HURRICANE SANDY

Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation

Note The foundation may be able to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0052

2011

For calendar year 2011 or tax year beginning , and ending

Name of foundation: MORGAN STANLEY FOUNDATION, INC.

A Employer identification number: 26-1226280

Number and street (or P O box number if mail is not delivered to street address): 1633 BROADWAY-TAX DEPT., 25TH FL

Room/suite:

B Telephone number (see instructions): 212-761-4000

City or town, state, and ZIP code: NEW YORK NY 10019

C If exemption application is pending, check here ▶ ☐

G Check all that apply ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

D 1 Foreign organizations, check here ▶ ☐
2 Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ $ 14,264,287

J Accounting method ☐ Cash ☒ Accrual ☐ Other (specify) (Part I, column (d) must be on cash basis)

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))

	Line	Description	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc , received (attach schedule)				
	2	Check ▶ ☒ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments	4,360	4,360		
	4	Dividends and interest from securities	204,653	204,653		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	76,198			
	b	Gross sales price for all assets on line 6a 5,493,035				
	7	Capital gain net income (from Part IV, line 2)		76,198		
	8	Net short-term capital gain			0	
	9	Income modifications				
	10a	Gross sales less returns & allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule) STMT 1	-11,411	-11,411		
	12	**Total.** Add lines 1 through 11	273,800	273,800	0	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	0			
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)				
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see instructions)				
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (att sch)				
	24	**Total operating and administrative expenses.** Add lines 13 through 23	0	0	0	0
	25	Contributions, gifts, grants paid	1,225,000			1,225,000
	26	**Total expenses and disbursements.** Add lines 24 and 25	1,225,000	0	0	1,225,000
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-951,200			
	b	**Net investment income** (if negative, enter -0-)		273,800		
	c	**Adjusted net income** (if negative, enter -0-)			0	

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For Paperwork Reduction Act Notice, see instructions.

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

	Line	Description		Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1	Cash—non-interest-bearing				
	2	Savings and temporary cash investments		2,460,782	1,902,060	1,902,060
	3	Accounts receivable ▶	39,174			
		Less allowance for doubtful accounts ▶		15,498	39,174	39,174
	4	Pledges receivable ▶				
		Less allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
	7	Other notes and loans receivable (att schedule) ▶				
		Less allowance for doubtful accounts ▶	0			
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments—U S and state government obligations (attach schedule)	STMT 2		363,064	371,699
	b	Investments—corporate stock (attach schedule)	SEE STMT 3	12,521,600	9,792,543	9,984,426
	c	Investments—corporate bonds (attach schedule)	SEE STMT 4		1,949,839	1,966,928
	11	Investments—land, buildings, and equipment basis ▶				
		Less accumulated depreciation (attach sch) ▶				
	12	Investments—mortgage loans				
	13	Investments—other (attach schedule)				
	14	Land, buildings, and equipment basis ▶				
		Less accumulated depreciation (attach sch) ▶				
	15	Other assets (describe ▶)				
	16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)		14,997,880	14,046,680	14,264,287
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe ▶)				
	23	**Total liabilities** (add lines 17 through 22)		0	0	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.**	▶ [X]			
	24	Unrestricted		14,997,880	14,046,680	
	25	Temporarily restricted				
	26	Permanently restricted				
		Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.	▶ [ ]			
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, bldg , and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds				
	30	**Total net assets or fund balances** (see instructions)		14,997,880	14,046,680	
	31	**Total liabilities and net assets/fund balances** (see instructions)		14,997,880	14,046,680	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	14,997,880
2	Enter amount from Part I, line 27a	2	-951,200
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	14,046,680
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	14,046,680

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	SEE WORKSHEET			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				
b				
c				
d				
e				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	76,198
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8	3	38,237

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2010	125,000	14,473,085	0.008637
2009	3,500,000	15,297,920	0.228789
2008	1,400,000	4,744,944	0.295051
2007			
2006			

2	**Total** of line 1, column (d)	2	0.532477
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.177492
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	15,722,891
5	Multiply line 4 by line 3	5	2,790,687
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	2,738
7	Add lines 5 and 6	7	2,793,425
8	Enter qualifying distributions from Part XII, line 4	8	1,225,000

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b			1	5,476
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)				
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			2	0
3	Add lines 1 and 2			3	5,476
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			4	0
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	5,476
6	Credits/Payments				
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a	1,700		
b	Exempt foreign organizations—tax withheld at source	6b			
c	Tax paid with application for extension of time to file (Form 8868)	6c	9,000		
d	Backup withholding erroneously withheld	6d			
7	Total credits and payments Add lines 6a through 6d			7	10,700
8	Enter any **penalty** for underpayment of estimated tax Check here ☒ if Form 2220 is attached			8	68
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	5,156
11	Enter the amount of line 10 to be **Credited to 2012 estimated tax** ▶ 5,156 Refunded ▶			11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		X
	If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c	Did the foundation file **Form 1120-POL** for this year? N/A	1c		
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ ________ **(2)** On foundation managers ▶ $ ________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ________			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either ● By language in the governing instrument, or ● By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ NY			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? If "Yes," complete Part XIV	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities (continued)

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ WWW.MORGANSTANLEY.COM

14 The books are in care of ▶ JOAN STEINBERG Telephone no ▶ 212-761-4000
1633 BROADWAY
Located at ▶ NEW YORK NY ZIP+4 ▶ 10019

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041**—Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the year ▶ 15

			Yes	No
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ▶			

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			Yes	No
1a	During the year did the foundation (either directly or indirectly)				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? **(Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	N/A	1c		
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))				
a	At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011?	☐ Yes ☒ No			
	If "Yes," list the years ▶ 20 , 20 , 20 , 20				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions)	N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ 20 , 20 , 20 , 20				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2011 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011)	N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?		4b		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a	During the year did the foundation pay or incur any amount to			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes ☒ No		
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	☐ Yes ☒ No		
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes ☒ No		
	(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)	☐ Yes ☒ No		
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes ☒ No		
b	If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)?	N/A	**5b**	
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐		
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	N/A ☐ Yes ☐ No		
	If "Yes," attach the statement required by Regulations section 53 4945-5(d)			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		**6b**	X
	If "Yes" to 6b, file Form 8870			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No		
b	If Yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	N/A	**7b**	

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 5				

2 Compensation of five highest-paid employees (other than those included on line 1—see instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over $50,000 ▶ 0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services ▶		

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See instructions 3	
Total. Add lines 1 through 3 ▶	

Part X Minimum Investment Return (All domestic foundations must complete this part Foreign foundations, see instructions)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities	1a	13,633,798
b	Average of monthly cash balances	1b	2,328,528
c	Fair market value of all other assets (see instructions)	1c	0
d	**Total** (add lines 1a, b, and c)	1d	15,962,326
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e 0		
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	15,962,326
4	Cash deemed held for charitable activities Enter 1½% of line 3 (for greater amount, see instructions)	4	239,435
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	15,722,891
6	**Minimum investment return.** Enter 5% of line 5	6	786,145

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part)

1	Minimum investment return from Part X, line 6			1	786,145
2a	Tax on investment income for 2011 from Part VI, line 5	2a	5,476		
b	Income tax for 2011 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	5,476
3	Distributable amount before adjustments Subtract line 2c from line 1			3	780,669
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	780,669
6	Deduction from distributable amount (see instructions)			6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	780,669

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26	1a	1,225,000
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	1,225,000
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	0
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	1,225,000

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see instructions)

			(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1	Distributable amount for 2011 from Part XI, line 7					780,669
2	Undistributed income, if any, as of the end of 2011					
a	Enter amount for 2010 only					
b	Total for prior years 20____ , 20____ , 20____					
3	Excess distributions carryover, if any, to 2011					
a	From 2006					
b	From 2007					
c	From 2008	574,324				
d	From 2009	2,742,124				
e	From 2010					
f	**Total** of lines 3a through e		3,316,448			
4	Qualifying distributions for 2011 from Part XII, line 4 ▶ $ 1,225,000					
a	Applied to 2010, but not more than line 2a					
b	Applied to undistributed income of prior years (Election required—see instructions)					
c	Treated as distributions out of corpus (Election required—see instructions)					
d	Applied to 2011 distributable amount					780,669
e	Remaining amount distributed out of corpus		444,331			
5	Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))					
6	**Enter the net total of each column as indicated below:**					
a	Corpus Add lines 3f, 4c, and 4e Subtract line 5		3,760,779			
b	Prior years' undistributed income Subtract line 4b from line 2b					
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed					
d	Subtract line 6c from line 6b Taxable amount—see instructions					
e	Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount—see instructions					
f	Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012					0
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)					
8	Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)					
9	**Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a		3,760,779			
10	Analysis of line 9					
a	Excess from 2007					
b	Excess from 2008	574,324				
c	Excess from 2009	2,742,124				
d	Excess from 2010					
e	Excess from 2011	444,331				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year—see instructions.)

1 **Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000) (See section 507(d)(2))

N/A

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

N/A

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ▶ ☒ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number of the person to whom applications should be addressed

N/A

b The form in which applications should be submitted and information and materials they should include

N/A

c Any submission deadlines

N/A

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

N/A

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
CHILDREN'S HEALTH INITIATIVE SEE ATTACHED			CHARITABLE	1,225,000
Total			▶ 3a	1,225,000
b Approved for future payment				
N/A				
Total			▶ 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income (See instructions)
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	4,360	
4 Dividends and interest from securities			14	204,653	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income			14	-11,411	
8 Gain or (loss) from sales of assets other than inventory			14	76,198	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0		273,800	0

13 **Total.** Add line 12, columns (b), (d), and (e) 13 273,800

(See worksheet in line 13 instructions to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions)
N/A	

DAA

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

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 taxpayer) is based on all information of which preparer has any knowledge

May the IRS discuss this return with the preparer shown below (see instructions)? ☒ Yes ☐ No

▶ [signature] Signature of officer or trustee | 1/31/13 Date | ▶ President Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed
SHARON L. SPUTH	SHARON L. SPUTH	1/22/13	
Firm's name ▶ SHARON L. SPUTH, CPA, PC		PTIN P01368237	
Firm's address ▶ 763 CHESTER RD SAYVILLE, NY 11782		Firm's EIN ▶ 13-3858615	
		Phone no 631-589-0098	

Form **990-PF**

Capital Gains and Losses for Tax on Investment Income

2011

For calendar year 2011, or tax year beginning , and ending

Name: MORGAN STANLEY FOUNDATION, INC.

Employer Identification Number: 26-1226280

	(a) List and describe the kind(s) of property sold, e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co	(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
(1)	3008.301 MSIF CORE PLUS FIXED INCOME	P	11/10/09	02/10/11
(2)	3346.726 MSIF CORE PLUS FIXED INCOME	P	11/10/09	02/10/11
(3)	269079.281 MSIF CORE PLUS FI	P	11/10/09	02/10/11
(4)	4483.863 MSIF CORE PLUS FIXED INCOME	P	12/18/09	02/10/11
(5)	3106.915 MSIF CORE PLUS FIXED INCOME	P	04/05/10	02/10/11
(6)	3394.831 MSIF CORE PLUS FIXED INCOME	P	07/07/10	02/10/11
(7)	3346.726 MSIF CORE PLUS FIXED INCOME	P	10/04/10	02/10/11
(8)	3008.301 MSIF CORE PLUS FIXED INCOME	P	12/17/10	02/10/11
(9)	1000 ISHARES SILVER TRUST	P	10/05/10	04/28/11
(10)	970 PS DB BASE METAL	P	10/05/10	12/22/11
(11)	1000 PS DB BASE METAL	P	05/02/11	12/22/11
(12)	75000 CALIFORNIA ST ECON BD	P	10/26/11	11/15/11
(13)	90000 CHICAGO ILL MET WTR BD	P	07/21/11	11/14/11
(14)	100000 GEORGIA MUN GAS AUTH BD	P	06/10/11	11/14/11
(15)	75000 AIRGAS INC BD	P	02/14/11	11/07/11

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
(1)	28,970		28,338	632
(2)	32,229		31,526	703
(3)	2,591,233		2,534,727	56,506
(4)	43,180		42,283	897
(5)	29,920		29,174	746
(6)	32,692		32,726	-34
(7)	32,229		33,066	-837
(8)	28,970		28,940	30
(9)	47,037		21,942	25,095
(10)	18,128		21,868	-3,740
(11)	18,688		24,052	-5,364
(12)	76,531		76,433	98
(13)	90,056		90,000	56
(14)	100,000		100,000	
(15)	76,763		74,393	2,370

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			
	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(1)				632
(2)				703
(3)				56,506
(4)				897
(5)				746
(6)				-34
(7)				-837
(8)				30
(9)				25,095
(10)				-3,740
(11)				-5,364
(12)				98
(13)				56
(14)				
(15)				2,370

Capital Gains and Losses for Tax on Investment Income

Form **990-PF** | **2011**

For calendar year 2011, or tax year beginning , and ending

Name: MORGAN STANLEY FOUNDATION, INC.

Employer Identification Number: 26-1226280

	(a) List and describe the kind(s) of property sold, e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co	(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
(1)	75000 CELGENE CORP BD	P	02/14/11	11/07/11
(2)	75000 DIRECTTV HLDGS BD	P	02/14/11	11/07/11
(3)	75000 EASTMAN CHEMICAL BD	P	02/14/11	11/07/11
(4)	75000 EXPRESS SCRIPTS BD	P	04/27/11	11/07/11
(5)	75000 LABORATORY CORP BD	P	02/14/11	11/07/11
(6)	75000 NASDAQ OMX GROUP BD	P	02/14/11	11/07/11
(7)	25000 NASDAQ OMX GROUP BD	P	08/12/11	11/07/11
(8)	75000 QUEST DIAGNOSTICS BD	P	03/22/11	11/07/11
(9)	75000 LIFE TECH CORP BD	P	03/24/11	11/07/11
(10)	75000 ARCELORMITTAL SR UNSGLOBAL BD	P	02/14/11	12/21/11
(11)	25000 ARCELORMITTAL SR UNSGLOBAL BD	P	08/12/11	12/21/11
(12)	75000 VALE OVERSEAS SR UNS GLOBAL BD	P	02/14/11	11/07/11
(13)	15000 US TREASURY TIPS 2.375% BD	P	02/24/11	02/28/11
(14)	10000 US TREASURY TIPS 2.375% BD	P	02/24/11	03/15/11
(15)	20000 US TREASURY TIPS 1.875% BD	P	02/24/11	02/28/11

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
(1)	76,800		72,122	4,678
(2)	77,063		73,321	3,742
(3)	76,521		73,489	3,032
(4)	76,996		74,735	2,261
(5)	77,813		74,349	3,464
(6)	77,573		75,788	1,785
(7)	25,858		25,804	54
(8)	78,071		75,121	2,950
(9)	76,651		75,453	1,198
(10)	71,588		75,104	-3,516
(11)	23,863		24,902	-1,039
(12)	84,224		83,530	694
(13)	18,376		18,377	-1
(14)	12,400		12,252	148
(15)	25,758		25,793	-35

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			
	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(1)				4,678
(2)				3,742
(3)				3,032
(4)				2,261
(5)				3,464
(6)				1,785
(7)				54
(8)				2,950
(9)				1,198
(10)				-3,516
(11)				-1,039
(12)				694
(13)				-1
(14)				148
(15)				-35

Form **990-PF**

Capital Gains and Losses for Tax on Investment Income

2011

For calendar year 2011, or tax year beginning , and ending

Name: MORGAN STANLEY FOUNDATION, INC.

Employer Identification Number: 26-1226280

	(a) List and describe the kind(s) of property sold, e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co	(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
(1)	10000 US TREASURY TIPS 2.0% BD	P	02/24/11	02/28/11
(2)	50000 AUSTRALIA GOVERNMENT BD	P	02/25/11	12/01/11
(3)	40000 CANADA GOVERNMENT BD	P	02/25/11	12/01/11
(4)	65000 FRANCE OAT OATI, 1% BD	P	02/25/11	12/01/11
(5)	70000 FRANCE OAT OATI, 1.3% BD	P	02/25/11	12/01/11
(6)	60000 FRANCE OAT OATI, 2.5% BD	P	02/25/11	12/01/11
(7)	25000 UK TREASURY INDEX LINKED 1.25%	P	02/25/11	12/01/11
(8)	35000 UK TREASURY INDEX LINKED 2.5%	P	02/25/11	12/01/11
(9)	25000 NEW ZEALAND GOVERNMENT BD	P	02/25/11	12/01/11
(10)	20000 NEW ZEALAND GOVERNMENT BD	P	03/16/11	12/01/11
(11)	250000 SWEDEN GOVERNMENT BD	P	02/25/11	12/01/11
(12)	200000 SOUTH AFRICA GOVERNMENT BD	P	02/25/11	12/01/11
(13)	12581.014 MSIF ACTIVE INTL ALLOC FD	P	12/19/00	02/08/11
(14)	269.070 MSIF ACTIVE INTL ALLOC FD	P	07/03/01	02/08/11
(15)	1648.999 MSIF ACTIVE INTL ALLOC FD	P	06/25/02	02/08/11

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
(1)	12,746		12,764	-18
(2)	90,497		85,352	5,145
(3)	79,207		76,263	2,944
(4)	95,135		98,855	-3,720
(5)	96,525		100,578	-4,053
(6)	97,146		100,884	-3,738
(7)	54,710		51,747	2,963
(8)	155,376		159,426	-4,050
(9)	31,741		28,840	2,901
(10)	25,393		22,817	2,576
(11)	50,613		53,133	-2,520
(12)	27,718		29,486	-1,768
(13)	157,766		131,472	26,294
(14)	3,374		2,516	858
(15)	20,678		14,000	6,678

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			
	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(1)				-18
(2)				5,145
(3)				2,944
(4)				-3,720
(5)				-4,053
(6)				-3,738
(7)				2,963
(8)				-4,050
(9)				2,901
(10)				2,576
(11)				-2,520
(12)				-1,768
(13)				26,294
(14)				858
(15)				6,678

Capital Gains and Losses for Tax on Investment Income

Form **990-PF** — **2011**

For calendar year 2011, or tax year beginning , and ending

Name: MORGAN STANLEY FOUNDATION, INC.

Employer Identification Number: 26-1226280

	(a) List and describe the kind(s) of property sold, e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co	(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
(1)	6433.931 MSIF ACTIVE INTL ALLOC FD	P	01/10/03	02/08/11
(2)	18408.135 MSIF INTL EQUITY FD	P	04/01/04	02/08/11
(3)	MSIF EMERGING MARKETS			
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				
(11)				
(12)				
(13)				
(14)				
(15)				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
(1)	80,682		47,804	32,878
(2)	262,500		371,292	-108,792
(3)	25,047			25,047
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				
(11)				
(12)				
(13)				
(14)				
(15)				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
(1)				32,878
(2)				-108,792
(3)				25,047
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				
(11)				
(12)				
(13)				
(14)				
(15)				

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
FOREIGN CURRENCY LOSS	$ -11,411	$ -11,411	$
TOTAL	$ -11,411	$ -11,411	$ 0

Federal Statements

Statement 2 - Form 990-PF, Part II, Line 10a - US and State Government Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
US TREASURY TIPS 2.75% DUE 1/15/17	$	$ 146,789	COST	$ 151,305
US TREASURY TIPS 1.875% DUE 7/15/13		63,462	COST	64,992
US TREASURY TIPS 2% DUE 7/15/13		62,870	COST	65,270
FEDERAL FARM CR BANK .5% DUE 4/25/12		89,943	COST	90,132
TOTAL	$ 0	$ 363,064		$ 371,699

Statement 3 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
ISHARES BARCLAYS AGG BOND FUND	$ 1	$ 1	COST	$ 1
ISHARES IBOXX INV GRADE CORP	70	70	COST	88
ISHARES TR S&P SMCP 600 INDEX FUND	327,135	327,135	COST	355,238
SPDR S&P MIDCAP 400 ETU SER 1	876,969	876,969	COST	936,811
SPDR S&P 500 ETF TRUST	3,102,341	3,102,341	COST	3,373,660
MSIF ACTIVE INTERNATIONAL ALLOCATION	1,014,433	842,504	COST	1,081,649
MSIF U.S. LARGE GROWTH	830,370	833,416	COST	1,233,892
MSIF EMERGING MARKETS	1,144,651	1,694,698	COST	1,356,388
MSIF INTERNATIONAL EQUITY	2,027,191	1,685,328	COST	1,188,440
MSIF CORE PLUS FIXED INCOME	2,760,780		COST	
ETFS PHY PLDM	21,700	21,700	COST	24,533
ISHARES SILVER TRUST	21,942	18,272	COST	17,376
PS DB BASE METAL	21,868		COST	
SPDR GOLD TRUST	21,555	39,515	COST	42,557
GREENHAVEN CONT CMDTY	109,510	109,510	COST	116,688
ETFS PHY PTNM	21,944	21,944	COST	17,917
POWERSHARES DB CMDTY INDX	109,580	109,580	COST	120,780
POWERSHARES DB AGRICULTURAL	109,560	109,560	COST	118,408
TOTAL	$ 12,521,600	$ 9,792,543		$ 9,984,426

Statement 4 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
GEN ELEC CAP CRP SER A DUE 4/7/14	$	$ 75,000	COST	$ 73,481
TOYOTA MTR CRED SER B DUE 11/7/14		124,725	COST	125,888
ANHEUSER-BUSCH 1.5%DUE 7/14/11		99,997	COST	101,411
AT&T INC 2.5% DUE 8/15/15		69,913	COST	73,144
GOLDMAN SACHS GRP .753% DUE 3/22/16		95,436	COST	86,341
GOOGLE INC 1.25% DUE 5/19/11		75,016	COST	76,238
HEWLETT-PACK CO 2.35% DUE 3/15/15		100,130	COST	100,182
JP MORGAN CHASE 2.6% DUE 1/15/16		97,765	COST	99,735
MICROSOFT CORP SR 2.95% DUE 6/1/14		132,227	COST	133,091
PEPSICO INC DUE 5/10/13		75,000	COST	75,135
PHILIP MORRIS INC 2.5% DUE 5/16/16		74,634	COST	77,787
TEVA PHA FIN IV 1.7% DUE 11/10/14		100,320	COST	101,014
THERMO FISHER 2.05% DUE 2/21/14		74,984	COST	77,368
VERIZON COMM INC DUE 3/28/14		50,000	COST	49,940
WALT DISNEY CO SR .875% DUE 12/2/14		149,596	COST	150,808
MANITOBA 1.375% DUE 4/28/14		149,908	COST	152,815
BHP FINANCE USA 1.125% DUE 11/21/14		74,744	COST	75,270
TELEFONICA EMIS SR 2.582% DUE 4/26/1		100,139	COST	98,046
VODAFONE GROUP 2.875% DUE 3/16/11		74,688	COST	78,449
HYDRO QUEBEC 2% DUE 6/30/16		74,987	COST	76,545
NOVA SCOTIA 2.375% DUE 7/21/15		80,630	COST	84,240
TOTAL	$ 0	$ 1,949,839		$ 1,966,928

Federal Statements

Statement 5 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees, Etc.

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
CARLA HARRIS MORGAN STANLEY 522 5TH AVE., 9TH FL NEW YORK NY 10036	CHAIRMAN	0.50	0	0	0
JOAN STEINBERG MORGAN STANLEY, 1633 BROADWAY NEW YORK NY 10019	PRESIDENT	10.00	0	0	0
JEFF BRODSKY MORGAN STANLEY 1585 BROADWAY NEW YORK NY 10036	DIRECTOR	0.50	0	0	0
AUDREY CHOI MORGAN STANLEY, 1585 BROADWAY NEW YORK NY 10036	DIRECTOR	0.50	0	0	0
JOSH CONNOR MORGAN STANLEY, 1585 BROADWAY NEW YORK NY 10036	DIRECTOR	0.50	0	0	0
MARILYN BOOKER MORGAN STANLEY 1221 AVE OF AMERICAS NEW YORK NY 10019	DIRECTOR	0.50	0	0	0
CHARLES CHASIN MORGAN STANLEY 1585 BROADWAY, 30 FL NEW YORK NY 10036	DIRECTOR	0.50	0	0	0
GORDON DEAN MORGAN STANLEY 555 CALIFORNIA STREET SAN FRANCISCO CA 94104	DIRECTOR	0.50	0	0	0
BILL MCMAHON MORGAN STANLEY 2000 WESTCHESTER AVE. PURCHASE NY 10577	DIRECTOR	0.50	0	0	0
KATHLEEN MCCABE MORGAN STANLEY, 1585 BROADWAY NEW YORK NY 10036	DIRECTOR	0.50	0	0	0

Federal Statements

Statement 5 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees, Etc. (continued)

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
JEANMARIE MCFADDEN MORGAN STANLEY, 1585 BROADWAY NEW YORK NY 10036	DIRECTOR	0.50	0	0	0
JIM ROSENTHAL MORGAN STANLEY, 1585 BROADWAY NEW YORK NY 10036	DIRECTOR	0.50	0	0	0
SHELLEY O'CONNOR MORGAN STANLEY 2000 WESTCHESTER AVE. PURCHASE NY 10577	DIRECTOR	0.50	0	0	0
MATT BERKE MORGAN STANLEY, 1585 BROADWAY NEW YORK NY 10036	DIRECTOR	0.50	0	0	0

MORGAN STANLEY FOUNDATION, INC.
26-1226280
ATTACHMENT TO PART XV-LINE 3a
2011

UNITED NATIONS FOUNDATION 1800 Massachusettes Ave. NW, Suite 400 Washington, DC 20036	125,000.00
DOCTORS WITHOUT BORDERS PO Box 5030 Hagerstown, MD 21741-5030	100,000.00
MORGAN STANLEY CHILDREN'S HOSPITAL 3959 Broadway New York, NY 10032	1,000,000.00
	1,225,000.00

Form **8868** (Rev January 2012)

Department of the Treasury Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

OMB No 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions) For more details on the electronic filing of this form, visit www irs gov/efile and click on e-file for Charities & Nonprofits

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed)

A corporation required to file Form 990-T and requesting an automatic 6-month extension-check this box and complete Part I only ▶ [ ]

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Enter filer's identifying number, see instructions

Type or print File by the due date for filing your return See instructions	Name of exempt organization or other filer, see instructions MORGAN STANLEY FOUNDATION, INC.	Employer identification number (EIN) or [X] 26-1226280
	Number, street, and room or suite no If a P O box, see instructions 1633 BROADWAY-TAX DEPT., 25TH FL	Social security number (SSN) [ ]
	City, town or post office, state, and ZIP code For a foreign address, see instructions NEW YORK NY 10019	

Enter the Return code for the return that this application is for (file a separate application for each return) 04

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

MORGAN STANLEY FOUNDATION
1633 BROADWAY

- The books are in the care of ▶ NEW YORK NY 10019

Telephone No ▶ 212-761-4000 FAX No ▶

- If the organization does not have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ________ If this is for the whole group, check this box ▶ [ ] If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension is for

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 08/15/12 , to file the exempt organization return for the organization named above The extension is for the organization's return for

▶ [X] calendar year 2011 or

▶ [ ] tax year beginning , and ending

2 If the tax year entered in line 1 is for less than 12 months, check reason [ ] Initial return [ ] Final return [ ] Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	3a	$ 10,700
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit	3b	$ 1,700
c	**Balance due.** Subtract line 3b from line 3a Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	3c	$ 9,000

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

• If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box ▶ [X]

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868

• If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1)

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed)

Enter filer's identifying number, see instructions

Type or print	Name of exempt organization or other filer, see instructions	Employer identification number (EIN) or
File by the due date for filing your return See instructions	MORGAN STANLEY FOUNDATION, INC.	[X] 26-1226280
	Number, street, and room or suite no If a P O box, see instructions 1633 BROADWAY-TAX DEPT., 25TH FL	Social security number (SSN) [ ]
	City, town or post office, state, and ZIP code For a foreign address, see instructions NEW YORK NY 10019	

Enter the Return code for the return that this application is for (file a separate application for each return) 04

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

MORGAN STANLEY FOUNDATION
1633 BROADWAY

• The books are in the care of ▶ JOAN STEINBERG NEW YORK NY 10019

Telephone No ▶ 212-761-4000 FAX No ▶ 212-761-4000

• If the organization does not have an office or place of business in the United States, check this box ▶ [ ]

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ______ If this is for the whole group, check this box ▶ [ ] If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension is for

4 I request an additional 3-month extension of time until 11/15/12

5 For calendar year 2011, or other tax year beginning , and ending

6 If the tax year entered in line 5 is for less than 12 months, check reason [ ] Initial return [ ] Final return [ ] Change in accounting period

7 State in detail why you need the extension
ADDITIONAL TIME IS NECESSARY TO GATHER INFORMATION FROM THIRD PARTIES NEEDED TO FILE A COMPLETE AND ACCURATE RETURN.

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	8a	$ 10,700
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868	8b	$ 10,700
c	**Balance due.** Subtract line 8b from line 8a Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	8c	$ 0

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature ▶ Title ▶ Date ▶

DAA