Date of birth ▶ <i>month/day/year</i>	Social Security number
Address	
City	State
Zip	Country of permanent residence ▶ <i>citizenship</i>
Daytime telephone number	Evening telephone number

2. Signature of IRA Owner

You must sign below before any distribution can be made from your account.

I hereby affirm that the information given is true and correct, and authorize and request Boston Financial Data Services, Inc. on behalf of the Custodian to make the distribution according to the instructions on this form. Under penalties of perjury, I certify that the number shown on this distribution form is the correct Social Security number (tax identification number). In addition, I have read the IRS notice of federal income tax withholding and made a selection in section 8.

Signature of IRA account owner X	Date
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3. Signature of Beneficiary (For death benefits only)

Taxpayer Identification Number Certification (Substitute Form W-9).

Citizenship of beneficial owner:

U.S. CITIZEN RESIDENT ALIEN NONRESIDENT ALIEN**

Country of permanent residence ▶ <i>citizenship</i>

By signing this application, I certify under penalties of perjury, that (1) my Social Security provided in this application is correct (or I am waiting for a number to be issued to me) and (2) I am not subject to backup withholding because (a) I am exempt from backup withholding or (b) I have been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends or (c) the IRS has notified me that I am no longer subject to backup withholding and (3) I am a U.S. person (including a U.S. resident alien). (Please cross out item (2) above if it does not apply to you.)

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Signature of beneficiary X	Date
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** In order to certify your status as a nonresident alien or foreign entity, you must complete and return the appropriate IRS Form W-8. If you have not obtained a U.S. taxpayer identification number you must provide and attach one of the following: 1) passport number and county of issuance; 2) alien identification card number; or 3) number and county of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph.

4. Signature Guarantee

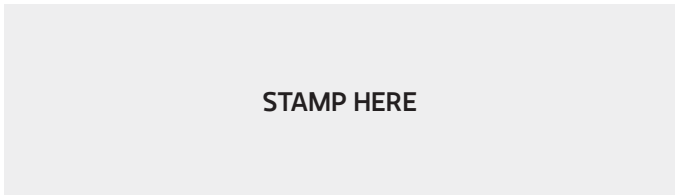
A signature guarantee may be obtained by an officer of a bank or trust company; an authorized signer of a brokerage firm; an officer of a credit union; a national securities exchange; a registered securities association or clearing agency; a savings and loan association; or a federal savings bank.

A signature guarantee may not be obtained through a notary public.

IMPORTANT: Signature guarantee is only required if any of the following applies:

- Amount to be distributed is over \$100,000 if distribution is being sent to address of record.
- Amount to be distributed/transferred is for death benefits or due to divorce.
- The payee is other than the shareholder on the account.
- This distribution is to be sent to any address other than the address we have had on our records for the past 15 days.
- If your name has changed from the name we have on record, we must have a one-and-the-same name signature guarantee. A one-and-the-same name signature guarantee must state "<Previous Name> is one-and-the-same as <New Name>." You must sign your old and new name, and have your signature guaranteed.
- This distribution is being sent via WIRE/ACH according to instructions on this form and such information is not currently on file.

Name of bank or firm providing signature guarantee
Signature of officer and title ▶ <i>be sure to affix a signature guarantee stamp</i> X



5. What is the Type of Distribution (check one; see “Descriptions of Distribution Types” for more information)

- 1. NORMAL DISTRIBUTION** (AGE 59½ OR OLDER).
- 2. PREMATURE DISTRIBUTION**—(UNDER 59½ AND SUBJECT TO EARLY WITHDRAWAL PENALTY). SEE “DESCRIPTIONS OF DISTRIBUTION TYPES” FOR PREMATURE DISTRIBUTIONS NOT SUBJECT TO THE EARLY WITHDRAWAL PENALTY.
- 3. PERIODIC DISTRIBUTION**—PART OF A SERIES OF SUBSTANTIALLY EQUAL PERIODIC PAYMENTS.
- 4. DISABILITY**—BY CHECKING THIS BOX AND SIGNING THIS FORM, I CERTIFY THAT THIS DISTRIBUTION MEETS DISABILITY REQUIREMENTS OF THE INTERNAL REVENUE CODE SECTION 72(M)(7). DATE OF INITIAL DETERMINATION OF DISABILITY (MONTH/DAY/YEAR): _____.
- 5. REMOVAL OF TRADITIONAL IRA EXCESS CONTRIBUTION**—PLEASE COMPLETE SECTIONS 8, 9 & 10 ONLY.
- 6. DIVORCE**—ATTACH CERTIFIED COPY OF DIVORCE DECREE. SEE “DESCRIPTIONS OF DISTRIBUTION TYPES” FOR DETAILS. **SIGNATURE GUARANTEE IS REQUIRED IN SECTION 4**
- 7. CONVERSION TO ROTH IRA**—I AM CONVERTING MY IRA TO A ROTH IRA BY DIRECTLY TRANSFERRING OR ROLLING OVER MY DISTRIBUTION TO A ROTH IRA WITHIN 60 DAYS. MY ADJUSTED GROSS INCOME FOR THE YEAR OF THIS TRANSACTION WILL NOT EXCEED \$100,000. IF I HAVE ATTAINED AGE 70½ THE CONVERTED AMOUNT WILL NOT INCLUDE ANY MINIMUM REQUIRED DISTRIBUTION AMOUNT.
- 8. MANDATORY DISTRIBUTION**—(AGE 70½ REQUIRED MINIMUM DISTRIBUTION).
- 9. DEATH (FOR BENEFICIARY USE)**—ATTACH A CERTIFIED COPY OF DEATH CERTIFICATE. COMPLETE BENEFICIARY INFORMATION BELOW. **SIGNATURE GUARANTEE IS REQUIRED IN SECTION 4. IMPORTANT NOTE:** IF THE BENEFICIARY IS A TRUST, PLEASE ATTACH EXCERPTS FROM THE EXISTING TRUST AGREEMENT (FIRST PAGE, SECTION(S) CONTAINING TRUSTEE INVESTMENT POWERS, TRUSTEE(S), APPOINTMENT(S), AND SIGNATURE PAGE(S) OF TRUSTEE(S). THIS WILL IDENTIFY THE LIST OF TRUSTEES. IF THE BENEFICIARY IS A TRUST AND YOU WOULD LIKE TO TAKE ADVANTAGE OF THE LOOK-THROUGH PROVISIONS, PLEASE CONTACT OUR CLIENT RELATIONS DEPARTMENT FOR MORE INFORMATION AT 1.800.548.7786.

Name* ▶ <i>first, middle, last</i>	
Date of birth ▶ <i>month/day/year</i>	Social Security number
Mailing address	
City	State
Zip	Relationship to IRA owner
Or legal entity	Trust, estate, corporation or tax-exempt organization
Tax Identification Number ▶ <i>if beneficiary is a legal entity</i>	

* This must match the beneficiary information we currently have on file for the account owner.

6. Method of Distribution

Distribute the amount requested as follows:

- ONE-TIME DISTRIBUTION
- PERIODIC DISTRIBUTIONS. (SEE A AND B BELOW)
- A. Frequency** MONTHLY QUARTERLY ANNUALLY
 BEGINNING THE MONTH OF _____ AND DATE OF* _____.
- B. Method**
- | | |
|--|--|
| <input type="checkbox"/> EACH PERIODIC PAYMENT EQUAL TO THE AMOUNT SPECIFIED IN SECTION 7. | <input type="checkbox"/> OVER THE LIFE EXPECTANCY OF THE BENEFICIARY NAMED IN SECTION 7 AND ME. |
| <input type="checkbox"/> OVER _____ YEARS. | <input type="checkbox"/> OVER THE LIFE EXPECTANCY OF THE BENEFICIARY NAMED IN SECTION 5 (DEATH BENEFITS ONLY). |
| <input type="checkbox"/> OVER MY LIFE EXPECTANCY. | |

* If you do not select a date, the redemption will be made on or about the 18th of the month. In addition, the distribution amount requested does not exceed the market value of your account(s).

7. Amount of Distribution (check one)

Please refer to your latest statement for fund and account number(s).

- DISTRIBUTE 100% OF THE ACCOUNT BALANCE LISTED BELOW (LUMP SUM). NOTE: THIS WILL CLOSE OUT YOUR FUND/ACCOUNTS.

Fund/Account #	Fund/Account #
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- DISTRIBUTE A PARTIAL/ONE-TIME DISTRIBUTION FOR THE ACCOUNTS LISTED BELOW:

Fund/Account #	Dollar amount \$
Fund/Account #	Dollar amount \$

You will receive an amount equal to the amount requested LESS any withholding and applicable fees. If the amount indicated is greater than the total account(s) value on the date your request is received, your account(s) will be closed.

- I WANT PERIODIC DISTRIBUTIONS FOR THE ACCOUNTS LISTED BELOW AS SPECIFIED IN **SECTION 6**:

Fund/Account #	Dollar amount \$
Fund/Account #	Dollar amount \$

- I WANT MY DIVIDENDS AND CAPITAL GAINS PAID FROM THE FUND/ACCOUNT(S) LISTED BELOW.** (ONLY AVAILABLE IF YOU ARE OVER AGE 59½)

Fund/Account #	Fund/Account #
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- I WANT MY AGE 70½ REQUIRED MINIMUM DISTRIBUTION AS CALCULATED BY MORGAN STANLEY FROM THE FUND/ACCOUNT(S) LISTED BELOW. MORGAN STANLEY CALCULATES ALL RMDs BASED ON THE UNIFORM LIFETIME METHOD. HOWEVER, IF YOUR SOLE PRIMARY BENEFICIARY IS YOUR SPOUSE AND IS MORE THAN TEN YEARS YOUNGER, YOU MAY USE THE JOINT AND LAST SURVIVOR EXPECTANCY OF YOU AND YOUR SPOUSE TO CALCULATE YOUR RMD BY CHECKING YES IN THE BOX BELOW, WHICH MAY ALLOW YOU TO TAKE A SMALLER AMOUNT.

IS THE SPOUSE THE SOLE BENEFICIARY? YES NO

MY SPOUSE'S NAME* IS (FIRST, MI, LAST): _____

MY SPOUSE'S DATE OF BIRTH IS (MONTH/DAY/YEAR): _____ / _____ / _____

Fund/Account #	Fund/Account #
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* This must match the beneficiary information we currently have on file for you. If you would like to change your beneficiary, please complete a Designation of Beneficiary form available at morganstanley.com/im, which must be completed and received by Morgan Stanley prior to completion of this form.

** When declared by the fund.

8. Income Tax Withholding Election (check one)

- **We do not withhold for any applicable penalties. Please review the IRS notice of federal income tax withholding on Summary Page 9 for withholding requirements for your distribution.**
- Morgan Stanley may withhold state income tax if, at the time of your distribution, your tax residence address is within certain states (AR, CA, DE, IA, KS, ME, MD, MA, MS, NE, NC, OK, OR, VT, VA) that impose an income tax and federal income tax is also being withheld from your distribution. The states listed above are subject to change and may not reflect the most recent state listings. Please contact your state for state withholding information. You may also refer to Tax Center on morganstanley.com/im or contact our Client Relations department at 1.800.548.7786 for an up-to-date list of states for which this applies.
- **IMPORTANT: If your address of record is a P.O. Box, we are required by law to withhold Federal Income Tax and state withholding, if applicable at the required rate unless we are provided with a residence address below:**

Address	City
State	Zip

Residence Address—The physical address of the recipient of the distribution.

Note: This address will not update your current address of record. Your distribution will be mailed to the address specified in Section 11.

- If no election is made, we are **REQUIRED** to withhold Federal Income Tax at the required rate.
- I DO NOT WANT FEDERAL INCOME TAX WITHHELD FROM MY LUMP SUM OR PERIODIC PAYMENT.
- I ELECT TO HAVE FEDERAL INCOME TAX AT THE MINIMUM RATE OF 10% WITHHELD FROM MY DISTRIBUTION.
- I ELECT TO HAVE FEDERAL INCOME TAX AT THE RATE OF _____% WITHHELD FROM MY LUMP SUM DISTRIBUTION (PERCENTAGE MUST BE GREATER THAN 10%).

9. How Should We Distribute Your Account?

Your distribution will be mailed to the address of record, unless specified below:

- DEPOSIT INTO EXISTING MORGAN STANLEY INSTITUTIONAL FUND/ACCOUNT.

Fund number(s)	Account number(s) ▶ <i>Assets must remain in the same share class</i>
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- DEPOSIT INTO NEW MORGAN STANLEY INSTITUTIONAL FUND ACCOUNT. COMPLETED NEW ACCOUNT APPLICATION IS ATTACHED.
- DEPOSIT INTO A BENEFICIARY ACCOUNT. COMPLETE INFORMATION IN SECTION 5; ACCOUNT APPLICATION IS NOT NECESSARY. **DEATH DISTRIBUTION ONLY. (IMPORTANT: SIGNATURE GUARANTEE REQUIRED IN SECTION 4.)**
- DEPOSIT INTO EXISTING MORGAN STANLEY INSTITUTIONAL ROTH IRA FUND/ACCOUNT. (FOR ROTH CONVERSIONS ONLY)

Fund number(s)	Account number(s) ▶ <i>Assets must remain in the same share class</i>
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- DEPOSIT INTO NEW MORGAN STANLEY INSTITUTIONAL ROTH IRA FUND/ACCOUNT. (FOR ROTH CONVERSIONS ONLY) COMPLETED NEW ACCOUNT APPLICATION IS ATTACHED.
- TRANSFER TO A TRADITIONAL IRA FOR SPOUSE DUE TO DIVORCE OR DEATH. COMPLETED MORGAN STANLEY INSTITUTIONAL FUND IRA APPLICATION FOR SPOUSE IS ATTACHED OR ACCOUNT IS ALREADY ESTABLISHED. **(IMPORTANT: SIGNATURE GUARANTEE REQUIRED IN SECTION 4.)**

Fund number(s)	Account number(s)
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- DEPOSIT AS A TRADITIONAL IRA CONTRIBUTION FOR YEAR _____. AVAILABLE ONLY FOR RETURNS OF EXCESS CONTRIBUTIONS. (ANY EARNINGS ON EXCESS CONTRIBUTIONS WILL BE DISTRIBUTED TO YOU. NOT AVAILABLE FOR SEP IRA EXCESS DEFERRALS.)

- DIRECT DEPOSIT* INTO AN ACCOUNT AT:
(IMPORTANT: SIGNATURE GUARANTEE REQUIRED IN SECTION 4.)

WIRE*

Name of financial institution	
ABA routing number	Account number
Registration on account	

ACH*

Name of financial institution	
ABA routing number	Account number
Registration on account	

- MAKE DISTRIBUTION CHECK PAYABLE TO ANOTHER PARTY AND/OR MAIL DISTRIBUTION CHECK TO AN ADDRESS OTHER THAN MY ADDRESS OF RECORD. **NOTE: ALL DISTRIBUTIONS WILL BE REPORTABLE UNDER THE ACCOUNT OWNER'S NAME AND SOCIAL SECURITY NUMBER. (IMPORTANT: SIGNATURE GUARANTEE REQUIRED IN SECTION 4.)**

Addressee/Payee	
Address	City
State	Zip

* Attach a voided check or deposit slip from your financial institution account.

** You can choose to have your distribution sent via WIRE (generally requires one day processing) or ACH (Automatic Clearing House, generally requires two-day processing). Some financial institutions have different routing numbers for WIRE/ACH, please check with your bank to confirm. Check with your financial institution for any wire fees you may incur.

10. Removal of Excess Contribution

Removal of excess contributions are complex in nature. The IRS allows several methods for correcting excess contributions. **Please consult a financial or tax advisor concerning the tax treatment of a distribution and the effects to your individual situation.** See “Descriptions of Distribution Types” in the back of this form.

Please complete A, B, C and D below to remove an excess contribution from your account before tax filing deadline. For after tax filing deadline, complete A, B and C.

A. I want the amount of excess plus earnings, if any, required to be distributed from the fund/account(s) listed below:

Fund/Account #	Fund/Account #
Fund/Account #	Fund/Account #

B. I am withdrawing my excess contribution:

BEFORE THE TAX FILING DEADLINE (INCLUDING EXTENSIONS) FOR THE YEAR IN WHICH I **DEPOSITED** THE EXCESS CONTRIBUTION IN MY ACCOUNT.

I MADE AN EXCESS CONTRIBUTION OF \$100.

EXAMPLE 1: IF I **DEPOSITED** A \$100 CONTRIBUTION ON FEBRUARY 5, 2008 AS A 2007 CONTRIBUTION, THEN I HAVE UNTIL APRIL 15, 2009 (INCLUDING EXTENSIONS, GENERALLY OCT 15) TO REMOVE THE EXCESS IN A TIMELY MANNER.

EXAMPLE 2: IF I **DEPOSITED** A \$100 CONTRIBUTION IN FEBRUARY 5, 2008 AS A 2008 CONTRIBUTION, THEN I HAVE UNTIL APRIL 15, 2009 (INCLUDING EXTENSIONS, GENERALLY OCT 15) TO REMOVE THE EXCESS IN A TIMELY MANNER.

AFTER THE TAX FILING DEADLINE (INCLUDING EXTENSIONS) FOR THE YEAR IN WHICH I **DEPOSITED** THE EXCESS CONTRIBUTION IN MY ACCOUNT.

I MADE AN EXCESS CONTRIBUTION OF \$100.

EXAMPLE 1: IF I **DEPOSITED** A \$100 CONTRIBUTION ON FEBRUARY 5, 2008 AS A 2007 CONTRIBUTION, AND I AM REMOVING THE EXCESS AFTER APRIL 15, 2009 (INCLUDING EXTENSIONS, GENERALLY OCT 15).

EXAMPLE 2: IF I **DEPOSITED** A \$100 CONTRIBUTION IN FEBRUARY 5, 2008 AS A 2008 CONTRIBUTION, AND I AM REMOVING THE EXCESS AFTER APRIL 15, 2009 (INCLUDING EXTENSIONS, GENERALLY OCT 15).

C. AMOUNT OF EXCESS CONTRIBUTION \$ _____ WHICH WAS DEPOSITED IN YEAR _____ AS A CONTRIBUTION FOR TAX YEAR _____.

D. Earnings on excess contribution (Option only for removal of excess before tax filing deadline)

I AUTHORIZE BOSTON FINANCIAL DATA SERVICES, INC. TO CALCULATE THE EARNINGS ON THE EXCESS IN THE FUND/ACCOUNT LISTED ABOVE AND I WILL ACCEPT THE CALCULATION ESTIMATE.

I HAVE DETERMINED THE EARNINGS ATTRIBUTABLE TO THE EXCESS CONTRIBUTION. PLEASE DISTRIBUTE EARNINGS EQUAL TO \$ _____.

Descriptions of Distribution Types

(This is a list of certain distribution types and not a complete list. Refer to your Morgan Stanley Institutional Funds Traditional IRA Disclosure Statement for additional information.)

Normal Distribution (Age 59½ or Older). Your distribution is not subject to an additional 10% premature distribution tax.

Mandatory Distribution. You are required to take a minimum distribution from your Traditional IRA beginning April 1 of the year following the year you turn age 70½. Subsequent minimum distributions must be made by December 31 of each year. Failure to meet such minimum distribution requirements will subject you to a 50% excise tax on the amount which should have been distributed. You must calculate the required minimum distribution separately for each account. The separate amounts can then be aggregated and taken from one IRA account. Additionally, you must meet minimum distribution requirements prior to any rollovers after age 70½. Boston Financial Data Services, Inc. calculates all RMDs based on the Uniform Lifetime Table, regardless of who or what entity is your named beneficiary. If your sole primary beneficiary is your spouse and is more than ten years younger than you, you may calculate your RMD using the Joint and Last Survivor Table, which may allow you to take a smaller amount.

Divorce. This is not a taxable distribution if the decree specifically assigns the IRA (or a portion thereof) to the IRA owner's spouse. If the account is being transferred to the former spouse, an IRA application must be submitted if an account is not already established. Once transferred into a new account in the name of the former spouse, if the former spouse desires a distribution to be made, he/she will also need to complete an IRA Distribution Form.

Removal of IRA Excess Contribution

Excess Contributions. Generally, an excess IRA contribution is any contribution that exceeds the applicable contribution limits, and such excess contribution is subject to a 6% excise tax penalty on the principal amount of the excess each year until the excess is corrected. You must file IRS Form 5329 to report this excise tax.

Method #1: Withdrawing Excess in a Timely Manner. This 6% excise tax may be avoided if the excess amount plus the earnings attributable to the excess are distributed by your tax filing deadline including extensions for the year during which the excess contribution was made, and you do not take a deduction for such excess amount. If you decide to correct your excess in this manner, the principal amount of the excess returned to you is not taxable, however, the earnings attributable to the excess are taxable to you in the year in which the contribution was made. In addition, if you are under the age 59½, the earnings attributable are subject to a 10% additional tax on premature distributions. This is the only method of correcting an excess contribution that will avoid the 6% excise tax!

Method #2: Withdrawing Excess After Tax Filing Due Date. If you do not correct your excess contribution under Method #1 prescribed above, then you may withdraw the principal amount of the excess (no earnings need be distributed). The 6% excise tax penalty will; however, apply first to the year in which the excess was made and each subsequent year until it is withdrawn.

Excess Amount May be Taxable. If the principal amount of your excess contribution is withdrawn after your tax-filing deadline for the year during which the contribution was made in accordance with Method #2, it is not taxable unless the total amount of contributions you made during the year the excess was made exceeded the applicable annual dollar limitation. If the aggregate contribution is greater than the applicable annual dollar limitation, the principal amount of the excess withdrawn under Method #2 is taxable and is subject to the 10% additional tax if you are not yet age 59½.

Method #3: Undercontributing in a Subsequent Year. Another method of correcting an excess contribution is to treat a prior year excess as a regular contribution in a subsequent year where you have an unused contribution limit for such subsequent year. Basically, all you do is undercontribute in the first subsequent year where you have an unused contribution limit until your excess amount is used up. However, once again, you will be subject to the 6% excise tax penalty in the first year and each subsequent year on any excess contribution that remains as of the end of each year.

SEP IRA Excess. Excess employer contributions are treated as regular Traditional IRA contributions made by the participant. By doing so, if this makes an excess contribution for the Traditional IRA, the participant would follow the method of removing a Traditional IRA as stated above.

Note: Employers cannot distribute the excess from the shareholder's account. The employer needs to contact the IRS or consult a tax advisor to see how the excess affects his/her tax consequence.

Conversion from a Traditional IRA to a Roth IRA. You are permitted to make a qualified rollover contribution from a traditional IRA to a Roth IRA if your modified AGI (not including the taxable amount converted) for the year during which the distribution is made does not exceed \$100,000 and you are not a married person filing a separate tax return. This is called a "conversion" and may be done at any time without waiting the usual 12 months. Modified AGI for purposes of a conversion does not include any distributions from a traditional IRA that are converted to a Roth IRA and included in income. Modified AGI is determined before deductible traditional IRA contributions. Effective for distributions after December 31, 2004, modified AGI also does not

include any amounts that are required minimum distributions pursuant to section 408(a)(6), but only for purposes of determining eligibility for conversion contributions.

You are permitted to recharacterize a conversion made to a Roth IRA if the amount plus earnings is transferred back to a traditional IRA before the tax filing deadline including extensions for the year that the original conversion came from a traditional IRA. Effective for tax years after 2009, the \$100,000 income requirement is eliminated.

Premature Distribution. If you are under age 59½ and receive a distribution from your IRA account, a 10% additional income tax will apply to the taxable portion of the distribution unless the distribution is received due to death; disability; a series of substantially equal periodic payments at least annually over your life expectancy or the joint life expectancy of you and your designated beneficiary; medical expenses in excess of 7½ percent of your adjusted gross income; health insurance premiums paid by certain unemployed individuals; qualified acquisition costs of a first-time home buyer; qualified higher education expenses; a qualifying rollover distribution; the timely withdrawal of the principal amount of an excess or nondeductible contribution; due to an IRS levy; qualified hurricane distributions prior to January 1, 2007; or qualified reservist distributions. Boston Financial Data Services, Inc. will report the distribution to the IRS as a premature distribution on Form 1099-R. To claim these exceptions, you must file Form 5329 along with your personal tax return to the IRS. Please contact a tax advisor to determine your eligibility for these exceptions.

Death. Any taxable distribution made to the beneficiary on or after the death of the IRA owner is not subject to the 10% early distribution tax. If you die before your required beginning date and you have a designated beneficiary, the balance in your IRA may be distributed to your beneficiary over the beneficiary's single life expectancy. These distributions must commence no later than December 31st of the calendar year following the calendar year of your death. However, if your spouse is your sole beneficiary, these distributions are not required to commence until the December 31st of the calendar year you would have attained the age of 70½, if that date is later than the required commencement date in the previous sentence. If you die before your required beginning date and you do not have a designated beneficiary, the balance in your IRA must be distributed no later than the December 31st of the calendar year that contains the fifth anniversary of your death.

If you die on or after your required beginning date and you have a designated beneficiary, the balance in your IRA may be distributed to your beneficiary over the longer of the beneficiary's single life expectancy or your remaining life expectancy. These distributions must commence no later than December 31st of the calendar year following the calendar year of your death. If you die on or after your required beginning date and you do not have a designated beneficiary, the balance in your IRA must be distributed over a period that does not exceed your remaining single life expectancy determined in the year of your death. However, the required minimum distribution for the calendar year that contains the date of your death is still required to be distributed. Such amount is determined as if you were still alive throughout that year. If your spouse is your sole beneficiary, your spouse may elect to treat your IRA as his or her own IRA, whether you die before or after your required beginning date. If you die after your required beginning date and your spouse elects to treat your IRA as his or her own IRA, any required minimum that has not been distributed for the year of your death must still be distributed to your surviving spouse and then the remaining balance can be treated as your spouse's own IRA.

Disability. You may receive a distribution due to disability if you meet the requirements of Internal Revenue Code Section 72(m) (7). An individual may be considered disabled if he is unable to engage in any substantial, gainful activity by reason of a medically determinable physical or mental impairment that can be expected to result in death or to be of long-continued and indefinite duration. If you are totally or permanently disabled, you are not subject to the additional premature distribution tax. Proof of the existence of the disability may be required in a form and manner acceptable to the Department of the Treasury.

Part of a Series of Substantially Equal Periodic Payments. To avoid the additional premature distribution tax, your distribution must be made as part of a series of substantially equal periodic payments (at least annually) over your life expectancy or the joint life expectancy of you and your beneficiary. If this type of distribution is selected, please provide Boston Financial Data Services, Inc. with the amount of the periodic payment or select one of the life expectancy choices in section 5. Please consult a tax advisor for assistance. Any additional distribution or change in the periodic payments made prior to the later of age 59½ or five years (other than by reason of death, disability or Revenue Ruling 2002-62) will subject amounts withdrawn prior to age 59½ to the additional premature distribution tax.

Health Insurance Premiums for Unemployed Individuals. To avoid the additional early distribution penalty tax, you must have received unemployment compensation for 12 consecutive weeks under federal or state law and the distributions must have been made during any tax year in which the unemployment compensation is paid or during the next tax year. Such distribution must not exceed the amount paid for such taxable year with respect to the individual owner, their spouse, and their dependents. This exception to the early withdrawal penalty does not apply to distributions made after you are reemployed if you are employed for at least 60 days after the initial separation from service. If you are self-employed, you may qualify for early distribution penalty tax exception to the extent you would have received unemployment compensation but for the fact you are self-employed.

Medical Expenses. Your distribution is not subject to the additional early distribution penalty tax if it is for medical expenses in excess of 7.5% of your adjusted gross income as defined in Internal Revenue Code Section 72(t)(2)(B).

First Time Home Buyers. Distributions used towards qualified acquisition costs of a first time home buyer who is the IRA owner, his or her spouse, or any child, grandchild, or ancestor of the owner or the owner's spouse is not subject to the additional early distribution penalty tax. This distribution must be used before the close of the 120th day after the day the distribution was received. The lifetime limit on a first time home buyer exception is \$10,000.00. "Qualified Acquisition Cost" as defined by the Internal Revenue Code Section 72(t)(2) means the cost of acquiring, constructing, or reconstructing a residence. A first time home buyer, as defined by the Code, means any individual (and spouse, if married) if "such individual had no present ownership interest in a principal residence during the 2-year period ending on the date of acquisition."

Higher Education Expenses. Penalty-free withdrawals are allowed for money used to pay qualified higher education expenses of the IRA owner, the owner's spouse, or a child or grandchild of the owner or owner's spouse. Qualified expenses, as defined by Code Section 529(e)(3), include tuition, fees, books, supplies, required equipment, and room and board and must be at an eligible educational institution. Some limitations do apply. Please consult your tax advisor to determine your eligibility for this exception.

Involuntary Distribution Due to an IRS Levy. Distributions made on an account due to an IRS levy will not be subject to the additional early withdrawal tax of 10% if distributed prior to the participant's age 59½.

Morgan Stanley Institutional Funds Individual Retirement Accounts

Important Information To Recipients of Distribution (Retain this information for your records.)

Notice of Federal Income Tax Withholding. The Tax Equity and Fiscal Responsibility Act of 1982 requires withholding of Federal Income Taxes from distributions, unless the recipient elects not to have withholding apply. You may elect out of this withholding by checking the appropriate box in Section 7. IF NO ELECTION IS MADE, BOSTON FINANCIAL DATA SERVICES, INC. ("BOSTON FINANCIAL DATA SERVICES") AGENT FOR UMB NA (THE "CUSTODIAN") MUST WITHHOLD TAXES AT THE REQUIRED RATE. According to the IRS Regulations, you may incur penalties under the estimated tax rules if your withholding and/or estimated tax payments are not sufficient. Even if you elect not to have the income tax withheld, you are liable for payment of income tax on the taxable portions of your distribution. If you do not supply us with a residence address (a P.O. Box is not sufficient), or if your residence address is outside of the United States, we are required, as Custodian, to make the withholding from the distribution regardless of the election made in Section 8. An election not to have withholding made remains effective until revoked. You may revoke such election at any time by sending written notice of such revocation to the Custodian.

Rollover. You may avoid current taxation of a distribution if you roll over the assets distributed as a rollover contribution to another IRA within 60 days of its distribution. In other words, assets from an IRA may be rolled over or transferred to another IRA. Such a rollover contribution may only be made once in any 12-month period. If you choose to move your IRA to another sponsor, you may effect a custodian-to-custodian transfer, for which Boston Financial Data Services Company, Inc. requires certain notification and acceptance from the new custodian. You may also choose to rollover your distribution to an employer-sponsored plan, if the employer's plan accepts such rollovers from IRAs. Please refer to the Morgan Stanley Institutional Funds Traditional IRA Custodial Account Agreement and Disclosure Statement for more details regarding rollovers. You should consult your tax advisor should you have any questions regarding rollovers.

SEP-IRA Distributions Restrictions. You should not withdraw or transfer any amounts from your SEP-IRA that are attributable to elective deferrals and income on elective deferrals for a particular calendar year (except for excess elective deferrals) until March 15 of the subsequent year or, if sooner, when your employer notifies you that the deferral percentage limitation test for that plan year has been completed. Any such amounts that you withdraw or transfer before this time will be includible in income for purposes of Sections 72(t) and 408(d)(1).

Taxability. IRAs and distributions from such accounts are subject to complex rules on taxability including, in addition to any ordinary income tax on taxable distributions, a 10% additional tax on certain distributions prior to attaining age 59½, a 50% excise tax on amounts not distributed in accordance with minimum distribution requirements, and a 6% excise tax on excess contributions. The information on this form is only a brief statement of the applicable requirements and/or tax treatment thereof.

Taxation of Distributions. When you start withdrawing from your IRA, you may take the distributions in periodic payments, random withdrawals or in a single sum payment. Generally all amounts distributed to you from your IRA are included in your gross income in the taxable year in which they are received. However, if you have made nondeductible contributions to your IRA or roll after-tax employee contributions from your employer's plan (collectively referred to as "basis"), the nontaxable portion of any distribution from any of your IRAs (except Roth IRAs), if any, will be a percentage based upon the ratio of your unrecovered "basis" to the aggregate of all IRA balances, including SEP, SIMPLE and rollover contributions, as of the end of the year in which you take the distribution, plus distributions from the account during the year. All taxable distributions from your IRA are taxed at ordinary income tax rates for Federal income tax purposes and are not eligible for any favorable tax treatment. You must file Form 8606 to calculate the portion of any IRA distribution that is not taxable. Eligible individuals who received a Qualified Hurricane Distribution prior to January 1, 2007, may include the taxable portion of the distribution in gross income ratably over a 3-year period. See IRS Form 8915 for more information.

Tax Advisor. You should consult your own tax advisor concerning the minimum distribution requirements, the requirements for any particular form of distribution and the tax treatment thereof before taking the distribution.

Additional Information. Additional information concerning the minimum distribution requirements and tax treatment of IRA distributions is available in IRS Publication 590, Individual Retirement Arrangements, or in the Morgan Stanley Institutional Funds Traditional IRA Disclosure Statement. You may call your financial advisor or Client Relations department at 1.800.548.7786 for further information.

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