

MORGAN STANLEY INCOME SECURITIES INC
Form DEF 14A
November 15, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

MORGAN STANLEY INCOME SECURITIES INC.
MORGAN STANLEY MUNICIPAL INCOME OPPORTUNITIES TRUST

(Names of Registrants as Specified in Their Charters)

(Name of Person(s) Filing Proxy Statement, if Other Than Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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 - 2) Aggregate number of securities to which transaction applies: _____
 - 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): _____
 - 4) Proposed maximum aggregate value of transaction: _____
 - 5) Total fee paid: _____
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by the registration statement number, or the Form or Schedule and the date of its filing.
 - 1) Amount Previously Paid: _____
 - 2) Form, Schedule or Registration Statement No.: _____
 - 3) Filing Party: _____
 - 4) Date Filed: _____

MORGAN STANLEY INCOME SECURITIES INC.
MORGAN STANLEY MUNICIPAL INCOME OPPORTUNITIES TRUST

NOTICE OF ANNUAL MEETINGS OF SHAREHOLDERS
TO BE HELD DECEMBER 13, 2006

Annual Meetings of Shareholders (“Meeting(s)”) of MORGAN STANLEY INCOME SECURITIES INC., a corporation organized under the laws of Maryland, and MORGAN STANLEY MUNICIPAL INCOME OPPORTUNITIES TRUST, an unincorporated business trust organized under the laws of the Commonwealth of Massachusetts (individually, a “Fund” and, collectively, the “Funds”), will be held jointly in Conference Room 1B, 5th Floor at 1221 Avenue of the Americas, New York, New York 10020, on December 13, 2006 at 8:30 a.m., New York City time, for the following purposes:

1. For Morgan Stanley Income Securities Inc., to elect twelve Directors to serve until the year 2007 Annual Meeting, and for Morgan Stanley Municipal Income Opportunities Trust, to elect two Trustees to serve until the year 2007 Annual Meeting, to elect one Trustee to serve until the year 2008 Annual Meeting and to elect five Trustees to serve until the year 2009 Annual Meeting, or in each case, until their successors shall have been elected and qualified.
2. To transact such other business as may properly come before the Meetings or any adjournments thereof.

Shareholders of record of each Fund as of the close of business on October 13, 2006 are entitled to notice of and to vote at the Meeting. If you cannot be present in person, your management would greatly appreciate your filling in, signing and returning the enclosed proxy promptly in the envelope provided for that purpose. Alternatively, if you are eligible to vote telephonically by touchtone telephone or electronically on the Internet (as discussed in the enclosed Joint Proxy Statement) you may do so in lieu of attending the Meetings in person.

In the event that holders of a majority of a Fund's shares issued and outstanding and entitled to vote (a “Quorum”) are not present in person or by proxy, or the vote required to approve or reject any proposal is not obtained at the Meeting of any Fund, the persons named as proxies may propose one or more adjournments of the Meeting to permit further solicitation of proxies. Any such adjournment will require the affirmative vote of the holders of a majority of the applicable Fund's shares present in person or by proxy at the Meeting. The persons named as proxies will vote in favor of such adjournment those proxies which have been received by the date of the Meetings.

MARY E. MULLIN
Secretary

November 15, 2006
New York, New York

IMPORTANT

You can help avoid the necessity and expense of sending follow-up letters to ensure a Quorum by promptly returning the enclosed Proxy. If you are unable to be present in person, please fill in, sign and return the enclosed Proxy in order that the necessary Quorum may be represented at the Meetings. The enclosed envelope requires no postage if mailed in the United States. Certain shareholders will be able to vote telephonically by touchtone telephone or electronically on the Internet by following instructions contained on their proxy cards or on the enclosed Voting Information Card.

MORGAN STANLEY INCOME SECURITIES INC.
MORGAN STANLEY MUNICIPAL INCOME OPPORTUNITIES TRUST
1221 Avenue of the Americas, New York, New York 10020

JOINT PROXY STATEMENT

Annual Meetings of Shareholders
December 13, 2006

This Joint Proxy Statement is furnished in connection with the solicitation of proxies by the Boards of Trustees/Directors (the "Board(s)") of MORGAN STANLEY INCOME SECURITIES INC. ("ICB") and MORGAN STANLEY MUNICIPAL INCOME OPPORTUNITIES TRUST ("OIA") (individually, a "Fund" and, collectively, the "Funds") for use at the Annual Meetings of Shareholders of the Funds to be held jointly on December 13, 2006 (the "Meeting(s)"), and at any adjournments thereof. The first mailing of this Proxy Statement is expected to be made on or about November 16, 2006.

If the enclosed form of proxy is properly executed and returned in time to be voted at the Meetings, the proxies named therein will vote the shares of beneficial interest with respect to ICB and common stock with respect to OIA ("Shares") represented by the proxy in accordance with the instructions marked thereon. Unmarked proxies submitted by shareholders of a Fund ("Shareholders") will be voted for each of the nominees for election as Trustee/Director to be elected by Shareholders of that Fund set forth in the attached Notice of Annual Meetings of Shareholders. A proxy may be revoked at any time prior to its exercise by any of the following: written notice of revocation to the Secretary of the Funds, execution and delivery of a later dated proxy to the Secretary of the Funds (whether by mail or, as discussed below, by touchtone telephone or the Internet) (if returned and received in time to be voted), or attendance and voting at the Meetings. Attendance at the Meetings will not in and of itself revoke a proxy.

Shareholders of record of each Fund as of the close of business on October 13, 2006, the record date for the determination of Shareholders entitled to notice of and to vote at the Meetings (the "Record Date"), are entitled to one vote for each share held and a fractional vote for a fractional share. On the Record Date, there were outstanding 9,719,435.544 shares of common stock of ICB and 19,685,157.605 shares of beneficial interest of OIA outstanding, all with \$0.01 par value. No person was known to own as much as 5% of the outstanding Shares of any of the Funds on that date. The percentage ownership of Shares of each Fund changes from time to time depending on purchases and sales by Shareholders and the total number of Shares outstanding.

The cost of soliciting proxies for the Meeting of each Fund, consisting principally of printing and mailing expenses, will be borne by each respective Fund. The solicitation of proxies will be by mail, which may be supplemented by solicitation by mail, telephone or otherwise through Trustees/Directors, officers of the Funds, or officers and regular employees of Morgan Stanley Investment Advisors Inc. ("Morgan Stanley Investment Advisors" or the "Investment Adviser"), Morgan Stanley Trust ("Transfer Agent"), Morgan Stanley Services Company Inc. ("Morgan Stanley Services" or the "Administrator") and/or Morgan Stanley DW Inc. ("Morgan Stanley DW"), without special compensation therefor. In addition, each Fund may employ Computershare Fund Services, Inc. ("Computershare") to make telephone calls to Shareholders to remind them to vote. Each Fund may also employ Computershare as proxy solicitor if it appears that the required number of votes to achieve a Quorum will not be received.

Shareholders will be able to vote their Shares on the Voting Information Card accompanying this Joint Proxy Statement and certain Shareholders may be able to vote their Shares by touchtone telephone or by Internet by following the instructions on the proxy card. To vote by touchtone telephone or by Internet, Shareholders can access the website or call the toll-free number listed on the proxy card or noted in the enclosed voting instructions. To vote by touchtone telephone or by Internet, Shareholders will need the number that appears on the proxy card in the shaded box.

In certain instances, the Transfer Agent and/or Computershare, if retained, may call Shareholders to ask if they would be willing to have their votes recorded by telephone. The telephone voting procedure is designed to authenticate Shareholders' identities, to allow Shareholders to authorize the voting of their shares in accordance with their instructions and to confirm that their instructions have been recorded properly. No recommendation will be made as to how a Shareholder should vote on any proposal other than to refer to the recommendations of the Board. The Funds have been advised by counsel that these procedures are consistent with the requirements of applicable law. Shareholders voting by telephone in this manner will be asked for identifying information and will be given an opportunity to authorize proxies to vote their shares in accordance with their instructions. To ensure that the Shareholders' instructions have been recorded correctly they will receive a confirmation of their instructions in the mail. A special toll-free number set forth in the confirmation will be available in case the information contained in the confirmation is incorrect. Although a Shareholder's vote may be taken by telephone, each Shareholder will receive a copy of this Joint Proxy Statement and may vote by mail using the enclosed proxy card or by touchtone telephone or the Internet as set forth above. The last proxy vote received in time to be voted, whether by proxy card, touchtone telephone or Internet, will be the vote that is counted and will revoke all previous votes by the Shareholder. In the event that Computershare is retained as proxy solicitor, Computershare will be paid a project management fee as well as telephone solicitation expenses incurred for reminder calls, outbound telephone voting, confirmation of telephone votes, inbound telephone contact, obtaining Shareholders' telephone numbers, and providing additional materials upon Shareholder request, at an estimated cost of \$2,000, which will be borne by each respective Fund.

This Joint Proxy Statement is being used in order to reduce the preparation, printing, handling and postage expenses that would result from the use of a separate proxy statement for each Fund and, because Shareholders may own shares of more than one Fund, to potentially avoid burdening Shareholders with more than one proxy statement. Shares of a Fund are entitled to one vote each at the respective Fund's Meeting. To the extent information relating to common ownership is available to the Funds, a Shareholder that owns record shares in two or more of the Funds will receive a package containing a Joint Proxy Statement and proxy cards for the Funds in which such Shareholder is a record owner. If the information relating to common ownership is not available to the Funds, a Shareholder that beneficially owns shares in two or more Funds may receive two or more packages each containing a Joint Proxy Statement and a proxy card for each Fund in which such Shareholder is a beneficial owner. If the proposed election of Trustees/Directors is approved by Shareholders of one Fund and disapproved by Shareholders of other Funds, the proposal will be implemented for the Fund that approved the proposal and will not be implemented for any Fund that did not approve the proposal. Thus, it is essential that Shareholders complete, date, sign and return each enclosed proxy card or vote by touchtone telephone or Internet as indicated in each Fund's proxy card.

Only one copy of this Joint Proxy Statement will be delivered to multiple Shareholders sharing an address unless we have received contrary instructions from one or more of the Shareholders. Upon written or oral request, we will deliver a separate copy of this Joint Proxy Statement to a Shareholder at a shared address to which a single copy of this Joint Proxy Statement was delivered. Should any

Shareholder wish to receive a separate proxy statement or should Shareholders sharing an address wish to receive a single proxy statement in the future, please contact (800) 869-NEWS (toll-free).

ELECTION OF TRUSTEES/DIRECTORS FOR EACH FUND

The number of Trustees/Directors of each Fund has been fixed by the Trustees/Directors, pursuant to each Fund's Articles of Incorporation or Declaration of Trust, at twelve. There are presently twelve Trustees/Directors for each Fund. Four of these Trustees/Directors, Frank L. Bowman, Kathleen A. Dennis, Michael F. Klein and W. Allen Reed, were appointed by the Boards at the August 1, 2006 meeting. At the Meetings, the following nominees are to be elected to each Fund's Board of Trustees/Directors to serve for the following terms, in accordance with each Fund's Articles of Incorporation or Declaration of Trust, as set forth below:

ICB	OIA
Until the year 2007 Annual Meeting	Until the year 2007 Annual Meeting
Frank L. Bowman	Michael F. Klein
Michael Bozic	W. Allen Reed
Kathleen A. Dennis	
Edwin J. Garn	Until the year 2008 Annual Meeting
Wayne E. Hedien	Frank L. Bowman
James F. Higgins	
Manuel H. Johnson	Until the year 2009 Annual Meeting
Joseph J. Kearns	Kathleen A. Dennis
Michael F. Klein	Wayne E. Hedien
Michael E. Nugent	Manuel H. Johnson
W. Allen Reed	Joseph J. Kearns
Fergus Reid	Fergus Reid

Eleven of the current twelve Trustees/Directors (Frank L. Bowman, Michael Bozic, Kathleen A. Dennis, Edwin J. Garn, Wayne E. Hedien, Manuel H. Johnson, Joseph J. Kearns, Michael F. Klein, Michael E. Nugent, W. Allen Reed and Fergus Reid) are "Independent Trustees" or "Independent Directors," that is, Trustees or Directors who are not "interested persons" of the Funds, as that term is defined in the Investment Company Act of 1940, as amended (the "1940 Act"). The other current Trustee/Director, James F. Higgins, is an "Interested Trustee/Director," that is, a Trustee/Director who is an "interested person" (as that term is defined in the 1940 Act) of the Funds and Morgan Stanley Investment Advisors and thus, is not an Independent Trustee or Independent Director. The nominees for election as Trustee or Director have been proposed by the Trustees or Directors now serving, or, in the case of the nominees for positions as Independent Trustee or Independent Director, by the Independent Trustees or Independent Directors now serving. All of the Trustees, with the exception of Frank L. Bowman, Kathleen A. Dennis, Michael F. Klein and W. Allen Reed, have previously been elected by the Shareholders of the Funds.

The nominees of the Boards of Trustees/Directors for election as Trustee/Director of each Fund are listed below. It is the intention of the persons named in the enclosed form of proxy, unless instructed by proxy to withhold authority to vote for the nominees, to vote all validly executed proxies for the election of these nominees: for ICB—Frank L.

Bowman, Michael Bozic, Kathleen A. Dennis, Edwin J. Garn, Wayne E. Hedien, James F. Higgins, Manuel H. Johnson, Joseph J. Kearns, Michael F. Klein, Michael E. Nugent, W. Allen Reed and Fergus Reid and for OIA—Frank L. Bowman, Kathleen A. Dennis, Wayne

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E. Hedien, Manuel H. Johnson, Joseph J. Kearns, Michael F. Klein, W. Allen Reed and Fergus Reid. Should any of the nominees become unable or unwilling to accept nomination or election, the persons named in the proxy will exercise their voting power in favor of such person or persons as the Boards may recommend or, in the case of an Independent Trustee/Director nominee, as the Independent Trustees/Directors of each Fund may recommend. All of the nominees have consented to being named in this Joint Proxy Statement and to serve if elected. The Funds know of no reason why any of the said nominees would be unable or unwilling to accept nomination or election. With respect to each Fund, the election of the nominees listed above requires the approval of a majority of the Shares of the Fund represented and entitled to vote at each Fund's Meeting.

Pursuant to the provisions of the Articles of Incorporation of ICB, the terms of office of each Director will expire each year. Therefore, all of the Directors of the Fund, if elected, will serve until the year 2007 Annual Meeting of ICB, or until their successors shall have been elected and qualified.

Pursuant to the provisions of the Declaration of Trust of OIA, as amended, the Trustees are divided into three separate classes, each class having a term of three years. The term of office of one of each of the three classes will expire each year.

The Board of OIA previously determined that any nominee for election as Trustee for the Fund will stand for election as Trustee and serve as Trustee in one of the three classes of Trustees as follows: Class I—Messrs. Bowman, Bozic and Higgins; Class II—Ms. Dennis and Messrs. Hedien, Johnson, Kearns and Reid; and Class III—Messrs. Garn, Klein, Nugent and Reed. Each nominee will, if elected, serve a term of up to approximately three years running for the period assigned to that class and terminating at the date of the Annual Meeting of Shareholders so designated by the Boards, or any adjournments thereof. As a consequence of this method of election, the replacement of a majority of the Board could be delayed for up to two years. In accordance with the above, one Trustee in Class I, five Trustees in Class II and two Trustees in Class III are standing for election at this Meeting and will, if elected, serve until the Annual Meetings as set forth above or until their successors shall have been elected and qualified.

The current Trustees/Directors of the Funds also serve as trustees/directors for certain of the funds advised by the Investment Adviser (the Retail Funds) and certain of the funds advised by Morgan Stanley Investment Management Inc. and Morgan Stanley AIP GP LP (the "Institutional Funds"). The table below sets forth the following information as of October 30, 2006, unless otherwise noted, regarding the nominees for election as Trustee/Director, and each of the other Trustees/Directors (both the Independent Trustees/Directors and the Interested Trustee/Director) as well as the executive officers of the Funds, and each of their age, address, term of office and length of time served, their principal business occupations during the past five years, the number of portfolios in the Fund Complex (defined below) overseen by each Trustee/Director or nominee Trustee/Director, and other directorships, if any, held by the Trustees/Directors. The Fund Complex includes all open-end and closed-end funds (including all of their portfolios) advised by the Investment Adviser and any funds that have an investment adviser that is an affiliated person of the Investment Adviser (including, but not limited to, Morgan Stanley Investment Management Inc.).

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Independent Trustees/Directors

Name, Age and Address of Independent Trustee/Director	Position(s) Held with Registrants	Length of Time Served*	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Independent Trustee/Director	Other Directorships Held by Independent Trustee/Director
Frank L. Bowman (61) c/o Kramer Levin Naftalis & Frankel LLP Counsel to the Independent Trustees/Directors 1177 Avenue of the Americas New York, NY 10036	Nominee/ Trustee/ Director	Since August 2006	President and Chief Executive Officer of the Nuclear Energy Institute (policy organization) (since February 2005); Director or Trustee of various Retail and Institutional Funds (since August 2006); formerly variously, Admiral in the U.S. Navy, Director of Naval Nuclear Propulsion Program and Deputy Administrator—Naval Reactors in the National Nuclear Security Administration at the U.S. Department of Energy (1996-2004). Honorary Knight Commander of the Most Excellent Order of the British Empire.	163	Director of the National Energy Foundation, the U.S. Energy Association, the American Council for Capital Formation and the Armed Services YMCA of the USA.
Michael Bozic (65) c/o Kramer Levin Naftalis & Frankel LLP Counsel to the Independent Trustees/Directors 1177 Avenue of the Americas New York, NY 10036	Nominee/ Trustee/ Director	Since April 1994	Private investor; Chairperson of the Valuation, Insurance and Compliance Committee (since October 2006); Director or Trustee of the Retail Funds (since April 1994) and the Institutional Funds (since July 2003); formerly Chairperson of the Insurance Committee	173	Director of various business organizations.

<p>Kathleen A. Dennis (53) c/o Kramer Levin Naftalis & Frankel LLP Counsel to the Independent Trustees/Directors 1177 Avenue of the Americas New York, NY 10036</p>	<p>Nominee/ Trustee/ Director</p>	<p>Since August 2006</p>	<p>(July 2006-September 2006), Vice Chairman of Kmart Corporation (December 1998-October 2000), Chairman and Chief Executive Officer of Levitz Furniture Corporation (November 1995-November 1998) and President and Chief Executive Officer of Hills Department Stores (May 1991-July 1995); variously Chairman, Chief Executive Officer, President and Chief Operating Officer (1987-1991) of the Sears Merchandise Group of Sears, Roebuck & Co. President, Cedarwood Associates (mutual fund consulting) (since July 2006); Chairperson of the Closed-End, Money Market and Alternatives Sub-Committee of the Investment Committee (since October 2006) and Director or Trustee of various Retail and Institutional Funds (since August 2006); formerly, Senior Managing Director of Victory Capital Management (1993-2006).</p>	<p>163</p>	<p>None.</p>
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*This is the earliest date the Trustee/Director began serving the Retail Funds or Institutional Funds. Each Trustee/Director serves an indefinite term, until his or her successor is elected.

Name, Age and Address	Position(s) Held with	Length of Time	Principal Occupation(s) During Past 5 Years	Number of Portfolios in	Other Directorships Held
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of Independent Trustee/Director	Registrants	Served*		Fund Complex Overseen by Independent Trustee/Director	by Independent Trustee/Director
Edwin J. Garn (74) 1031 N. Chartwell Court Salt Lake City, UT 84111-2215	Nominee/ Trustee/ Director	Since January 1993	Consultant; Director or Trustee of the Retail Funds (since January 1993) and the Institutional Funds (since July 2003); member of the Utah Regional Advisory Board of Pacific Corp. (utility company); formerly Managing Director of Summit Ventures LLC (lobbying and consulting firm) (2000-2004), United States Senator (R-Utah) (1974-1992) and Chairman, Senate Banking Committee (1980-1986), Mayor of Salt Lake City, Utah (1971-1974), Astronaut, Space Shuttle Discovery (April 12-19, 1985) and Vice Chairman, Huntsman Corporation (chemical company).	173	Director of Franklin Covey (time management systems), BMW Bank of North America, Inc. (industrial loan corporation), Escrow Bank USA (industrial loan corporation), United Space Alliance (joint venture between Lockheed Martin and the Boeing Company) and Nuskin Asia Pacific (multilevel marketing); member of the boards of various civic and charitable organizations.
Wayne E. Hedien (72) c/o Kramer Levin Naftalis & Frankel LLP Counsel to the Independent Trustees/Directors 1177 Avenue of the Americas New York, NY 10036	Nominee/ Trustee/ Director	Since September 1997	Retired; Director or Trustee of the Retail Funds (since September 1997) and the Institutional Funds (since July 2003); formerly associated with the Allstate Companies (1966-1994), most recently as Chairman of The Allstate Corporation (March 1993- December 1994) and Chairman and Chief Executive Officer of its wholly-owned subsidiary, Allstate Insurance Company (July 1989- December 1994).	173	Director of The PMI Group Inc. (private mortgage insurance); Trustee and Vice Chairman of The Field Museum of Natural History; director of various other business and charitable organizations.

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<p>Dr. Manuel H. Johnson (57) c/o Johnson Smick Group Inc. 888 16th Street, NW Suite 740 Washington, D.C. 20006</p>	<p>Nominee/ Trustee/ Director</p>	<p>Since July 1991</p>	<p>Senior Partner, Johnson Smick International, Inc. (consulting firm); Chairperson of the Investment Committee (since October 2006) and Director or Trustee of the Retail Funds (since July 1991) and the Institutional Funds (since July 2003); Co-Chairman and a founder of the Group of Seven Council (G7C), an international economic commission; formerly Chairman of the Audit Committee (July 1991-September 2006); Vice Chairman of the Board of Governors of the Federal Reserve System and Assistant Secretary of the U.S. Treasury.</p>	<p>173</p>	<p>Director of NVR, Inc. (home construction); Director of KFX Energy; Director of RBS Greenwich Capital Holdings (financial holding company).</p>
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*This is the earliest date the Trustee/Director began serving the Retail Funds or Institutional Funds. Each Trustee/Director serves an indefinite term, until his or her successor is elected.

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Name, Age and Address of Independent Trustee/Director	Position(s) Held with Registrants	Length of Time Served*	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Independent Trustee/Director	Other Directorships Held by Independent Trustee/Director
<p>Joseph J. Kearns (64) c/o Kearns & Associates LLC PMB754 23852 Pacific Coast Highway Malibu, CA 90265</p>	<p>Nominee/ Trustee/ Director</p>	<p>Since August 1994</p>	<p>President, Kearns & Associates LLC (investment consulting); Chairperson of the Audit Committee (since October 2006) and Director or Trustee of the Retail Funds (since July 2003) and the Institutional Funds</p>	<p>174</p>	<p>Director of Electro Rent Corporation (equipment leasing), The Ford Family Foundation and the UCLA Foundation.</p>

<p>Michael F. Klein (47) c/o Kramer Levin Naftalis & Frankel LLP Counsel to the Independent Trustees/Directors 1177 Avenue of the Americas New York, NY 10036</p>	<p>Nominee/ Trustee/ Director</p>	<p>Since August 2006</p>	<p>(since August 1994); formerly Deputy Chairman of the Audit Committee (July 2003-September 2006) and Chairman of the Audit Committee of the Institutional Funds (October 2001-July 2003); formerly CFO of the J. Paul Getty Trust. Chief Operating Officer and Managing Director, Aetos Capital, LLC (since March 2000); Chairperson of the Fixed-Income Sub-Committee of the Investment Committee (since October 2006) and Director or Trustee of various Retail and Institutional Funds (since August 2006); formerly Managing Director, Morgan Stanley & Co. Inc. and Morgan Stanley Dean Witter Investment Management, President, Morgan Stanley Institutional Funds (June 1998-March 2000) and Principal, Morgan Stanley & Co. Inc. and Morgan Stanley Dean Witter Investment Management (August 1997-December 1999).</p>	<p>163</p>	<p>Director of certain investment funds managed or sponsored by Aetos Capital LLC.</p>
<p>Michael E. Nugent (70) c/o Triumph Capital, L.P. 445 Park Avenue New York, NY 10022</p>	<p>Chairman of the Boards and Nominee/ Trustee/ Director</p>	<p>Chairman of the Boards since July 2006 and Trustee since July 1991</p>	<p>General Partner of Triumph Capital, L.P., a private investment partnership; Chairman of the Boards of the Retail Funds and Institutional Funds (since July 2006); Director or Trustee of the Retail Funds (since July 1991) and the Institutional Funds (since July 2001);</p>	<p>173</p>	<p>None.</p>

formerly Chairman of the Insurance Committee (until July 2006); Vice President, Bankers Trust Company and BT Capital Corporation (1984-1988).

*This is the earliest date the Trustee/Director began serving the Retail Funds or Institutional Funds. Each Trustee/Director serves an indefinite term, until his or her successor is elected.

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Name, Age and Address of Independent Trustee/Director	Position(s) Held with Registrants	Length of Time Served*	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Independent Trustee/Director	Other Directorships Held by Independent Trustee/Director
W. Allen Reed (59) c/o Kramer Levin Naftalis & Frankel LLP Counsel to the Independent Trustees/Directors 1177 Avenue of the Americas New York, NY 10036	Nominee/ Trustee/ Director	Since August 2006	Chairperson of the Equity Sub-Committee of the Investment Committee (since October 2006) and Director or Trustee of various Retail and Institutional Funds (since August 2006); formerly, President and CEO of General Motors Asset Management; Chairman and Chief Executive Officer of the GM Trust Bank and Corporate Vice President of General Motors Corporation (August 1994-December 2005).	163	Director of GMAC (financial services), GMAC Insurance and Temple-Inland Industries (packaging, banking and forrest products); member of the Board of Morgan Stanley Capital International Editorial Board; Director of Legg Mason and various investment fund advisory boards.
Fergus Reid (74) c/o Lumelite Plastics Corporation 85 Charles Colman Blvd. Pawling, NY 12564	Nominee/ Trustee/ Director	Since June 1992	Chairman of Lumelite Plastics Corporation; Chairperson of the Governance Committee and Director or Trustee of the Retail Funds (since July 2003) and the Institutional Funds (since June 1992).	174	Trustee and Director of certain investment companies in the JPMorgan Funds complex managed by J.P. Morgan Investment Management Inc.

*This is the earliest date the Trustee/Director began serving the Retail Funds or Institutional Funds. Each Trustee/Director serves an indefinite term, until his or her successor is elected.

Interested Trustee/Director and Executive Officers. The Trustee/Director who is affiliated with the Investment Adviser or affiliates of the Investment Adviser (as set forth below) and executive officers of the Fund, their age, address, term of office and length of time served, their principal business occupations during the past five years, the number of portfolios in the Fund Complex overseen by the Interested Trustee/Director (as of October 30, 2006) and the other directorships, if any, held by the Interested Trustee/Director, are shown below.

INTERESTED TRUSTEE/DIRECTOR:

Name, Age and Address of Interested Trustee/Director	Position(s) Held with Registrants	Length of Time Served**
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